WORKSHOP & REGULAR MEETING
OF THE TOWN COUNCIL

Tuesday, November 1, 2022
6:00 PM
Little Elm Town Hall
100 W Eldorado Parkway, Little Elm, TX 75068

1. **Call to Order Council Workshop at 6:00 p.m.**

   A. Present **Certificates of Completion for Class 7 of Citizens Government Academy.**

   B. Present and Discuss **Options for Christmas Float and Card.**

2. **Roll Call/Call to Order Regular Town Council Immediately Following Council Workshop.**

   A. Invocation.

   B. Pledge to Flags.

   C. Items to be Withdrawn from Consent Agenda.

   D. Emergency Items if Posted.

   E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.

F. **Presentation of Monthly Updates.**
Presentation of monthly updates from department heads: concerning law enforcement activities, municipal court, customer service, emergency medical services, fire department response, fire prevention activities, emergency management, ongoing economic development projects, building permits, code enforcement activities, library activities, human resources updates, information technology report, revenue and expenditure report, street construction status, sanitation services, highway construction status, utility operations, parks and recreation activities, as well as facility and fleet updates.

G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

3. **Public Comments**
Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.072, Texas Government Code.

4. **Consent Agenda**
All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.

A. Consider Action to Approve the **Minutes from the October 18, 2022, Regular Town Council Meeting.**

B. Consider Action to Approve a **Professional Services Contract with Signature Automation, LLC for the Design of Improvements to the Town's Supervisory Control and Data Acquisition (SCADA) System in an Amount not to Exceed $246,196.**

C. Consider Action to Approve the **Quarterly Investment Report for the period ending September 30, 2022.**

D. Consider Action to Approve the **Unaudited Quarterly Budget Report** for the Quarter Ending **September 30, 2022**.

E. Consider Action to Approve a **Professional Services Contract with Freese and Nichols, Inc., for the Design of Improvements to the Wastewater Treatment Plant Solids Dewatering System in an Amount not to Exceed $393,200.**

F. Consider Action to Approve **Resolution No. 1101202201 Denying Oncor's Application to Change Rates Within the Town.**

G. Consider Action to Approve a **Two (2) Year Interlocal Agreement with the City of Denton for Landfill Disposal Services for Municipal Solid Waste Disposed of at the Town's Courtesy Drop Site in an Amount not to Exceed $66,500.**

H. Consider Action to Approve a **Development Agreement associated with the Lakefront Residential Overlay District, between the Town of Little Elm and Modica Construction LLC, Property Owner and Developer of 208 East Park Drive.**

I. Consider Action to Award **Bid 2023-03 for Annual Rental and Installation of Special Event Attractions to MacGregor Entertainment, in an estimated amount of $85,000.**

5. **Regular Items.**

A. Continue the Public Hearing to Present, Discuss, and Consider Action on **Ordinance No. 1687 Accepting and Approving a Service and Assessment Plan and Assessment Roll for the Valencia Public Improvement District No. 2 and Levying Assessments.**

Public Hearing Opened: October 8, 2022 at 6:47 p.m.
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1687

B. Present, Discuss, and Consider Action on **Ordinance No. 1688 Approving and Authorizing the Issuance and Sale of the Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project); and Approving and Authorizing Related Agreements.**

C. Continue the Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1689 Regarding a Request to Rezone Approximately 4.159 Acres of Land, Currently Zoned as Lakefront District (LF), in Order to Establish a New Planned Development District Based on Lakefront (LF) District, to Capture Existing Development, and Allow New Commercial and Residential Development with Modified Uses and Development Standards as well as Expand the Existing Daycare Facility.**

Opened Public Hearing on October 18, 2022, at 6:45 p.m.
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1689:

D. Present, Discuss, and Consider Action on a **Development Agreement between the Town of Little Elm and Matt Mahdi Shekari with Lake Shore Plaza LLC.**

E. Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1690 Regarding Establishes a New Specific Use Permit at 14111 King Road, Suite 2100, Approximately 2,114 sq ft. in Size, Currently Zoned as Light Commercial (LC), in Order to Allow for a New Smoking Establishment, with on Premise Sales and Smoking of Hookah Products, as well as the Sale of Alcoholic Beverages for on Premise Consumption Only.**

Open Public Hearing:
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1690:

6. **Convene in Executive Session pursuant to Texas Government Code:**

- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

7. **Reconvene into Open Session**

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town's response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).

- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

8. **Adjourn.**

Pursuant to the Texas Open Meeting Act, (Chapter 551, Texas Government Code), one or more of the above items will be taken or conducted in open session following the conclusion of the executive closed session.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aide of service such as interpreters for the hearing impaired, reader or large print are requested to contact the secretary at 214-975-0452 two days prior to the meeting so appropriate arrangements can be made. **BRAILLE IS NOT PROVIDED.**

Respectfully,

Town Secretary

This is to certify that the above notice was posted on the Town's website this 28th day of October 2022 before 5:00 p.m.

Date:	11/01/2022
Agenda Item #:	1. A.
Department:	Administrative Services
Strategic Goal:	Ensure strong relationship within the community and region
Staff Contact:	Kate Graham, Assistant to the Town Manager

AGENDA ITEM:

Present **Certificates of Completion for Class 7 of Citizens Government Academy.**

DESCRIPTION:

Mayor Cornelious will recognize the participants from Class 7 of Citizens Government Academy. These individuals completed a seven-week program where they learned about and participated in different Town departments and functions.

Graduates of this year's program are:
Idalia Amaya
Deborah Anderson
Wendy Argentine
Christine Ewald
Venkat Srichandan Gudla
Vince Handler
Charmaine Hogan
Christopher Homan
Janet Jurik
Mani Maruthaiya
Arunkumar Tharanichelvan
Ivonne Ugljevaric
Chuck Ware

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	11/01/2022
Agenda Item #:	1. B.
Department:	Administrative Services
Strategic Goal:	Ensure strong relationship within the community and region
Staff Contact:	Caitlan Biggs, Director of Administrative Services/Town Secretary

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AGENDA ITEM:

Present and Discuss **Options for Christmas Float and Card.**

DESCRIPTION:

Town staff will provide options for Town Council's Christmas Float and annual card.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff requests direction from Town Council.

Date:	11/01/2022
Agenda Item #:	4. A.
Department:	Administrative Services
Strategic Goal:	Maintain operational integrity and viability
Staff Contact:	Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:

Consider Action to Approve the **Minutes from the October 18, 2022, Regular Town Council Meeting.**

DESCRIPTION:

The minutes from the October 18, 2022, regular Town Council meeting are attached for approval.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Minutes - October 18, 2022

D R A F T

Minutes
Town of Little Elm
100 W Eldorado Parkway
Little Elm, Texas 75068
214-975-0404
http://www.littleelm.org

REGULAR TOWN COUNCIL MEETING
TUESDAY OCTOBER 18, 2022 - 6:00 p.m.

Present: Mayor Curtis J. Cornelious; Council Member Neil Blais; Council Member Jamell Johnson; Council Member Tony Singh; Mayor Pro Tem Lisa Norman; Council Member Jeremy Lukas; Council Member Michael McClellan

Staff Present: Caitlan Biggs, Director of Administrative Services/Town Secretary; Jennette Espinosa, Executive Director; Joe Florentino, Assistant Town Manager; Matt Mueller, Town Manager; Chad Hyde, Director of Community Services; Doug Peach, Deputy Town Manager; Fred Gibbs, Director of Development Services; Jason Shroyer, Director of Public Works; Kate Graham, Assistant to the Town Manager; Kelly Wilson, Chief Financial Officer; Paul Rust, Fire Chief; Robert Brown, Town Attorney; Rodney Harrison, Police Chief

1. Call to Order Council Workshop at 6:00 p.m.

Meeting was called to order at 6:00 p.m.

A. Present and Discuss an **Overview of Zoning Ordinance Definitions Related to Single Family.**

Development Services Director Fred Gibbs gave an overview of the item. Town Council gave direction to use Prosper's definition of a family for the Town's zoning ordinance.

2. Roll Call/Call to Order Regular Town Council Immediately Following Council Workshop.

A. Invocation.

Council Member Neil Blais gave the invocation.

B. Pledge to Flags.

C. Items to be Withdrawn from Consent Agenda.

Staff requested item 5C be pulled from the Consent Agenda and postponed to the November 1, 2022, regular meeting.

D. Emergency Items if Posted.

None.

E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.

None.

F. **Presentation of Monthly Updates.**
Presentation of monthly updates from department heads: concerning law enforcement activities, municipal court, customer service, emergency medical services, fire department response, fire prevention activities, emergency management, ongoing economic development projects, building permits, code enforcement activities, library activities, human resources updates, information technology report, revenue and expenditure report, street construction status, sanitation services, highway construction status, utility operations, parks and recreation activities, as well as facility and fleet updates.

Town Manager Matt Mueller stated that the last session of this year's Citizens Government Academy is tomorrow night with the graduation being at the next meeting.

He also gave an update on the District Town Hall meetings.

G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

None.

3. **Presentations.**

A. Present a **Proclamation Declaring October 24, 2022 as Diwali Day.**

Mayor Cornelious presented he proclamation.

4. **Public Comments**
Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.072, Texas Government Code.

Ryan Miller with Cottonwood Creek Marina spoke in support of the lease agreement between the Town and the Marina on the Consent Agenda tonight. He thanked the Town for the partnership over the years.

5. Consent Agenda

All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.

Motion by Council Member Neil Blais, seconded by Council Member Jamell Johnson ***to approve the Consent Agenda, except Item 5C.***

Vote: 7 - 0 - Unanimously

A. Consider Action to Approve the **Minutes from the September 27, 2022, Regular Town Council Meeting.**

B. Consider Action to Approve **Resolution No. 1018202201 for the Town of Little Elm Police Department to Receive Grant Funding for Tobacco Compliance Checks of Tobacco Sales of Underage Tobacco Purchases at Licensed Retail Outlets within the Town of Little Elm.**

C. Present, Discuss, and Consider Action on **Ordinance No. 1688 Approving and Authorizing the Issuance and Sale of the Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project); and Approving and Authorizing Related Agreements.**

D. Consider Action on Retroactive Authorization for **Emergency Manhole Sewer Repair, with Maya Underground Contractors, LLC in the Estimated Amount of $408,000.**

E. Present, Discuss, and Consider Action on a **Development Agreement associated with the Lakefront Residential Overlay District, between the Town of Little Elm and Charles and Meghan Ware, Property Owners of 204 Judy Lane.**

F. Consider Action to Approve a **Professional Services Agreement with Cobb-Fendley & Associates regarding Development Plan Review Services for Fiscal Year 2022-2023 in an estimated amount of $130,000.**

G. Consider Action to Approve the **Cottonwood Creek Marina Revised and Restated Concession Agreement.**

6. Regular Items.

A. Present, Discuss, and Consider Action on **Acceptance of an Award by FEMA for the Fiscal Year 2021 Staffing for Adequate Fire and Emergency Response (SAFER) Program; Hiring 11 New Full-Time Firefighters.**

Fire Chief Paul Rust gave an overview of the grant award. He stated that only five cities in the state to receive the grant.

Motion by Council Member Michael McClellan, seconded by Council Member Tony Singh ***to accept the award.***

Vote: 7 - 0 - Unanimously

B. Discuss and Consider Action to **Repeal Ordinance No. 850 Regarding the Keep Little Elm Beautiful Committee.**

Assistant to the Town Manager Kate Graham gave an overview of the item.

Motion by Council Member Tony Singh, seconded by Council Member Jeremy Lukas ***to repeal Ordinance No. 850.***

Vote: 7 - 0 - Unanimously

C. Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1689 Regarding a Request to Rezone Approximately 4.159 Acres of Land, Currently Zoned as Lakefront District (LF), in Order to Establish a New Planned Development District Based on Lakefront (LF) District, to Capture Existing Development, and Allow New Commercial and Residential Development with Modified Uses and Development Standards as well as Expand the Existing Daycare Facility.**

Open Public Hearing:
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1689:

The applicant has requested this item be tabled to the November 1, 2022, regular meeting.

Open Public Hearing: 6:45 p.m.
Receive Public Comments:
Close Public Hearing: continued to next Council meeting on November 1, 2022
Take Action on Ordinance No. 1689:

D. Present, Discuss, and Consider Action on a **Development Agreement between the Town of Little Elm and Matt Mahdi Shekari with Lake Shore Plaza LLC.**

Motion by Council Member Neil Blais, seconded by Council Member Jamell Johnson ***to postpone this item to the November 1, 2022, regular Town Council meeting.***

Vote: 7 - 0 - Unanimously

E. Hold a Public Hearing to Present, Discuss, and Consider Action on **Ordinance No. 1687 Accepting and Approving a Service and Assessment Plan and Assessment Roll for the Valencia Public Improvement District No. 2 and Levying Assessments.**

Open Public Hearing:
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1687

Jordan Sawyer, Bond Counsel, requested the public hearing be opened and to continue the public hearing to November 1, 2022.

Open Public Hearing: 6:47 p.m.
Receive Public Comments:
Close Public Hearing: continued to the November 1, 2022 meeting
Take Action on Ordinance No. 1687

Motion by Council Member Neil Blais, seconded by Council Member Jamell Johnson ***to continue the public hearing to the November 1, 2022, regular Town Council Meeting.***

Vote: 7 - 0 - Unanimously

7. Convene in Executive Session pursuant to Texas Government Code:

- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

Council convened into Executive Session at 6:48 p.m.

8. Reconvene into Open Session

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town's response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

Town Council reconvened into Open Session at 7:42 p.m. No action was taken.

9. Adjourn.

Meeting was adjourned at 7:42 p.m.

Respectfully,

Caitlan Biggs
Town Secretary

Passed and Approved this _____day of _____2022.

Date:	11/01/2022
Agenda Item #:	4. B.
Department:	Public Works
Strategic Goal:	Ensure excellence in public services while keeping up with the growth in the community
Staff Contact:	Jason Shroyer, Director of Public Works

AGENDA ITEM:

Consider Action to Approve a **Professional Services Contract with Signature Automation, LLC for the Design of Improvements to the Town's Supervisory Control and Data Acquisition (SCADA) System in an Amount not to Exceed $246,196.**

DESCRIPTION:

The Supervisory Control and Data Acquisition (SCADA) System is a vital part of the Town's water and wastewater systems. This software-based system allows remote viewing and access to both the Town's water and wastewater systems. The SCADA system gives staff the ability to remotely control pumps at our potable water pump station and many of the Town's sanitary sewer lift stations. It allows system operators to view the water levels in our ground storage and elevated storage tanks. The system also has built-in alarms with the ability to "call-out" in the event of an emergency. The SCADA system was originally installed in the early 2000s and the program and many of its components have become obsolete. This leads to communication failures and difficulty locating repair parts for the various components of the system. The operating system and many of the critical control components are in need of replacement due to obsolescence.

The professional services contract with Signature Automation will provide SCADA and communication upgrade design along with construction phase services. This will include grounding improvements for the communication towers, installation of instruments, modifications of control panels, and network communication enclosures for the water and wastewater facilities. Signature Automation will provide the following:

1. Project Management and Quality Assurance
2. Design - General - The general design will include general plan sheets, electrical details, instrumentation details and typical detail drawings that will be used for multiple facilities.
3. Design - Wastewater Collections System - This design effort will focus on the Town's wastewater collection system, specifically the seven (7) largest lift stations. It will also provide the details and drawings for all future improvements to the other sixteen (16) lift stations.
4. Design - Water Distribution System - This design effort will focus on the Town's potable water system, specifically the Mansell Pump Station and the Town's elevated storage tank infrastructure.

5. Design - Wastewater Treatment System - This design effort will focus on the Town's wastewater treatment plant, which includes improvements to the filtration system controls and the dewatering process controls.
6. Design - Software Analysis and Replacement - This design effort will assist staff with determining the most appropriate software package for the improvements.

Signature Automation will provide design documents and also assist with the procurement of equipment and selection of a contractor to perform the installation. We expect that this design effort will take approximately 10 months, which includes the selection of a new operating system, installation, and testing. Funds for this project have been allocated in the Town's Utility Capital Project Planning List.

BUDGET IMPACT:

Capital expenditures have been outlined in the Town's Utility Fund Capital Improvement Project Planning List and are funded by 2021 Certificate of Obligation bonds.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Contract

Town of Little Elm, Texas
Professional Services Agreement

This Agreement is made by and between the Town of Little Elm, Texas, a Texas home-rule municipality (hereinafter referred to as the "Town") and Signature Automation, LLC, (hereinafter referred to as the "Consultant") for Engineering Services for the Water and Wastewater System SCADA Improvement Design Phase I, (hereinafter referred to as the "Project"). In consideration of the premises, covenants and mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Town and the Consultant hereby agree as follows:

ARTICLE I: CONTRACT & CONTRACT DOCUMENTS

1.1 THE CONTRACT

The Contract between the Town and the Consultant, of which this Agreement is a part, consists of the Contract Documents. It shall be effective on the date this Agreement is executed by the last Party to execute it.

1.2. THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, the Solicitation, Requirements and Instructions to Bidders/Proposers, the Specifications, terms and conditions, Attachments, Maps, Drawings, Scope of Service, Time Line, all Change Orders issued hereafter, any other amendments hereto executed by the parties hereafter, together with the following (if any):

Documents not enumerated in this Paragraph 1.2 are not Contract Documents and do not form part of this Agreement.

ARTICLE 2: RECITALS

2.1 The Town desires to have the Consultant develop the program and provide necessary services to develop the same (“PROJECT”); and

2.2 The Consultant has the knowledge, ability and expertise to provide such services; and

2.3 The Town desires to engage the services of Consultant, as an independent Consultant and not as an employee, to provide services as set forth herein and in Exhibit A: Scope of Services and Exhibit B: Time Line/Milestone which is attached hereto and incorporated herein.

ARTICLE 3: TERM / TERMINATION

3.1 TERM

The term of this Agreement shall begin on the date of its execution by all Parties. This Agreement shall continue until Consultant completes the services required herein to the satisfaction of the Town, unless sooner terminated as provided herein.

3.2 TERMINATION

This Agreement may be suspended or terminated by either Party with or without cause at any time by giving written notice to the other Party. In the event suspension or termination is without cause, payment to the Consultant, in accordance with the terms of this Agreement, will be made on the basis of services reasonably determined by Town to be satisfactorily performed to the date of suspension or termination. Such payment will be due upon delivery of all instruments of service to Town.

In the event that the Town requires a modification of this Agreement with Consultant, and in the event the Parties fail to agree upon a modification of this Agreement, the Parties shall have the option of terminating this Agreement. Payment to Consultant shall be made by the Town in accordance with the

terms of this Agreement, for the services mutually agreed upon by the Parties to be properly performed by the Consultant prior to such termination date.

ARTICLE 4: SCOPE OF SERVICES

4.1 SCOPE

The following services, when authorized in writing by a Notice to Proceed from the Town, shall be performed by Consultant in accordance with the Town's requirements and as set forth in the attached Exhibit A, Scope of Services:

Engineering services for the Project, which includes the following:

- Design phase services for Collections, Distribution, Treatment and review at 90% and 100%.
- Design phase services for the SCADA system.
- Assistance with Procurement Walkthroughs.
- OPCC at 90% and 100% design phases.

If there is a conflict between the above quoted subjects and Exhibit A or B, then such conflict shall be resolved pursuant to the provisions of Section 10.9, below.

4.2 AUTHORIZED AGENT

All work performed by the Consultant will be performed under this Agreement, signed by a duly authorized agent of the Town as approved by resolution of the Town Council of the Town of Little Elm, Texas, and the designated authorized agent for the Consultant.

ARTICLE 5: COMPENSATION / PAYMENT TERMS AND CONDITIONS

5.1 Compensation for the performance of Professional Services described herein shall be paid to Consultant by the Town in a total amount not to exceed Two hundred and forty-six thousand one hundred ninety-six dollars and no cents ($246,196.00) which shall accrue and be payable as provided in Section 5.2 hereof.

5.2 Consultant payment for work under this Agreement shall be made in installments billed not more frequently than once each month upon receipt of invoices from the Consultant. If the Town fails to make any payment due the Consultant within thirty (30) days after receipt of Consultant's invoice, the amounts due the Consultant will be increased at the rate of 1.5% per month from said thirtieth day, unless there is a good faith refusal by the Town to pay. Payment shall be remitted to Consultant by Town as instructed on invoices.

ARTICLE 6: TIME FOR COMPLETION

6.1 The Consultant's services and compensation under this Agreement have been agreed to in anticipation of orderly and continuous progress of the Assigned Project(s) through completion of the project(s). Specific periods of time for rendering services are set forth in Exhibit B to this Agreement, by which times defined services are to be completed.

6.2 If the Town fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, the Consultant shall be entitled to equitable adjustment of rates and amounts of compensations to reflect reasonable costs incurred by Consultant as a result of the delay or changes in the various elements that comprise such rates of compensation, but in no event shall such compensation exceed the scope of services schedule of maximum payment unless a written amendment to this Agreement is executed between the Parties.

ARTICLE 7: INDEMNIFICATION

7.1 THE CONSULTANT AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, TO INDEMNIFY AND HOLD HARMLESS THE TOWN, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES (HEREINAFTER COLLECTIVELY

REFERRED TO AS "INDEMNITEES") FROM AND AGAINST SUITS, ACTIONS, CLAIMS, LOSSES, ANY DAMAGE, LIABILITY, AND FROM AND AGAINST ANY COSTS AND EXPENSES, INCLUDING, IN PART, ATTORNEY'S FEES INCIDENTAL TO THE DEFENSE OF SUCH SUITS, ACTIONS CLAIMS, LOSSES, DAMAGES OR LIABILITY ON ACCOUNT OF INJURY, DISEASE, SICKNESS, INCLUDING DEATH, TO ANY PERSON OR DAMAGE TO PROPERTY INCLUDING, IN PART, THE LOSS OF USE RESULTING THEREFROM, ARISING FROM ANY NEGLIGENT ACT, ERROR OR OMISSION OF THE CONSULTANT, ITS OFFICERS, EMPLOYEES, SERVANTS, AGENTS OR SUBCONTRACTORS, OR ANYONE ELSE UNDER THE CONSULTANT'S DIRECTION AND CONTROL, AND ARISING OUT OF, RESULTING FROM, OR CAUSED BY THE PERFORMANCE OR FAILURE OF PERFORMANCE OF ANY WORK OR SERVICES UNDER THIS AGREEMENT, OR FROM CONDITIONS CREATED BY THE PERFORMANCE OR NON-PERFORMANCE OF SAID WORK OR SERVICES. IN THE EVENT ONE OR MORE OF THE INDEMNITEES IS DETERMINED BY A COURT OF LAW TO BE JOINTLY OR DERIVATIVELY NEGLIGENT OR LIABLE FOR SUCH DAMAGE OR INJURY, THE CONSULTANT SHALL BE OBLIGATED TO INDEMNIFY INDEMNITEES AS PROVIDED HEREIN ON A PROPORTIONATE BASIS IN ACCORDANCE WITH THE FINAL JUDGMENT, AFTER ALL APPEALS ARE EXHAUSTED, DETERMINING SUCH JOINT OR DERIVATIVE NEGLIGENCE OR LIABILITY. THIS INDEMNIFICATION IS SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE, § 271.904(A) AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002(B), AS SAME MAY BE APPLICABLE TO CONSULTANT AS A MATTER OF LAW.

7.02 NOTHING CONTAINED HEREIN SHALL CONSTITUTE A WAIVER OF GOVERNMENTAL IMMUNITY IN FAVOR OF ANY PARTY.

7.03 CONSULTANT AGREES THAT IT IS AN INDEPENDENT CONTRACTOR AND NOT AN AGENT OF THE TOWN, AND THAT CONSULTANT IS SUBJECT, AS AN EMPLOYER, TO ALL APPLICABLE UNEMPLOYMENT COMPENSATION STATUTES, SO FAR AS TO RELIEVE THE TOWN OF ANY RESPONSIBILITY OR LIABILITY FROM TREATING CONSULTANT'S EMPLOYEES AS EMPLOYEES OF TOWN FOR THE PURPOSE OF KEEPING RECORDS, MAKING REPORTS OR PAYMENTS OF UNEMPLOYMENT COMPENSATION TAXES OR CONTRIBUTIONS. CONSULTANT FURTHER AGREES TO INDEMNIFY AND HOLD THE TOWN HARMLESS AND REIMBURSE IT FOR ANY EXPENSES OR LIABILITY INCURRED UNDER SAID STATUTES IN CONNECTION WITH EMPLOYEES OF CONSULTANT.

7.04 CONSULTANT SHALL DEFEND AND INDEMNIFY AND HOLD THE TOWN HARMLESS FROM ANY AND ALL CLAIMS, SUITS OR LIENS BASED UPON OR ALLEGED TO BE BASED UPON THE NON-PAYMENT OF LABOR, TOOLS, MATERIALS, EQUIPMENT, SUPPLIES, TRANSPORTATION AND MANAGEMENT COSTS INCURRED BY CONSULTANT IN PERFORMING THIS AGREEMENT.

ARTICLE 8: INSURANCE

8.1 Insurance

The Consultant shall provide and maintain insurance as listed in the insurance requirements document.

ARTICLE 9: DEFAULT

In the event Consultant fails to comply or becomes disabled and unable to comply with the provisions of this Agreement as to the quality or character of the service or time of performance, and the failure is not corrected within thirty (30) days after written notice by Town to Consultant, Town may, at its sole discretion without prejudice to any other right or remedy.

(a) Terminate this Agreement and be relieved of the payment of any further consideration to Consultant except for all work determined by the Town to be satisfactorily completed prior to termination. Payment for work satisfactorily completed shall be for actual costs, including reasonable salaries and travel expenses of Consultant to and from meetings called by the Town at which Consultant is required to attend, but shall not include any loss of profit of Consultant. In the event of such termination, the Town may proceed to complete the services in any manner deemed proper by the Town, either by the use of its own forces or by resubmitting to others. Consultant agrees that any costs incurred to complete the services herein provided for may be deducted and paid by the Town out of such monies as may be due or that may thereafter become due to Consultant under and by virtue of this Agreement.

(b) The Town may, without terminating this Agreement or taking over the services, furnish the necessary materials, equipment, supplies and/or help necessary to remedy the situation, at the expense of Consultant.

ARTICLE 10: MISCELLANEOUS

10.1 Reuse of Documents:

All documents including Maps, Plans and Specifications provided or furnished by the Consultant pursuant to this Agreement are instruments of service; and Consultant shall retain ownership and property interest therein whether or not the work is completed. The Town may make and retain copies of any plans or specifications provided under this Agreement for the use by Town and others; such documents are not intended or suitable for reuse by Town or others on extension of the Project or on any other Project. Any such reuse without written approval or adaptation by the Consultant for the specific purpose intended will be at the Town's sole risk and without liability to the Consultant.

10.2 Entire Agreement.

This Agreement constitutes the sole and only Agreement of the Parties and supersedes any prior understandings or written or oral agreements between the Parties with respect to this subject matter.

10.3 Assignment.

Neither this Agreement nor any duties or obligations under it shall be assignable by Consultant without the prior written consent of the Town. In the event of an assignment by Consultant to which the Town has consented, the assignee or the assignee's legal representative shall agree in writing with the Town to personally assume, perform, and be bound by all the covenants, obligations, and agreements contained in this Agreement.

10.4 Adjustments in Services/Amendment.

This Agreement may be amended by the mutual written agreement of the Parties. Consultant shall not make any claims for extra services, additional services or changes in the services without a written agreement with the Town prior to the performance of such services.

10.5 Governing law.

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in Denton County, Texas.

10.6 Notices.

All notices required by this Agreement shall be in writing and addressed to the following, or such other Party or address as either Party designates in writing, by certified mail, postage prepaid or by hand delivery:

Town of Little Elm

Purchasing
100 W. Eldorado Pkwy.
Little Elm, TX 75068
214-975-0411
purchasing@littleelm.org

Signature Automation, LLC

Rick Hidalgo, P.E., President/CEO
14677 Midway Road, Suite 212
Addison, TX 75001
469-619-1241

10.7 Legal construction.

In the event any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

10.8 Successors and Assigns.

(a) The Town and Consultant each is hereby bound and the partners, successors, executors, administrators, legal representatives and assigns of Town and Consultant are hereby bound to the other Party to this Agreement and to the partners, successors, executors, administrators, legal representatives and assigns of such other Party in respect of all covenants and obligations of this Agreement.

(b) Neither the Town nor the Consultant may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other Party, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

(c) Nothing in this Agreement shall be construed to create, impose or give rise to any duty owed by the Consultant to any Consultant, subcontractor, supplier, other person or entity, or to any surety for or employee of any of them, or give any rights in or benefits under this Agreement to anyone other than the Town and the Consultant.

10.9 Conflict.

If a conflict exists between this Agreement, and an Exhibit, the Solicitation, and/or the Response, then such conflicts shall be resolved as follows:

(a) If a conflict exists between this Agreement and an Exhibit, the Solicitation, or the Response, then this Agreement shall control.

(b) If a conflict exists between the Response and an Exhibit, the Exhibit shall control.

(c) If a conflict exists between the Response and the Solicitation, the Solicitation shall control.

10.10 Severability

Any provision or part of this Agreement that is held to be void or unenforceable under any law or regulation or by a court of competent jurisdiction shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the Town and the Consultant, who agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.11 Captions

The captions used in this Agreement are for convenience only and shall not affect in any way the meaning or interpretations of the provisions set forth herein.

10.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on this the ___ day of _____, 2022.

TOWN OF LITTLE ELM

Matt Mueller, Town Manager

CONSULTANT

Rick Hidalgo, P.E.
President/CEO
Signature Automation, LLC

Exhibit A: Engineering Services Scope of Work
Exhibit B: Time Line/Milestone

EXHIBIT A

17950 Preston Road, Suite 300, Dallas, TX 75252
Phone: 469-619-1241 | Fax: 469-619-1242

September 23, 2022

Cody Collier
Town of Little Elm Public Works Department
1600 Mark Tree Lane
Little Elm, TX 75068

Subject: Town of Little Elm – Phase I – SCADA Improvements Design Proposal Revision 2.1

Dear Cody:

Signature Automation, LLC is pleased to provide our proposal to The Town of Little Elm (Town) to provide SCADA and Communication Upgrade design services for the Water and Wastewater systems in the Town. The SCADA and Communication Upgrade design will include grounding improvements for communication towers, installation of instruments, modifications of control panels, and network communication enclosures for the Water and Wastewater facilities. Signature Automation anticipates duration of no more than 10 months for the work defined herein. Signature Automation will provide all engineering design documents delivered in electronic format.

The scope of work included herein details our approach to executing this project.

Scope of Work

Task 1.0 – Project Management and Quality Assurance
This work is included within the SCADA and Communications Design tasks and consists of clerical, accounting, coordination and supervision of the internal project team, and overall quality management so that the project milestones and deliverables meet schedule and budgetary constraints. To keep Town apprised of our work on the project, all invoices shall include a progress report detailing work completed during the previous reporting period; anticipated work during the next reporting period; and a list of any outstanding items that are awaiting resolution. The initial invoice will include the costs for mobilization to cover the preparatory planning, coordination, scheduling and accounting required to initiate the work. The anticipated design duration for the project is 10 months.

<u>DELIVERABLES</u>

- Progress reports and invoicing
- Signature Automation will participate in Bi-monthly Meetings with the Town to update progress and to address questions.
- Design Review workshops will be conducted at 90% and 100%

Task 2.0 – Design Phase Services (General)

Signature Automation will provide the SCADA and Communication Upgrade related plans to support the Electrical and I&C design for the Water and Wastewater facilities. Documents will be provided to the Town at the review stages of 90% and 100%, and Signature Automation's personnel will attend the workshops for 90% and 100% design stages. At the conclusion of the workshops, Signature Automation will utilize the discussions held and decisions made in the workshops as the basis for completing the design. Signature Automation will also supply construction cost estimates at the 90% and 100% review stages.

General design will include general plan sheets, electrical details, instrumentation details, and typical detail drawings that will be used for multiple facilities.

Each of the deliverables developed by Signature Automation will be provided to the Town in electronic format for inclusion into the overall deliverable packages.

The following General drawings are anticipated to be supplied:

1. Cover Sheet and Index
2. Electrical Legends
3. Instrumentation Legend Sheets

The following General detail drawings are anticipated to be supplied:

1. Communications Details (Backup Cellular)
2. General Grounding for Towers and Panels
3. Electrical Details (up to 3 sheets)
4. Security Details (up to 2 sheets)

In addition to the work described above, Signature Automation will coordinate the work of tower climbing firm to help assess and document the existing radio, electrical, and grounding infrastructure on the top of the Eldorado, 423, Walker, and Tin Man elevated storage tanks. Johnson Technical Services (JTS) will provide tank climbing, sketches, measurements, and photographs of the top of tanks during a single day trip.

- Eldorado 33°10'10.13"N 96°53'49.92"W
- 423 33°11'12.19"N 96°53'14.93"W
- Walker 33°10'48.86"N 96°55'2.42"W
- Tin Man 33° 9'47.84"N 96°56'9.02"W

DELIVERABLES

- Elevated Tank Inspections and Assessment Memorandum
- Electrical and I&C Related Plans—90% Review Set

- Electrical and I&C Related Plans—100% Review Set
- Attend the 90% and 100% Virtual Review Workshops

Task 3.0 – Design Phase Services (Collections)

Signature Automation will provide the SCADA and Communication Upgrade related plans to support the detailed Electrical and I&C design for critical Collections facilities included herein. Collections improvements will include design for the addition of remote SCADA monitoring and controls for existing lift pumps and level control systems, installation of new strap-on flow meters, installation of new basin level transmitters, installation of redundant cellular communications for sites with existing narrowband radio units, and some minor grounding improvements. Existing PLC enclosures will be evaluated for adding the additional input/output signals and modifications will be designed, as needed, to replace or modify the PLC systems to accommodate additional signals.

These plans will be included in the complete set at the review stages of 90% and 100. The sites associated with the Collections area and anticipated drawings are:

1. Garza LS
    a. Site electrical, grounding, and instrumentation plan
    b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter)
    c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)
    d. PLC drawings for demolition and modifications
2. Kings Crossing LS
    a. Site electrical, grounding, and instrumentation plan
    b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter)
    c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)
3. LS #3
    a. Site electrical plan
    b. PLC interconnection diagrams for connection of new remote controls
    c. PLC drawings for demolition and modifications
4. LS #5
    a. Site electrical and instrumentation plan
    b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter)
    c. PLC drawings for demolition and modifications
5. Sunset Pointe LS
    a. Site electrical, grounding, and instrumentation plan
    b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter and level transmitter)

   c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)
   d. PLC drawings for demolition and modifications
6. Valencia LS #1
   a. Site electrical, grounding, and instrumentation plan
   b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter)
   c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)
   d. PLC drawings for demolition and modifications
7. WWTP LS
   a. Site electrical, grounding, and instrumentation plan
   b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter)

The work does not include modification or replacement design of existing pump or level control systems, site survey, subsurface utility investigations, geotechnical borings, production of P&ID drawings, or production of SCADA network architecture drawings. Engineering design outside of electrical and instrumentation, such as civil or structural, is also not included.

DELIVERABLES

- Site Visit - Engineer (7 sites, 2 days)
- Site Visit - AES Gather RTU Programs (7 sites, 2 days)
- Electrical and I&C Related Plans—90% Review Set
- Electrical and I&C Related Plans—100% Review Set

Task 3.1 – Design Phase Services (Distribution)

Signature Automation will provide the SCADA and Communication Upgrade related plans to support the detailed Electrical and I&C design for critical Distribution facilities included herein. Distribution improvements will include design for the installation of new strap-on flow meters and other instrumentation, installation of new CCTV security cameras and DVR network enclosures, and some minor grounding improvements. Existing PLC enclosures will be evaluated for adding the additional input/output signals and modifications will be designed, as needed, to replace or modify the PLC systems to accommodate additional signals.

These plans will be included in the complete set at the review stages of 90% and 100. The sites associated with the Distribution area and anticipated drawings are:

1. Eldorado EST
   a. Site electrical, grounding, security, and instrumentation plan
   b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter and backup hi/lo level probes)

   c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)
   d. Backup autodialer system for offisite alarming
   e. CCTV security system interconnect details for one exterior camera pole, one interior camera, and one DVR security enclosure.
2. 423 EST
   a. Site electrical, grounding, security, and instrumentation plan
   b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter and backup hi/lo level probes)
   c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)
   d. Backup autodialer system for offisite alarming
   e. CCTV security system interconnect details for one exterior camera pole, one interior camera, and one DVR security enclosure.
3. Tin Man EST
   a. Site electrical, grounding, and instrumentation plan
   b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter)
   c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)
4. Walker EST
   a. Site electrical, grounding, and instrumentation plan
   b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter)
   c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)
   d. PLC drawings for demolition and modifications
5. Mansell Pump Station
   a. Site electrical, grounding, and instrumentation plan
   b. PLC interconnection diagrams for connection of new remote controls and field instruments (flow meter)
   c. Backup cellular modem and antenna details (general detail sheet applicable for all sites receiving cellular backup system)

The work does not include modification or replacement design of existing pump or level control systems, site survey, subsurface utility investigations, geotechnical borings, production of P&ID drawings, or production of SCADA network architecture drawings. Engineering design outside of electrical and instrumentation, such as civil or structural, is also not included.

DELIVERABLES

- Site Visit - Engineer (7 sites, 2 days)
- Site Visit - AES Gather RTU Programs (7 sites, 2 days)

- Electrical and I&C Related Plans, Specifications, and OPCC—90% Review Set
- Electrical and I&C Related Plans, Specifications, and OPCC —100% Review Set

Task 3.2 – Design Phase Services (Treatment)

Signature Automation will provide the SCADA and Communication Upgrade related plans to support the detailed Electrical and I&C design for the existing Wastewater Treatment Plant. These plans will be included in the complete set at the review stages of 90% and 100. The sites associated with the Treatment area and anticipated drawings are:

1. General
    a. Plant Site Plan
2. WWTP Lab
    a. Site electrical, grounding, and instrumentation plan
    b. Alum Pump Remote Control Details (Existing SCADA Connection)
    c. Air Blower Remote Control Details (Existing SCADA Connection)
    d. Sluice Gate SCADA Connections (New SCADA Connections)
3. Belt Press
    a. Site electrical, grounding, and instrumentation plan
    b. SCADA Connection to Step Screens (New SCADA Connection)
    c. Remote Monitoring of RAS (Fix existing connection)
    d. Wasting System SCADA Connection and Automation
    e. Electrical Belt Press PLC Backup Power System Details
    f. Sluice Gate SCADA Connections (New SCADA Connections)
4. Filters
    a. Site electrical, grounding, and instrumentation plan
    b. Remote Monitoring of Filters (Fix existing connection)
    c. SCADA Monitoring of UV System (Fix existing connection)
    d. Effluent Flow Trends (Fix existing connection)
    e. Electrical Filters PLC Backup Power System Details
    f. Sluice Gate SCADA Connections (New SCADA Connections)

The work does not include modification or replacement design of existing pump or level control systems, site survey, subsurface utility investigations, geotechnical borings, production of P&ID drawings, or production of SCADA network architecture drawings. Engineering design outside of electrical and instrumentation, such as civil or structural, is also not included.

DELIVERABLES

- Site Visit - Engineer (1 site, 1 day)
- Site Visit - AES Gather RTU Programs (1 site, 1 day)
- Control Description (Wasting System and new SCADA connection areas)
- Electrical and I&C Related Plans, Specifications, and OPCC —90% Review Set
- Electrical and I&C Related Plans, Specifications, and OPCC —100% Review Set

Task 3.3 – Design Phase Services (SCADA HMI)
Signature Automation will work with the Town to evaluate and define HMI system operational, historian, reporting, and remote connectivity improvements for the existing Wonderware HMI system within the Phase I construction budget. A historical reports workshop will be conducted with the Town to gather information towards defining beneficial operational and maintenance reports for the Town. Signature Automation will provide examples of similar reports created for other Water/Wastewater clients and have discussions with the Town to help define reports and HMI improvements to be provided during Phase I SCADA construction. A new Wonderware remote connection system and webserver will be designed to allow Town staff to remotely connect to the HMI system through a VPN connection (to be provided by the Town).
This work does not include any HMI or PLC programming work, programming standards, or technical support.

DELIVERABLES

- HMI Historian and Reports Workshop
- RFP - HMI Improvements Section Plans, Specifications, and OPCC.

Task 3.4 – Procurement Assistance
Signature Automation will support the Town's efforts during the Procurement Phase by helping the Town coordinate Request for Proposal inquiries from qualified vendors and participating in up to two days of walkthrough site visits.
Due to the direct delivery approach, the work in this section does not include creation and delivery of addendums, formal request for information responses, bid evaluation assistance, or conformed construction documents.

DELIVERABLES

- Procurement Walkthrough (2 days)

Construction Phase Services – Not included in this proposal

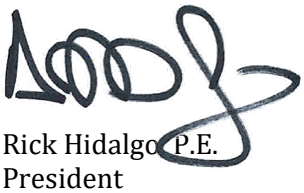
Costs and Terms

Signature Automation proposes to complete this assignment on a lump sum basis for the total fee below. Signature Automation will perform the above scope of work in accordance with mutually acceptable terms and conditions. The following table is a cost breakdown of all tasks included in this proposal:

Overall Schedule of Values		
Task	**Description**	**Amount**
1.0	Project Setup and Workshops	$8,825.00
2.0	General Design Items	$20,191.00
3.0	Collections System Design	$91,740.00
4.0	Distribution System Design	$69,660.00
5.0	Treatment Plant System Design	$38,320.00
6.0	SCADA HMI System Design	$11,580.00
7.0	Procurement Assistance	$5,880.00
	Total Professional Services	**$246,196.00**

Thank you for considering Signature Automation for this critical assignment. Please feel free to call me at your convenience should you have any questions regarding this proposal.

Sincerely,

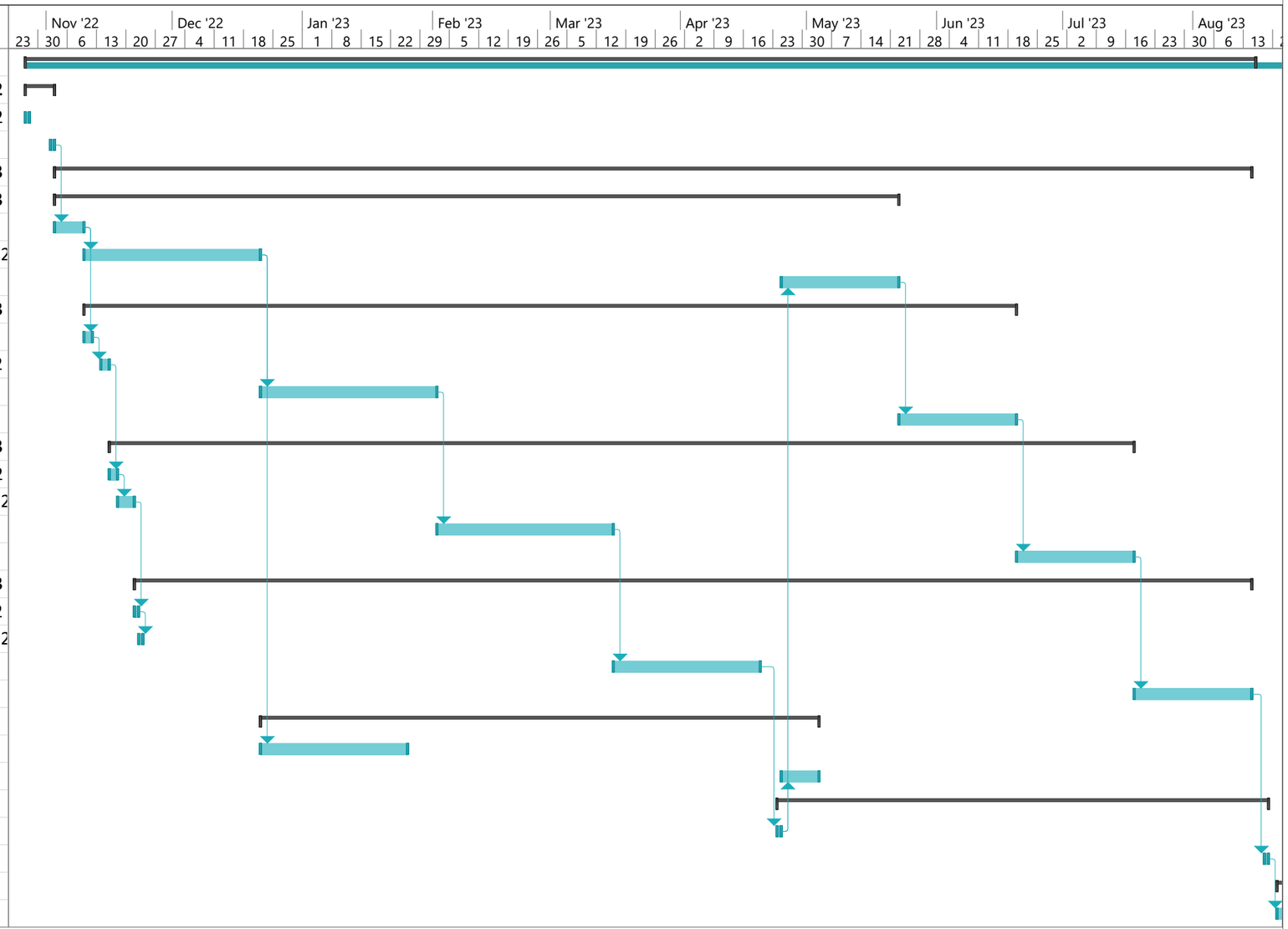


Rick Hidalgo, P.E.
President
Signature Automation, LLC

cc: Andy Paulson, P.E. – Signature Automation
Tim Brandenburg, P.E. – Signature Automation
Antony Scudieri, P.E. – Signature Automation

EXHIBIT B

ID	Task Name	Duration	Start	Finish
1	**TOLM SCADA Design Improvements**	**209 days**	**Thu 10/27/22**	**Tue 8/15/23**
2	**1 Project General**	**5 days**	**Thu 10/27/22**	**Wed 11/2/22**
3	1.1 NTP	1 day	Thu 10/27/22	Thu 10/27/22
4	1.2 Kickoff meeting	1 day	Wed 11/2/22	Wed 11/2/22
5	**2 Design Services**	**203 days**	**Thu 11/3/22**	**Mon 8/14/23**
6	**2.1 Design Phase Services (General)**	**143 days**	**Thu 11/3/22**	**Mon 5/22/23**
7	2.1.1 Elevated Tank Inspections	5 days	Thu 11/3/22	Wed 11/9/22
8	2.1.2 Create E&I Plans for 90%	30 days	Thu 11/10/22	Wed 12/21/22
9	2.1.3 Create E&I Plans for 100%	20 days	Tue 4/25/23	Mon 5/22/23
10	**2.2 Design Phase Services (Collections)**	**158 days**	**Thu 11/10/22**	**Mon 6/19/23**
11	2.2.1 Site Visit - Engineer	2 days	Thu 11/10/22	Fri 11/11/22
12	2.2.2 Site Visit - AES Collect Programs	2 days	Mon 11/14/22	Tue 11/15/22
13	2.2.3 Create E&I Plans for 90%	30 days	Thu 12/22/22	Wed 2/1/23
14	2.2.4 Create E&I Plans for 100%	20 days	Tue 5/23/23	Mon 6/19/23
15	**2.3 Design Phase Services (Distribution**	**174 days**	**Wed 11/16/22**	**Mon 7/17/23**
16	2.3.1 Site Visit - Engineer	2 days	Wed 11/16/22	Thu 11/17/22
17	2.3.2 Site Visit - AES Collect Programs	2 days	Fri 11/18/22	Mon 11/21/22
18	2.3.3 Create E&I Plans for 90%	30 days	Thu 2/2/23	Wed 3/15/23
19	2.3.4 Create E&I Plans for 100%	20 days	Tue 6/20/23	Mon 7/17/23
20	**2.4 Design Phase Services (Treatment)**	**190 days**	**Tue 11/22/22**	**Mon 8/14/23**
21	2.4.1 Site Visit - Engineer	1 day	Tue 11/22/22	Tue 11/22/22
22	2.4.2 Site Visit - AES Collect Programs	1 day	Wed 11/23/22	Wed 11/23/22
23	2.4.3 Create E&I Plans for 90%	25 days	Thu 3/16/23	Wed 4/19/23
24	2.4.4 Create E&I Plans for 100%	20 days	Tue 7/18/23	Mon 8/14/23
25	**2.5 Design Phase Services (SCADA HMI**	**95 days**	**Thu 12/22/22**	**Wed 5/3/23**
26	2.5.1 HMI Specifications and OPCC at	25 days	Thu 12/22/22	Wed 1/25/23
27	2.5.2 HMI Specifications and OPCC at	7 days	Tue 4/25/23	Wed 5/3/23
28	**3 Workshops**	**85 days**	**Mon 4/24/23**	**Fri 8/18/23**
29	3.1 90% Workshop	1 day	Mon 4/24/23	Mon 4/24/23
30	3.2 100% Workshop	1 day	Fri 8/18/23	Fri 8/18/23
31	**4 Procurement Assistance**	**2 days**	**Mon 8/21/23**	**Tue 8/22/23**
32	4.1 Walk Throughs	2 days	Mon 8/21/23	Tue 8/22/23



Project: TOLE Design Schedule
Date: Tue 10/18/22

Task	Project Summary	Manual Task	Start-only	Deadline	
Split	Inactive Task	Duration-only	Finish-only	Progress	
Milestone	Inactive Milestone	Manual Summary Rollup	External Tasks	Manual Progress	
Summary	Inactive Summary	Manual Summary	External Milestone		

Date:	11/01/2022
Agenda Item #:	4. C.
Department:	Finance
Strategic Goal:	Maintain operational integrity and viability
Staff Contact:	Kelly Wilson, Chief Financial Officer

AGENDA ITEM:

Consider Action to Approve the **Quarterly Investment Report for the period ending September 30, 2022.**

DESCRIPTION:

The purpose of this item is to provide Town Council an overview of the Town's cash and invested balances for the fiscal period ending September 30, 2022.

BUDGET IMPACT:

Interest earnings for the fourth quarter of the Fiscal Year 2021-2022 was $626,665 for the reporting period of July to September 2022 with the year-do-date total earnings of $1,205,829.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Memo to TM Q4 Investment Report FY2022

Q4 Investment Report FY 2022

MEMORANDUM

TO: MATTHEW MUELLER, TOWN MANAGER

FROM: KELLY WILSON, CHIEF FINANCIAL OFFICER

SUBJECT: INVESTMENT REPORT FOR QUARTER ENDING SEPTEMBER 30, 2022

CC: MAYOR AND COUNCIL

Attached is the Quarterly Investment Report for the fourth quarter ending September 30, 2022 Fiscal Year 2021-2022. This report complies with the requirements of the Town's Investment Policy and the Public Fund's Investment Act as amended. For the period ending September 30, 2022, the Town's portfolio consisted of the following investments:

Portfolio by Type	Average Yield	Total Invested	Percent of Total
Money Market - Independent Financial	1.772%	$57,771,221.60	40.21%
TexPool/TexPool Prime/LOGIC Prime	2.199%	47,887,862.27	33.33%
Certificate of Deposit	2.864%	5,007,083.8	3.51%
US Treasury Notes	1.600%	12,364,475.00	8.70%
US Agency Bonds	1.421%	19,825,250.00	14.25%
Total Portfolio (Avg)	**1.971%**	**$142,855,892.67**	**100.00%**

The Town has been actively diversifying the investment portfolio in order to minimize risk of over 50% of funds in one portfolio type as well as capturing a better yield. As interest rates are following the federal government increasing rates, the Town is actively participating in other higher yield investments. All Funds on deposit with Independent Financial are fully secured and safeguarded as well as collateralized. Total interest earned for the fourth quarter ending September 30, 2022 was $626,665. The Town's year-to-date interest earnings for Fiscal Year 2021-2022 reflects $1,205,829.

Total cash and investments for the period ending September 30, 2022 was $142,855,892.67. The variance increase of $908,408.36 from the last quarterly investment report is primarily due to Town issuing a CO Bond and reduction in other investment maturities for operational expenses. The cash flow is important for Finance to monitor in order to provide cash availability for expenditures while minimizing risk, preventing early redemptions of investments, and maximizing interest earnings.

The Town's current portfolio has significant resources available for same day access in order to cover normal and seasonal operational costs. The Town's investment and cash management strategy will be to maintain operational and capital needs in money market accounts and liquid asset pools but investing in other instruments in order to capitalize on interest earnings while keeping risk to a minimum. The Town's funds are swept to the above accounts and withdrawn as needed for operational cash flow requirements.

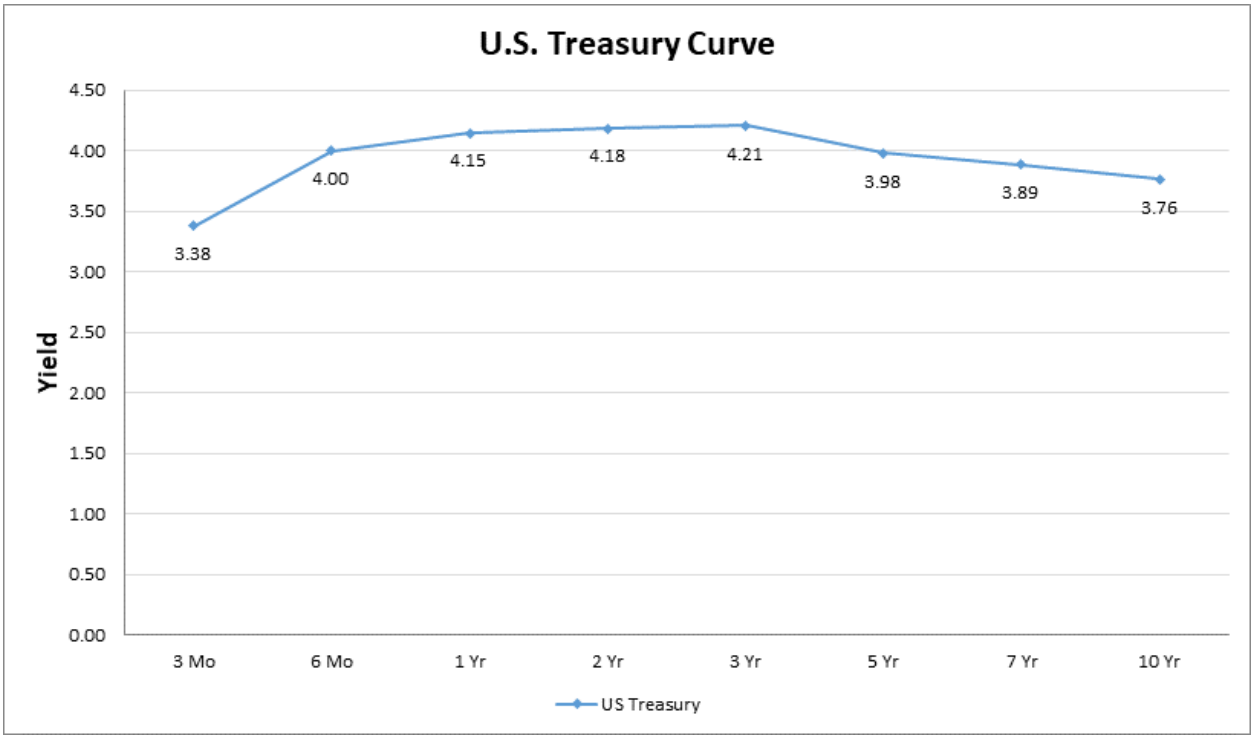
The total portfolio yield fiscal year-to-date is 1.971%. While some benchmarks to reference the US Treasury T-bill rates for 3 months is 3.26%; 1 year is 3.80%; and a 2 year is 4.10% as of the date of this report. The Town's portfolio yield at the time of this report does not exceed the 3 month bench mark but

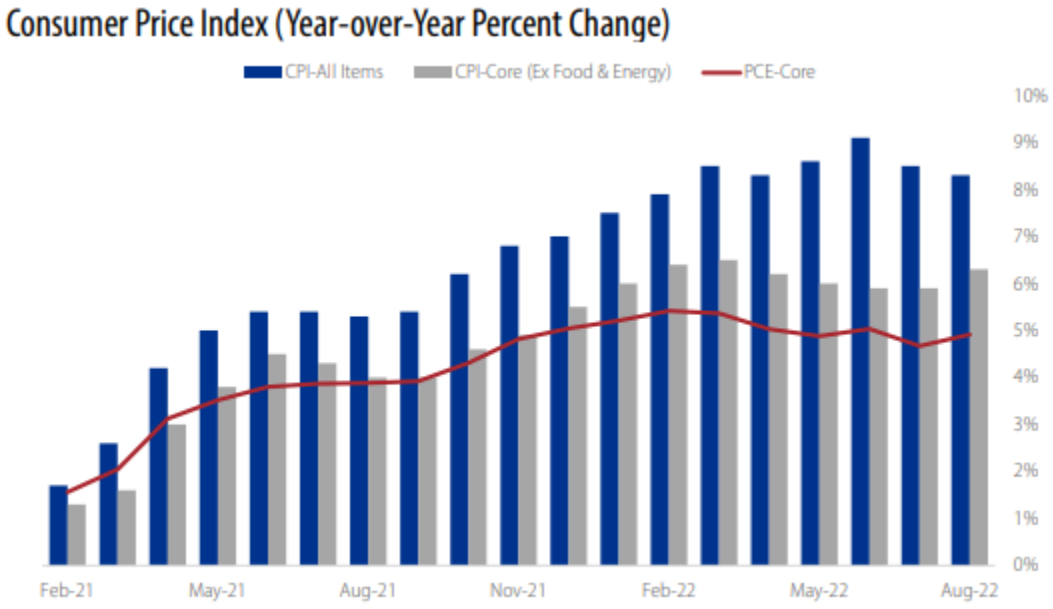
will continue to improve as we continue to invest in safe investments outlined in the Town's investment policy.

2022 Q4 Economic Recap and Rate Outlook

The September consumer price index (CPI) was expected to show an inflation rate still much too hot for Fed officials to consider anything other than dousing it with another big rate hike. The release from the U.S. Bureau of Labor Statistics more than met that expectation with headline CPI rising +0.4% last month, doubling the +0.2% median forecast. The September increase follows a +0.1% rise in August and an unchanged reading in July. On a year-over-year basis, overall CPI was up +8.2%, slightly above the +8.1% forecast. The annual rate peaked at +9.1% in June and has subsequently decreased in each of the past three months, but at a maddeningly slow pace of decline. Spending on goods has given way in recent months to service spending, and the shift was evident in the September consumer inflation report. Core goods prices were unchanged in September while core services rose +0.8% with the cost for medical care (+1.0%), transportation services (+1.9%), food away from home (0.9%) and shelter (+0.7%) all rising sharply. Shelter costs, are notoriously sticky, and make up a third of overall CPI and about 40% of the core.

Finance's new discipline will be to ladder the portfolios and this strategy will help sustain the yield for a longer period of time. We will continue this strategy as much as possible. Finance will continue to monitor our cash needs as revenue streams has been reflected for the property tax collections received in the first two quarters of the fiscal year and utilization of bond proceeds for CIP projects.





Source: Bureau of Labor Statistics

Quarterly Investment Report

For the Quarter Ended

September 30, 2022

Prepared by the Town of Little Elm Finance Department

Overview of the Quarterly Investment Report

Funds on deposit with depository bank are fully collateralized.

- **YTD Cash and Investments on hand: $142,855,892.67**
  - 40.20% in depository bank
  - 33.32% invested in Pools
  - 3.51% invested in CDs
  - 8.70% invested in US Treasury Notes
  - 14.27% invested in US Agency Bonds
- **Interest Earnings**
  - $1,205,829 YTD
  - $626,665 July to September 2022
- **Average Yield on Portfolio**
  - 1.97% YTD
  - 1.47% at end of 3rd Quarter – FY 2021-2022
- **Average Yield Benchmarks**
  - 3.26% Three Month Rolling Treasury Yield
  - 3.80% One Year Rolling Treasury Yield
  - 2.20% TexPool/Logic Average Yield
- **Certification of Investment Policy (Government Treasurers' Organization of Texas)**
  - Awarded for 2-year period ending March 31, 2024
  - Town has obtained re-certification

The investment portfolio of the Town of Little Elm is in compliance with the Public Funds Investment Act and the investment Policy and Strategies.

Kelly Wilson

Kelly Wilson, Chief Financial Officer

Dianne Lawson

Dianne Lawson, Assistant Director of Finance

TOWN OF LITTLE ELM

Investment Portfolio Summary

Quarter Ending 9/30/2022

PERFORMANCE	6/30/2022	9/30/2022
Yield to Maturity @ Cost	**1.47%**	**2.07%**
TREASURY		
3 Month	**1.69%**	**3.26%**
1 Year	**2.79%**	**3.80%**
2 Year	**2.92%**	**4.10%**

Investment Policy Compliance

Authorized Investments	Compliance
Certficiate of Deposit | Negotiable	Yes
Commercial Paper	Yes
Guaranteed Investment Contracts	Yes
Local Government Investment Pools	Yes
Municipal Bonds | Texas	Yes
Municipal | United States	Yes
Mutual Funds	Yes
Repuchase Agreements	Yes
US Agency	Yes
US Treasury	Yes

	Days	Compliance
Maturity Range | not to exceed 5 Years	171	Yes

MISSION

Effective cash management is recognized as essential to good fiscal management. A comprehensive and effective cash management system will be pursued to optimize investment interest as viable and material revenue to all operating and capital funds. The Town's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with local, state and federal law.

The Town of Little Elm, Texas, is in full compliance with the investment policy and strategy, and the Public Funds Investment Act | Chapter 2256.005 (n), Government Code, Section 404.024.

Kelly Wilson

Kelly Wilson, Chief Finance Officer

Dianne Lawson

Dianne Lawson, Assistant Director of Finance

TOWN OF LITTLE ELM

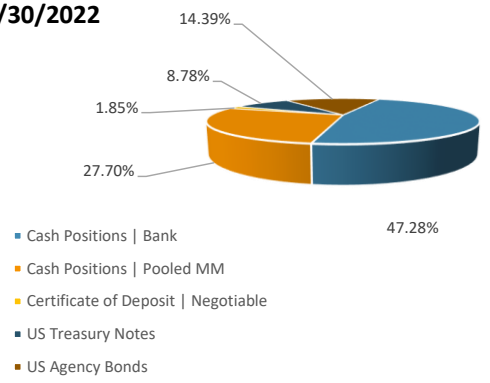
Investment Portfolio Summary

Quarter Ending 9/30/2022

Investment Policy Compliance

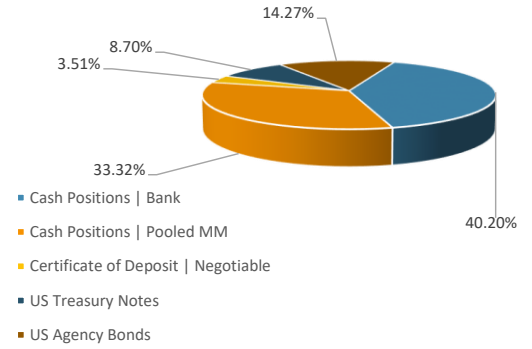
Asset Category	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
Cash Positions | Bank	47.28%	1.00	1	67,347,568.02	67,347,568.02	67,347,568.02
Cash Positions | Pooled MM	27.70%	0.77	1	39,461,118.81	39,461,118.81	39,461,118.81
Certificate of Deposit | Negotiable	1.85%	2.55	357	2,640,000.00	2,640,000.00	2,639,952.48
US Treasury Notes	8.78%	1.60	313	12,500,000.00	12,492,576.51	12,388,150.00
US Agency Bonds	14.39%	1.42	408	20,500,000.00	20,467,950.00	20,110,695.00
	100.00%	**1.47%**	**216**	**142,448,686.83**	**142,409,213.34**	**141,947,484.31**

6/30/2022



Asset Category	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
Cash Positions | Bank	40.20%	2.26	1	57,771,221.60	57,771,221.60	57,771,221.60
Cash Positions | Pooled MM	33.32%	2.20	1	47,887,862.27	47,887,862.27	47,887,862.27
Certificate of Deposit | Negotiable	3.51%	2.86	315	5,045,000.00	5,045,000.00	5,007,083.80
US Treasury Notes	8.70%	1.60	221	12,500,000.00	12,492,576.51	12,364,475.00
US Agency Bonds	14.27%	1.42	316	20,500,000.00	20,467,950.00	19,825,250.00
	100.00%	**2.07%**	**171**	**143,704,083.87**	**143,664,610.38**	**142,855,892.67**

9/30/2022



Investment Policy Compliance

Authorized Investments	Compliance
Certficiate of Deposit | Negotiable	Yes
Commercial Paper	Yes
Guaranteed Investment Contracts	Yes
Local Government Investment Pools	Yes
Municipal Bonds | Texas	Yes
Municipal | United States	Yes
Mutual Funds	Yes
Repuchase Agreements	Yes
US Agency	Yes
US Treasury	Yes

	Days	Compliance
Maturity Range | not to exceed 5 Years	171	Yes

Town of Little Elm
Portfolio Holdings
Investment Portfolio - by Asset Category
As of 9/30/2022

Description	CUSIP/Ticker	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Book Value	Market Value	Maturity Date	Days To Maturity	Accrued Interest	% of Portfolio
Cash Positions | Bank Investments											
Independent Bank | Pooled Cash MM	MM5236	09/30/2022	2.257	52,778,622.65	52,778,622.65	52,778,622.65	52,778,622.65	N/A	1	0	36.74%
Independent Bank | Section 125 MM	MM3949	09/30/2022	2.257	61,543.96	61,543.96	61,543.96	61,543.96	N/A	1	0	0.04%
Independent Bank | Dispersal Funds MM	MM3595	09/30/2022	2.257	1,534.71	1,534.71	1,534.71	1,534.71	N/A	1	0	0.00%
Independent Bank | American Recovery Act MM	MM7177	09/30/2022	2.257	2,542,873.22	2,542,873.22	2,542,873.22	2,542,873.22	N/A	1	0	1.77%
Independent Bank | CIP Reserve MM	MM7607	09/30/2022	2.257	2,386,546.51	2,386,546.51	2,386,546.51	2,386,546.51	N/A	1	0	1.66%
Independent Bank | Emergicon MM	MM7737	09/30/2022	2.257	100.55	100.55	100.55	100.55	N/A	1	0	0.00%
Sub Total / Average Cash Positions | Bank Investments			**2.257**	**57,771,221.60**	**57,771,221.60**	**57,771,221.60**	**57,771,221.60**		**1**	**0.00**	**40.21%**
Cash Positions | MM Pool Investments											
TexPool | Consolidated Ops LGIP	LGIP449	09/30/2022	2.032	7,568,152.90	7,568,152.90	7,568,152.90	7,568,152.90	N/A	1	0	5.27%
TexPool Prime| Consolidated Ops LGIP	LGIP590	09/30/2022	2.196	7,318,220.71	7,318,220.71	7,318,220.71	7,318,220.71	N/A	1	0	5.09%
TexPool Prime | 2020 CO Bond LGIP	LGIP590	09/30/2022	2.196	454,363.23	454,363.23	454,363.23	454,363.23	N/A	1	0	0.32%
LOGIC Prime | 2021 CO Bond LGIP	LGIP6001	09/30/2022	2.097	22,535,471.78	22,535,471.78	22,535,471.78	22,535,471.78	N/A	1	0	15.69%
LOGIC Prime | 2022 CO Bond LGIP	LGIP6002	09/30/2022	2.476	10,011,653.65	10,011,653.65	10,011,653.65	10,011,653.65	N/A	1	0	6.97%
Sub Total / Average Cash Positions | MM Pool Investments			**2.199**	**47,887,862.27**	**47,887,862.27**	**47,887,862.27**	**47,887,862.27**		**1**	**0.00**	**33.33%**
Certificate of Deposit | Negotiable											
Sharonview Federal Credit Union	819866BF0	06/27/2022	2.350	240,000.00	240,000.00	240,000.00	239,428.80	12/30/2022	91	0.00	0.17%
Bank India New York	06279K2V7	06/27/2022	2.300	240,000.00	240,000.00	240,000.00	239,328.00	01/04/2023	96	1,391.34	0.17%
Cross River Bank	227563BT9	06/27/2022	2.400	240,000.00	240,000.00	240,000.00	238,195.20	03/30/2023	181	1,451.84	0.17%
East-West Bank Pasadena California	27579TTX8	06/27/2022	2.600	240,000.00	240,000.00	240,000.00	238,430.40	03/30/2023	181	1,572.82	0.17%
Eclipse Bankcorp Inc	27884YAE9	06/27/2022	2.500	240,000.00	240,000.00	240,000.00	238,339.20	03/30/2023	181	0.00	0.17%
Ally Bank Sandy Utah	02007GUA9	06/27/2022	2.850	240,000.00	240,000.00	240,000.00	236,097.60	12/29/2023	455	1,724.05	0.17%
Bank Hapoalim BM New York	06251S4G2	06/27/2022	3.000	240,000.00	240,000.00	240,000.00	236,532.00	12/29/2023	455	1,814.79	0.17%
Jeanne D Arc Federal Credit Union	472207AB5	06/27/2022	3.200	240,000.00	240,000.00	240,000.00	235,984.80	06/28/2024	637	0.00	0.17%
American Express National Bank	02589AD41	06/27/2022	3.300	240,000.00	240,000.00	240,000.00	236,121.60	07/01/2024	640	2,017.97	0.17%
Flushing Bank	34387AEV7	07/05/2022	2.000	240,000.00	240,000.00	240,000.00	239,976.00	10/04/2022	4	1,144.11	0.17%
Trinity Bank	89641TAE4	07/07/2022	2.200	240,000.00	240,000.00	240,000.00	239,347.20	12/28/2022	89	1,229.59	0.17%
Wex Bank	92937CKV9	07/01/2022	2.250	240,000.00	240,000.00	240,000.00	239,308.80	01/03/2023	95	1,346.30	0.17%
America's Christian Credit Union	03062CAJ1	09/21/2022	3.500	245,000.00	245,000.00	245,000.00	244,598.20	03/21/2023	172	211.44	0.17%
Seneca Savings	817178AC0	07/06/2022	2.400	240,000.00	240,000.00	240,000.00	238,159.20	04/06/2023	188	378.74	0.17%
Winter Hill Bank, FSB	975875BD6	07/07/2022	2.400	240,000.00	240,000.00	240,000.00	238,147.20	04/06/2023	188	362.96	0.17%
Evansville Teachers Fredit Credit Union	299547BA6	07/07/2022	3.000	240,000.00	240,000.00	240,000.00	238,267.20	07/07/2023	280	572.05	0.17%
Metro Credit Union	59161YAV8	07/13/2023	3.000	240,000.00	240,000.00	240,000.00	238,204.80	07/13/2023	286	572.05	0.17%
Goldman Sachs Bank	38150VDM8	07/06/2022	3.000	240,000.00	240,000.00	240,000.00	236,469.60	01/06/2023	98	1,696.44	0.17%
Essential Federal Credit Union	29669XAL2	09/30/2022	4.250	240,000.00	240,000.00	240,000.00	240,086.40	04/01/2024	549	0.00	0.17%
Sallie Mae Bank	795451BP7	07/06/2022	3.300	240,000.00	240,000.00	240,000.00	236,061.60	07/08/2024	647	1,866.08	0.17%
Vystar Credit Union	92891CCN0	09/30/2022	4.350	240,000.00	240,000.00	240,000.00	240,000.00	09/30/2025	1,096	0.00	0.17%
Sub Total / Average Certificate of Deposit | Negotiable			**2.864**	**5,045,000.00**	**5,045,000.00**	**5,045,000.00**	**5,007,083.80**		**315**	**19,352.57**	**3.51%**
US Treasury Notes											
US T-Note	91282CAR2	3/25/2022	1.075	5,000,000.00	4,971,679.69	4,974,183.14	4,989,950.00	10/31/2022	31	2,598.51	3.46%
US T-Note	912828R28	3/25/2022	1.682	2,500,000.00	2,498,437.50	2,514,709.94	2,465,525.00	4/30/2023	212	16,890.29	1.75%
US T-Note	9128286R6	3/25/2022	2.238	2,500,000.00	2,500,585.94	2,523,117.02	2,421,100.00	4/30/2024	578	23,386.55	1.76%
US T-Note	91282CAX9	4/20/2022	1.404	2,500,000.00	2,481,776.92	2,480,566.41	2,487,900.00	11/30/2022	61	1,041.67	1.73%
Sub Total / Average US Treasury Notes			**1.600**	**12,500,000.00**	**12,452,480.05**	**12,492,576.51**	**12,364,475.00**		**221**	**43,917.02**	**8.70%**
US Agency Bonds											
FHLB	3130APQN8	11/22/2021	0.625	5,000,000.00	5,000,000.00	5,000,000.00	4,780,350.00	11/22/2023	418	11,111.11	3.48%
FHLB	3130AQQT3	2/23/2022	1.100	8,000,000.00	8,000,000.00	8,000,000.00	7,624,800.00	2/23/2024	511	9,044.44	5.57%
FFCB	3133EMX98	4/20/2022	1.745	2,500,000.00	2,468,437.50	2,467,950.00	2,467,850.00	2/2/2023	125	362.50	1.72%
FHLB	3130ARRU7	4/28/2022	2.212	5,000,000.00	5,000,000.00	5,000,000.00	4,952,250.00	4/28/2023	210	17,222.22	3.48%
Sub Total / Average US Agency Bonds			**1.421**	**20,500,000.00**	**20,468,437.50**	**20,467,950.00**	**19,825,250.00**		**316**	**37,740.27**	**14.25%**
Total / Average			**2.068**	**143,704,083.87**	**143,625,001.42**	**143,664,610.38**	**142,855,892.67**		**171**	**101,009.86**	**1.00**

TOWN OF LITTLE ELM

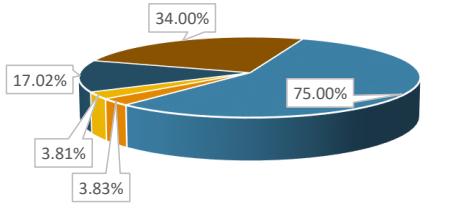
Investment Portfolio Summary

Quarter Ending 9/30/2022

Investment Policy Compliance | Maturity Range

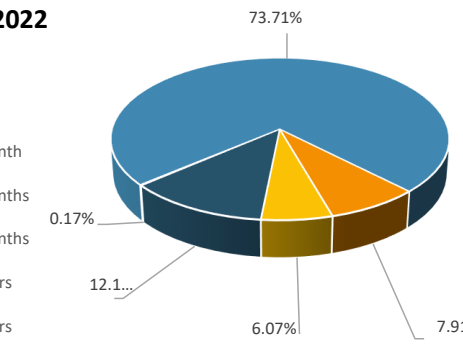
Maturity Range	% of Portfolio	YTM @Cost	Days to Maturity	Book Value
0-1 Month	75.00%	0.88	1	106,808,686.83
3-6 Months	3.83%	1.54	102	5,454,183.14
6-9 Months	3.81%	1.95	185	5,428,516.41
1-2 Years	17.02%	2.12	430	24,237,826.96
2-3 Years	34.00%	3.25	731	480,000.00
	100.00%	**1.95%**	**216**	**142,409,213.34**

6/30/2022



Maturity Range	% of Portfolio	YTM @Cost	Days to Maturity	Book Value
0-1 Month	73.71%	2.15	1	105,899,083.87
3-6 Months	7.91%	2.20	95	11,367,699.55
6-9 Months	6.07%	2.31	192	8,714,709.94
1-2 Years	12.14%	2.71	496	17,443,117.02
2-3 Years	0.17%	4.35	1,096	240,000.00
	100.00%	**2.75%**	**171**	**143,664,610.38**

9/30/2022



Investment Policy Compliance

Authorized Investments	Days	Compliance
Maturity Range | not to exceed 5 Years	171	Yes

Town of Little Elm
Portfolio Holdings
Investment Portfolio - by Maturity Range
As of 9/30/2022

Description	CUSIP/Ticker	Maturity Date	Days To Maturity	Settlement Date	Book Value	Market Value	% of Portfolio
0-1 Month							
Independent Bank | Pooled Cash MM	MM5236	9/30/2022	1		52,778,622.65	52,778,622.65	36.74%
Independent Bank | Section 125 MM	MM3949	09/30/2022	1		61,543.96	61,543.96	0.04%
Independent Bank | Dispersal Funds MM	MM3595	09/30/2022	1		1,534.71	1,534.71	0.00%
Independent Bank | American Recovery Act MM	MM7177	09/30/2022	1		2,542,873.22	2,542,873.22	1.77%
Independent Bank | CIP Reserve MM	MM7607	09/30/2022	1		2,386,546.51	2,386,546.51	1.66%
Independent Bank | Emergicon MM	MM7737	09/30/2022	1		100.55	100.55	0.00%
TexPool | Consolidated Ops LGIP	LGIP449	09/30/2022	1		7,568,152.90	7,568,152.90	5.27%
TexPool Prime| Consolidated Ops LGIP	LGIP590	09/30/2022	1		7,318,220.71	7,318,220.71	33.33%
TexPool Prime | 2020 CO Bond LGIP	LGIP590	09/30/2022	1		454,363.23	454,363.23	0.32%
LOGIC Prime | 2021 CO Bond LGIP	LGIP6001	09/30/2022	1		22,535,471.78	22,535,471.78	15.69%
LOGIC Prime | 2022 CO Bond LGIP	LGIP6002	09/30/2022	1		10,011,653.65	10,011,653.65	6.97%
Flushing Bank	34387AEV7	10/04/2022	4	07/05/2022	240,000.00	239,976.00	0.17%
Total / Average 0-1 Month			**1**		**105,899,083.87**	**105,899,059.87**	**73.71%**
3-6 Month							
Sharonview Federal Credit Union	819866BF0	12/30/2022	91	6/27/2022	240,000.00	239,428.80	0.17%
Bank India New York	06279K2V7	01/04/2023	96	6/27/2022	240,000.00	239,328.00	0.17%
Trinity Bank	89641TAE4	12/28/2022	89	7/7/2022	240,000.00	239,347.20	0.17%
Wex Bank	92937CKV9	1/3/2023	95	7/1/2022	240,000.00	239,308.80	0.17%
America's Christian Credit Union	03062CAJ1	3/21/2023	172	9/21/2022	245,000.00	244,598.20	0.17%
Goldman Sachs Bank	38150VDM8	1/6/2023	98	7/6/2022	240,000.00	236,469.60	0.17%
US T-Note	91282CAR2	10/31/2022	31	3/25/2022	4,974,183.14	4,989,950.00	3.46%
US T-Note	91282CAX9	11/30/2022	61	4/20/2022	2,480,566.41	2,487,900.00	1.73%
FFCB	3133EMX98	2/2/2023	125	4/20/2022	2,467,950.00	2,467,850.00	1.72%
Total / Average 3-6 Months			**95**		**11,367,699.55**	**11,384,180.60**	**7.91%**
6-9 Months							
Cross River Bank	227563BT9	03/30/2023	181	06/27/2022	240,000.00	238,195.20	0.17%
East-West Bank Pasadena California	27579TTX8	03/30/2023	181	06/27/2022	240,000.00	238,430.40	0.17%
Eclipse Bankcorp Inc	27884YAE9	03/30/2023	181	06/27/2022	240,000.00	238,339.20	0.17%
Seneca Savings	817178AC0	04/06/2023	188	07/06/2022	240,000.00	238,159.20	0.17%
Winter Hill Bank, FSB	975875BD6	04/06/2023	188	07/07/2022	240,000.00	238,147.20	0.17%
US T-Note	912828R28	04/30/2023	212	03/25/2022	2,514,709.94	2,465,525.00	1.75%
FHLB	3130ARRU7	04/28/2023	210	04/28/2022	5,000,000.00	4,952,250.00	3.48%
Total / Average 6-9 Months			**192**		**8,714,709.94**	**8,609,046.20**	**6.07%**
1-2 Years							
Ally Bank Sandy Utah	02007GUA9	12/29/2023	455	6/27/2022	240,000.00	236,097.60	0.17%
Bank Hapoalim BM New York	06251S4G2	12/29/2023	455	6/27/2022	240,000.00	236,532.00	0.17%
Jeanne D Arc Federal Credit Union	472207AB5	6/28/2024	637	6/27/2022	240,000.00	235,984.80	0.17%
American Express National Bank	02589AD41	7/1/2024	640	6/27/2022	240,000.00	236,121.60	0.17%
Evansville Teachers Fredit Credit Union	299547BA6	7/7/2023	280	7/7/2022	240,000.00	238,267.20	0.17%
Metro Credit Union	59161YAV8	7/13/2023	286	7/13/2023	240,000.00	238,204.80	0.17%
Essential Federal Credit Union	299547BA6	04/01/2024	549	09/30/2022	240,000.00	240,086.40	0.17%
Sallie Mae Bank	59161YAV8	07/08/2024	647	07/06/2022	240,000.00	236,061.60	0.17%
US T-Note	9128286R6	04/30/2024	578	03/25/2022	2,523,117.02	2,421,100.00	1.76%
FHLB	3130APQN8	11/22/2023	418	11/22/2021	5,000,000.00	4,780,350.00	3.48%
FHLB	3130AQQT3	02/23/2024	511	02/23/2022	8,000,000.00	7,624,800.00	5.57%
Total / Average 1-2 Years			**496**		**17,443,117.02**	**16,723,606.00**	**12.14%**
2-3 Years							
Vystar Credit Union	92891CCN0	09/30/2025	1,096	09/30/2022	240,000.00	240,000.00	0.17%
Total / Average 2-3 Years			**1,096**		**240,000.00**	**240,000.00**	**0.17%**
Total / Average					**143,664,610.38**	**142,855,892.67**	**1.00**

TOWN OF LITTLE ELM

Investment Portfolio Summary

Quarter Ending 9/30/2022

Funds			Par Value	Book Value	Market Value	Accrued Interest
Cash Positions | Bank						
	Value at	6/30/2022	67,347,568.02	67,347,568.02	67,347,568.02	-
		Net Change	**(9,576,346.42)**	**(9,576,346.42)**	**(9,576,346.42)**	**-**
	Value at	9/30/2022	57,771,221.60	57,771,221.60	57,771,221.60	-
Cash Positions | Pool Investments						
	Value at	6/30/2022	39,461,118.81	39,461,118.81	39,461,118.81	-
		Net Change	**8,426,743.46**	**8,426,743.46**	**8,426,743.46**	**-**
	Value at	9/30/2022	47,887,862.27	47,887,862.27	47,887,862.27	-
Certificate of Deposit | Negotiable						
	Value at	6/30/2022	2,640,000.00	2,640,000.00	2,639,952.48	21.70
		Net Change	**2,405,000.00**	**2,405,000.00**	**2,367,131.32**	**19,330.87**
	Value at	9/30/2022	5,045,000.00	5,045,000.00	5,007,083.80	19,352.57
US Treasury Notes						
	Value at	6/30/2022	12,500,000.00	12,492,576.51	12,388,150.00	17,350.25
		Net Change	**-**	**-**	**(23,675.00)**	**26,566.77**
	Value at	9/30/2022	12,500,000.00	12,492,576.51	12,364,475.00	43,917.02
US Government Bonds (Agencies)						
	Value at	6/30/2022	20,500,000.00	20,467,950.00	20,110,695.00	43,879.16
		Net Change	**-**	**-**	**(285,445.00)**	**(6,138.89)**
	Value at	9/30/2022	20,500,000.00	20,467,950.00	19,825,250.00	37,740.27

Total Portfolio			Par Value	Book Value	Market Value	Accrued Interest
	Value at	**6/30/2022**	**142,448,686.83**	**142,409,213.34**	**141,947,484.31**	**61,251.11**
		Net Change	**1,255,397.04**	**1,255,397.04**	**908,408.36**	**39,758.75**
	Value at	**9/30/2022**	**143,704,083.87**	**143,664,610.38**	**142,855,892.67**	**101,009.86**

TOWN OF LITTLE ELM

Investment Portfolio Interest Earnings

Quarter Ending 9/30/2022

Interest Earnings

Funds	FY 2020 Interest Earnings	FY 2021 Interest Earnings	FY 2022 1st Qtr	FY 2022 2nd Qtr	FY 2022 3rd Qtr	Jul-22	Aug-22	Sep-22	4th Qtr FY 2022	FY 2021 Interest Earnings
General Operating	**408,184**	**174,622**	**29,317**	**45,400**	**100,786**	48,258	63,350	76,360	187,968	363,471
Special Revenue Fund	**63,758**	**58,815**	**13,508**	**11,100**	**27,556**	16,797	19,669	22,232	58,698	110,862
Interest and Sinking	**41,213**	**22,613**	**2,531**	**5,275**	**10,580**	998	1,244	1,488	3,731	22,116
Equipment Replacement Fund	**53,632**	**32,981**	**6,819**	**5,034**	**10,003**	4,933	6,144	7,352	18,429	40,284
Enterprise Funds	**424,323**	**247,995**	**40,220**	**40,598**	**97,238**	48,800	60,918	71,421	181,139	359,194
Economic Agreements/TIRZ	**66,432**	**14,440**	**1,503**	**1,321**	**5,275**	2,217	2,641	3,304	8,162	16,261
Community Development Type B Corporation	**9,095**	**9,612**	**1,601**	**1,783**	**4,932**	1870	2329	2787	6,986	15,303
General Capital Project Funds	**303,605**	**94,018**	**22,089**	**27,374**	**67,322**	41,426	50,708	69,419	161,553	278,338
Total Cash and Investments	**1,324,115**	**655,096**	**117,588**	**137,884**	**323,692**	**165,299**	**207,004**	**254,363**	**626,665**	**1,205,829**

Interest Earnings

Investment Type	FY 2020 Interest Earnings	FY 2021 Interest Earnings	FY 2022 1st Qtr	FY 2022 2nd Qtr	FY 2022 3rd Qtr	Jul-22	Aug-22	Sep-22	4th Qtr FY 2022	FY 2021 Interest Earnings
Cash Positions | Bank	**922,000**	**497,865**	**104,421**	**113,591**	**121,784**	97,007	88,443	160,051	345,501	685,298
Cash Positions | Pooled	**185,688**	**15,186**	**5,359**	**13,670**	**76,284**	53,829	70,205	89,051	213,085	308,399
Investments	**216,427**	**142,045**	**7,810**	**10,622**	**125,624**	14,463	48,356	5,260	68,078	212,135
Total Cash and Investments	**1,324,115**	**655,096**	**117,590**	**137,884**	**323,692**	**165,299**	**207,004**	**254,363**	**626,665**	**1,205,831**

Date:	11/01/2022
Agenda Item #:	4. D.
Department:	Finance
Strategic Goal:	Maintain operational integrity and viability
Staff Contact:	Kelly Wilson, Chief Financial Officer

AGENDA ITEM:

Consider Action to Approve the **Unaudited Quarterly Budget Report** for the Quarter Ending **September 30, 2022**.

DESCRIPTION:

The purpose of this item is to provide Town Council a report of financial performance of the Town regarding its Budget of Revenues and Expenditures for the 4th Quarter of the Fiscal Year 2021-2022.

BUDGET IMPACT:

At September 30, 2022, the budget for all major funds target at 100%. The first half of the fiscal year reflected the majority of property tax collections, which is a major revenue stream for the Town. Through the 4th quarter, the Town's property tax collection rate is 99.64%. The Town is seeing collections on prior year's taxes. Building permits is another indicator of the economy and the Town is seeing collections to date of 156% of the budgeted revenue for permits. The Town has had several successful special events this year which is reflected in the Parks and Rec Fund. Another stream of revenue for the Park and Recreation Fund is the membership of the COVE @ the Lakefront. The Cove is showing a 118% cost recovery through this reporting period. The Recreation Center is showing a 102% cost recovery through this reporting period. Another major revenue stream for the Town is the reported sales tax. To date, the Town is over FY 2022 projected budgeted sales tax revenue by 23% in tax collections. The Utility Funds are on target with their billed revenue for services. The Town is experiencing increased water sales, which offsets the cost of purchase of water. Finance tracks the amount of water purchases to our take or pay amount, and the Town did exceed our take or pay.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Quarterly Budget to Actual Memo-Q4 FY 2022

September 30, 2022 Financial Report

General Fund and Utility Fund Summary
Parks and Rec Fund Summary

MEMORANDUM

TO: MATT MUELLER, TOWN MANAGER

FROM: KELLY WILSON, CHIEF FINANCIAL OFFICER

SUBJ: BUDGET REPORT FOR PERIOD SEPTEMBER 30, 2022

CC: MAYOR AND COUNCIL

The attached is Budget to Actual Information for the fiscal period ending September 30, 2022. This period ending represents 100% of the Town's fiscal year. This information is unaudited and provides a snapshot of our financial information in a budgetary basis.

Cash and Investment Position: The Town is in excellent cash position. All idle funds are in interest bearing accounts or secured investments. For further detailed information, please review the quarterly investment report.

Budget: At September 30, 2022, the budget is as follows for major funds with the **target at 100%;** the major funds are presented in summary below. The YTD figure includes actual expenditures and encumbrances.

Revenues:

Major Funds – Sources		***Budget***		*YTD*	*% Earned*
General Fund	$	42,401,973	$	51,039,491	120.37%
Park and Recreation Fund		4,208,104		4,844,444	115.12%
Street Maintenance Fund		1,453,229		1,618,945	111.40%
Water and Sewer Fund		20,571,974		21,913,617	106.52%
Solid Waste Fund		3,464,061		3,554,914	102.62%
Storm Drainage System Fund		741,685		798,549	107.67%

Expenditures:

Major Funds - Uses		***Budget***		*YTD*	*% Used*
General Fund	$	47,180,023	$	45,134,565	95.66%
Park and Recreation Fund		4,032,436		4,138,219	102.62%
Street Maintenance Fund		2,476,178		1,586,084	64.05%
Water and Sewer Fund		20,351,506		19,840,163	97.49%
Solid Waste Fund		3,237,132		3,332,394	102.94%
Storm Drainage System Fund		812,714		740,796	91.15%

General Fund Revenue and Expense Summary: The total all sources of revenue in the General Fund year-to-date is $51,039,491 or 120.37% of budgeted revenues of $42,401,973. Compared to this time last year, the General Fund year-to-date revenues was 119% of budgeted revenues. Operationally, the Town's

revenue through the 4th quarter of the fiscal year exceeded our projections during the budget process. Accounting is still accruing revenue per GASB guidelines. At the time staff presented to Council the Town's estimates for the 2022 General Fund revenue, this amounted to $48,161,101. As of the date of this report, we have collected and reporting revenue of $51,039,491. This is an increase from our projections of $2,878,390 or 6% more in revenue. Ad Valorem property tax collections as of September 30, 2022 are $32,666,782 or 99.64% on a tax levy of $32,781,656. Property Tax collections typically start in October and spike with collections in December. The Town reports the collected property tax net of obligations to the various economic development incentives that are accounted for throughout the year. The Town is seeing through our 4th quarter a strong increase in building permit revenue, which reflects total collected to date of $3,889,842 or 156% of the $2,500,000 annual budgeted revenue. The Town has not seen any loss in sales tax revenue that other municipalities has experience due to shut-down and slow openings. The Town has exceeded year to date projected budgeted sales tax revenue by 23.48%. Statewide, the Comptroller is reporting a 17% increase in sales tax collections. Total General Fund Expenditures are $45,134,565 including $1,633,964 in encumbrances. Total expenditures represent 95.66% of the budgeted $47,180,023. The Town estimated expenditures during the budget process of $45,030,352. This is very close to what we have reported today that has been spent or encumbered. Finance is still closing out our 2022 purchase orders allowing time for vendors to supply their invoices for payment. We plan to close out the end of 2022 for claims in November.

General Fund and Debt Service Fund Property Taxes:
The Property Tax collections for the fiscal year are received through September are:

General & Debt	General Fund	YTD Actual	Debt Service Fund	YTD Actual
Current Levy	$20,947,917	$23,528,658	$5,267,800	$5,721,429
Penalty and Interest	50,000	66,397	14,400	16,717
Prior Year Property Taxes	25,000	116,008	10,800	35,142
Total	$21,022,917	$23,711,064	$5,293,000	$5,773,289

Sales Tax: The Town's total sales tax budget (2 cents) is $11,545,834. On an accrual basis, the Town is reporting sales tax receipts as it is earned. Sales Tax received in October and November was accrued back into FY2021 as it was actually earned for sales for the months of August and September. The table below summaries total sales tax collections through October 2022. The figures below do not include any reduction to Sales Tax associated with any development, 380 or economic development agreements.

Fiscal Year	Total Sales Tax Received	1¢ City	.50¢ EDC	.25¢ CDC	.25¢ SMF
2021-2022 Budget	11,545,834	5,772,918	2,886,458	1,443,229	1,443,229
2021-2022 YTD Actual	12,813,958	6,406,979	3,203,489	1,601,745	1,601,745

Interest Earnings and Cash Position: The Town's funds are fully invested and secure. Total interest earned year to date ending September 30, 2022 was $1,205,829. Total cash and investments on hand for

the period ending September 30, 2022 are $142,855,893. (See Cash and Investment Report for more detail)

Water and Sewer Fund: The Town's Water-Wastewater Utility revenue billed YTD as of September 30, 2022 is $21,913,617 or 106.52% of budget revenues of $20,571,974. The Town implemented a multi-year rate plan that goes out to 2024. This year water payers saw an increase of 2% in water rates. Sewer rates remained unchanged. Water sales total $12,370,645 or 110.05% of the total budgeted amount of $11,241,359. Actual expenditures including encumbrances for the year as of September 30, 2022 are $19,840,163 or 97.49% of the total amended budget amount of $20,351,506 including $852,899 for encumbrances. The water purchases take or pay budget reflects $5,379,337 or 26% of the budget. The town is reporting the water purchases for the year is $5,486,446. This is due to increased usage from customers and reflected in the billing revenue as well.

The Town of Little Elm has billed 1.637 million gallons of water through the 4th quarter of FY 2022 and has purchased 1.805 million gallons of water for the fiscal year from NTMWD.

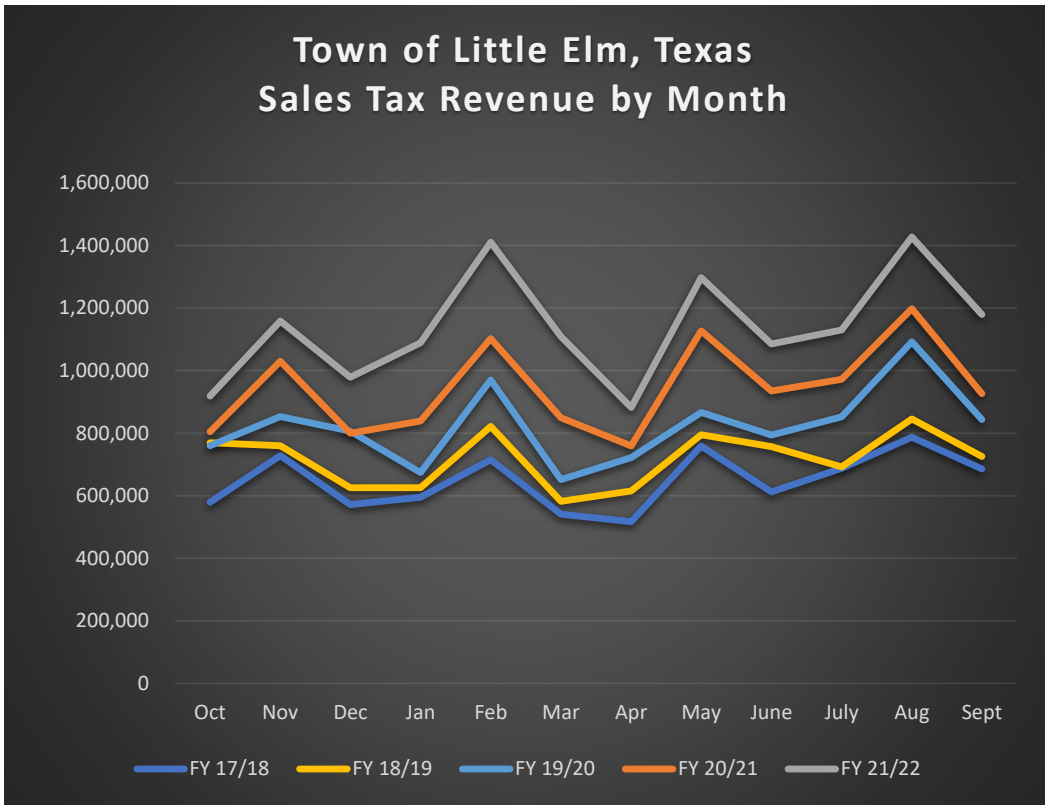
	Oct-21		Nov-21		Dec-21	
	WATER	SEWER	WATER	SEWER	WATER	SEWER
# of Accts Residential	11,683	11,434	11,733	11,483	11,772	11,521
#of Accts Commercial	240	196	242	201	239	197
Consumption-Residential	102,785,000	59,445,000	77,847,000	59,777,000	69,484,000	59,998,000
Consumption-Commercial	20,195,000	6,133,000	16,184,000	5,469,000	13,760,000	4,670,000
Average Residential Water Consumption	8,798		6,635		5,902	
Billed ($) Residential	$ 817,412	$ 522,199	$ 651,627	$ 525,419	$ 600,900	$ 527,449
Billed ($) Commercial	$ 132,505	$ 33,267	$ 114,112	$ 30,397	$ 92,687	$ 24,066
Total Billed ($)	$ 949,917	$ 580,922	$ 765,739	$ 582,578	$ 693,588	$ 575,720
Rainfall	2.96		3.11		0.43	

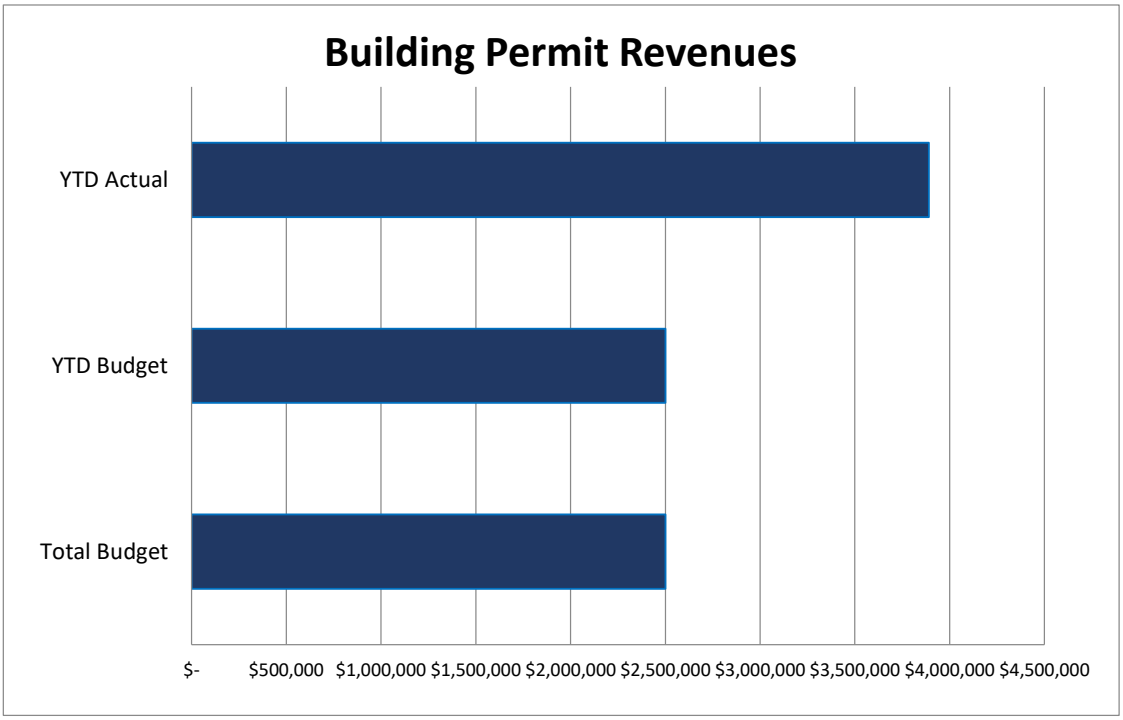
	Jan-22		Feb-22		Mar-22	
	WATER	SEWER	WATER	SEWER	WATER	SEWER
# of Accts Residential	11,809	11,550	11,823	11,569	11,853	11,600
#of Accts Commercial	393	198	388	199	385	198
Consumption-Residential	71,280,000	70,405,000	70,733,000	70,756,000	64,213,000	72,158,000
Consumption-Commercial	8,473,000	4,072,000	8,728,000	4,095,000	7,291,000	4,113,000
Average Residential Water Consumption	6,036		5,983		5,417	
Billed ($) Residential	$ 661,113	$577,098	$ 651,563	$588,701	$ 606,667	$586,524
Billed ($) Commercial	$ 88,402	$23,734	$ 91,866	$23,868	$ 80,090	$23,871
Total Billed ($)	$749,515	$600,832	$743,429	$612,569	$686,757	$610,395
Rainfall	0.08		2.03		2.12	

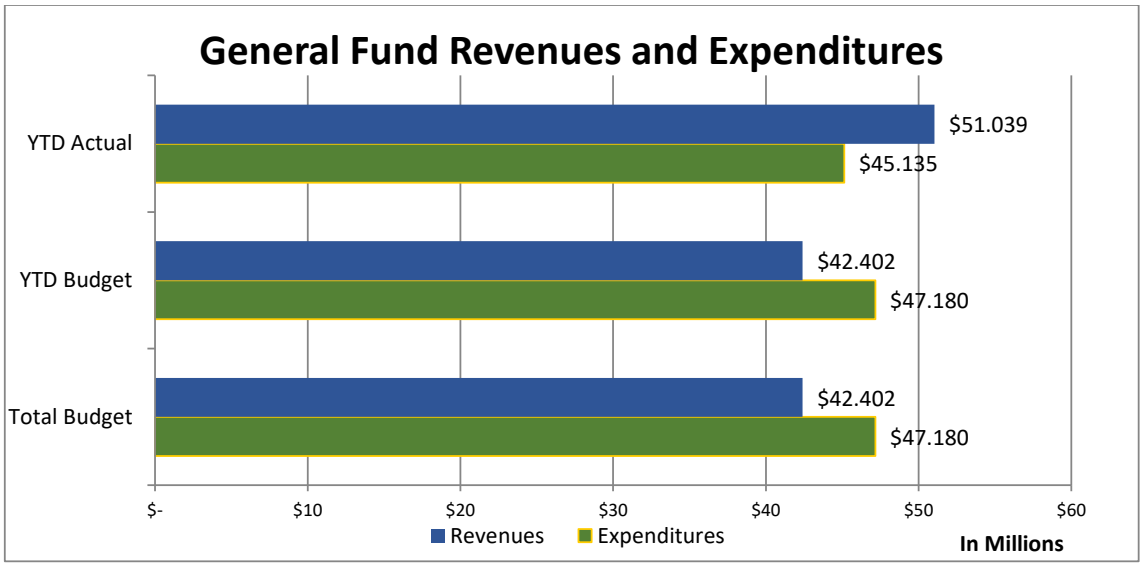
FINANCE DEPARTMENT
BUDGET REPORT

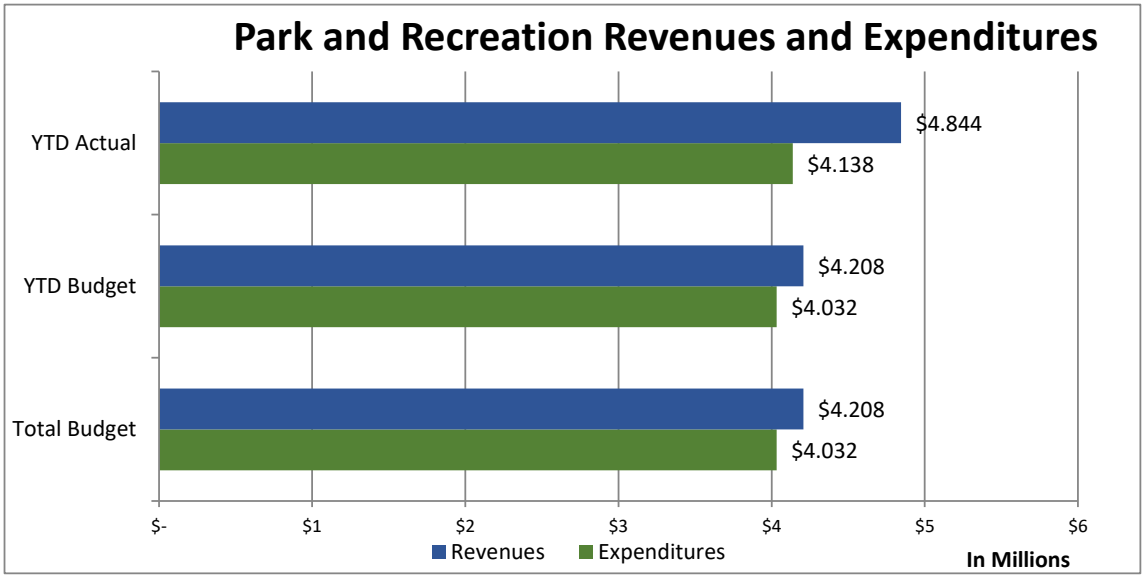
	Apr-22		May-22		Jun-22	
	WATER	SEWER	WATER	SEWER	WATER	SEWER
# of Accts Residential	11,913	11,664	11,936	11,687	11,996	11,746
#of Accts Commercial	436	217	440	219	440	220
Consumption-Residential	82,332,000	73,902,000	85,968,000	73,191,000	119,274,000	75,900,000
Consumption-Commercial	20,441,000	6,445,000	22,693,000	5,801,000	32,065,000	6,676,000
Average Residential Water Consumption	6,911		7,202		9,943	
Billed ($) Residential	$ 729,313	$595,786	$ 753,033	$592,885	$ 978,469	$606,643
Billed ($) Commercial	$ 153,372	$35,226	$ 167,394	$32,240	$ 223,695	$36,284
Total Billed ($)	$ 882,686	$ 631,013	$ 920,427	$ 625,126	$ 1,202,164	$ 642,927
Rainfall	2.54		3		2.64	

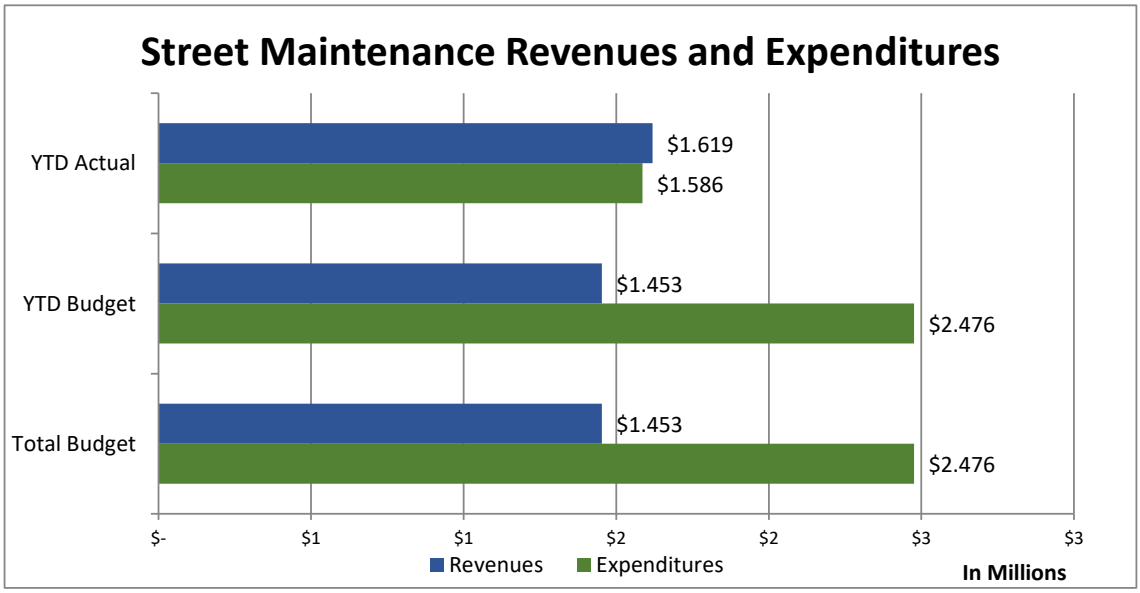
	Jul-22		Aug-22		Sep-22	
	WATER	SEWER	WATER	SEWER	WATER	SEWER
# of Accts Residential	12,026	11,766	12,044	11,783	12,042	11,783
#of Accts Commercial	437	220	443	225	442	224
Consumption-Residential	135,404,000	74,187,000	181,213,000	76,286,000	131,778,000	76,898,000
Consumption-Commercial	33,923,000	5,316,000	46,599,000	6,280,000	37,933,000	5,789,000
Average Residential Water Consumption	11,259		15,046		10,943	
Billed ($) Residential	$ 1,085,366	$598,643	$ 1,400,490	$608,166	$ 1,064,748	$611,906
Billed ($) Commercial	$ 232,033	$52,963	$ 324,134	$34,544	$ 279,131	$32,290
Total Billed ($)	$1,317,399	$651,606	$1,724,625	$642,711	$1,343,879	$644,196
Rainfall	trace		trace		0.33	

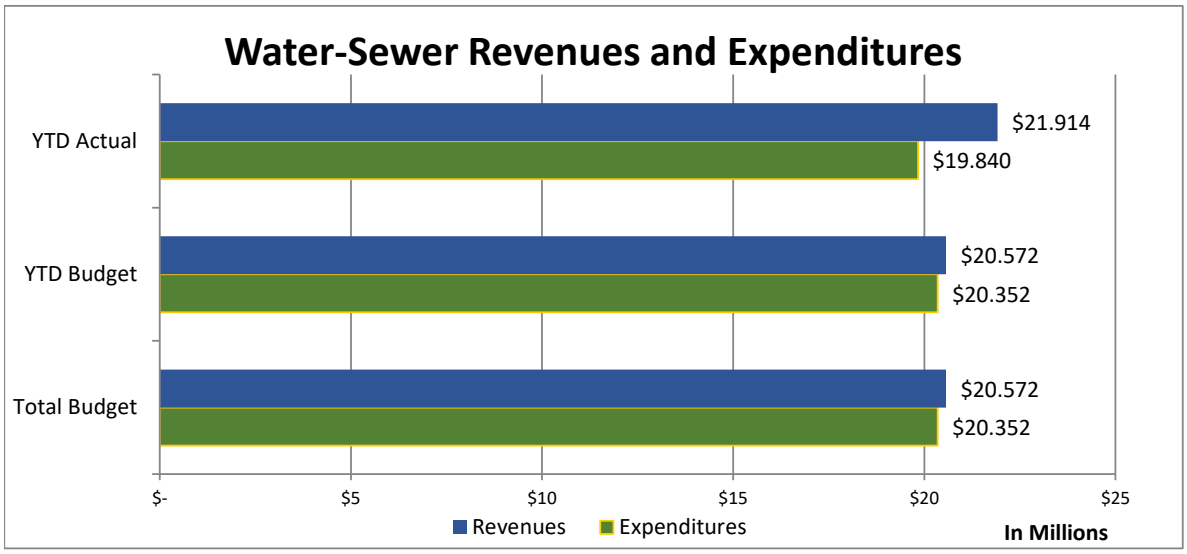

Town of Little Elm, Texas
Sales Tax Revenue by Month
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
June
July
Aug
Sept
FY 17/18
FY 18/19
FY 19/20
FY 20/21
FY 21/22

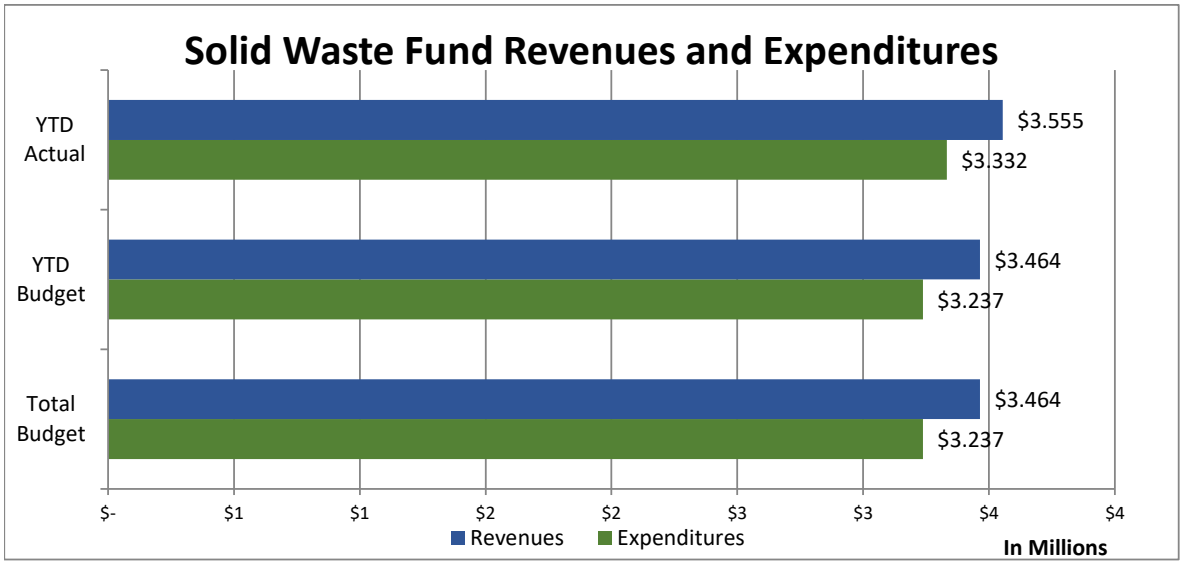

Building Permit Revenues
YTD Actual
YTD Budget
Total Budget
$-
$500,000
$1,000,000
$1,500,000
$2,000,000
$2,500,000
$3,000,000
$3,500,000
$4,000,000
$4,500,000

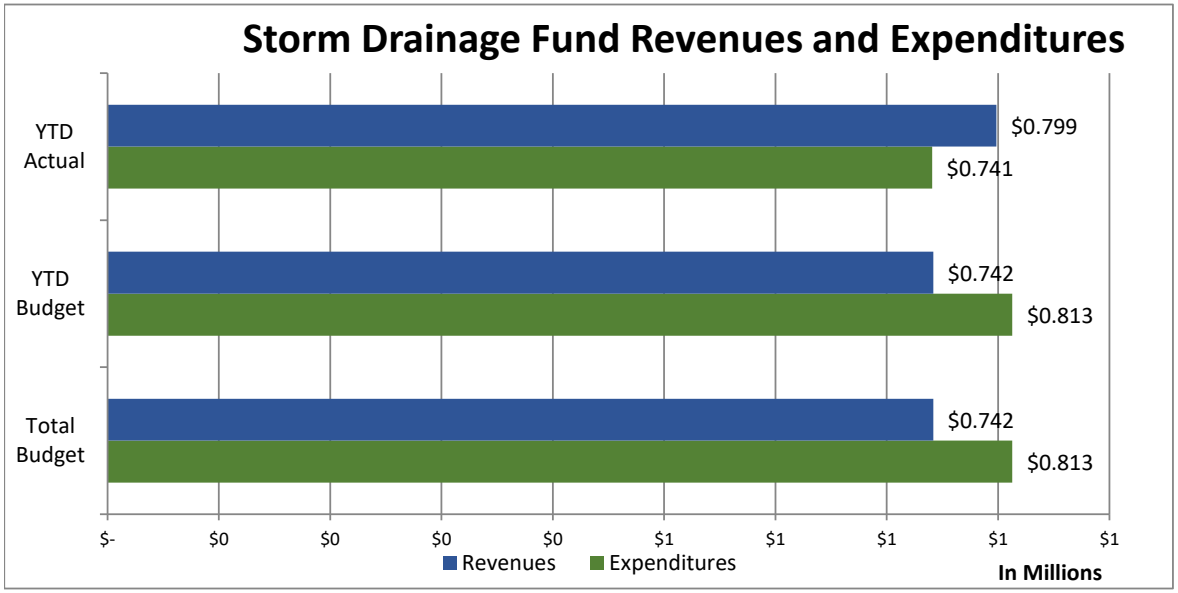

General Fund Revenues and Expenditures
YTD Actual
YTD Budget
Total Budget
$51.039
$45.135
$42.402
$47.180
$42.402
$47.180
$- $10 $20 $30 $40 $50 $60
Revenues
Expenditures
In Millions


Park and Recreation Revenues and Expenditures
YTD Actual
YTD Budget
Total Budget
$4.844
$4.138
$4.208
$4.032
$4.208
$4.032
$- $1 $2 $3 $4 $5 $6
Revenues
Expenditures
In Millions


Street Maintenance Revenues and Expenditures
YTD Actual
YTD Budget
Total Budget
$1.619
$1.586
$1.453
$2.476
$1.453
$2.476
$- $1 $1 $2 $2 $3 $3
Revenues
Expenditures
In Millions

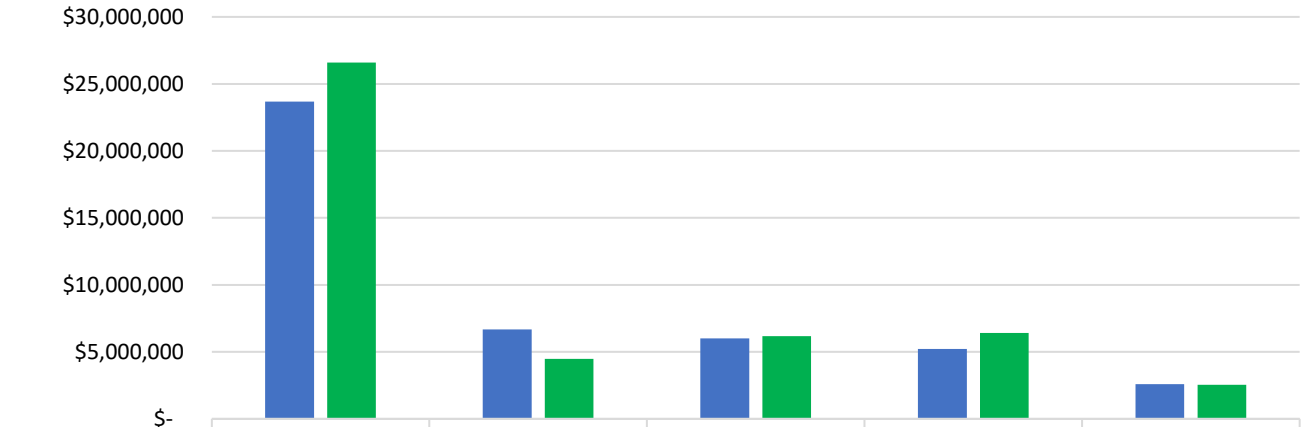

Water-Sewer Revenues and Expenditures
YTD Actual
YTD Budget
Total Budget
$21.914
$19.840
$20.572
$20.352
$20.572
$20.352
$-
$5
$10
$15
$20
$25
Revenues
Expenditures
In Millions


Solid Waste Fund Revenues and Expenditures
YTD Actual
YTD Budget
Total Budget
$3.555
$3.332
$3.464
$3.237
$3.464
$3.237
$-
$1
$1
$2
$2
$3
$3
$4
$4
Revenues
Expenditures
In Millions


Storm Drainage Fund Revenues and Expenditures
YTD Actual
YTD Budget
Total Budget
$0.799
$0.741
$0.742
$0.813
$0.742
$0.813
$-
$0
$0
$0
$0
$1
$1
$1
$1
Revenues
Expenditures
In Millions

FY 2022 General Fund Revenue and Expenditure Summary

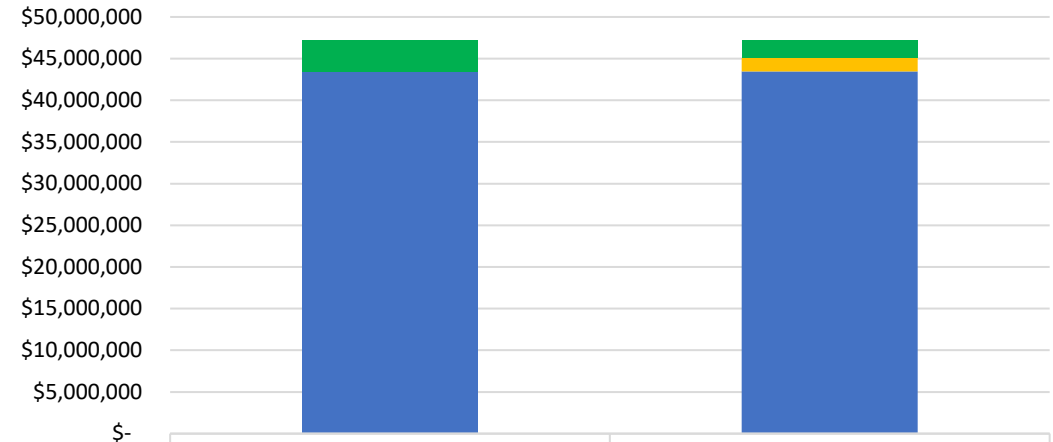
General Fund - Top 5 Revenue Sources



	Property Tax	Permits	Intergovernmental	City Sales Tax	Charges for Services
Prior YTD Total	$23,688,059	$6,685,746	$6,011,803	$5,212,961	$2,581,269
Current YTD Total	$26,597,185	$4,488,437	$6,176,080	$6,406,979	$2,547,339

Prior YTD Total Current YTD Total

General Fund Operating Expenditures



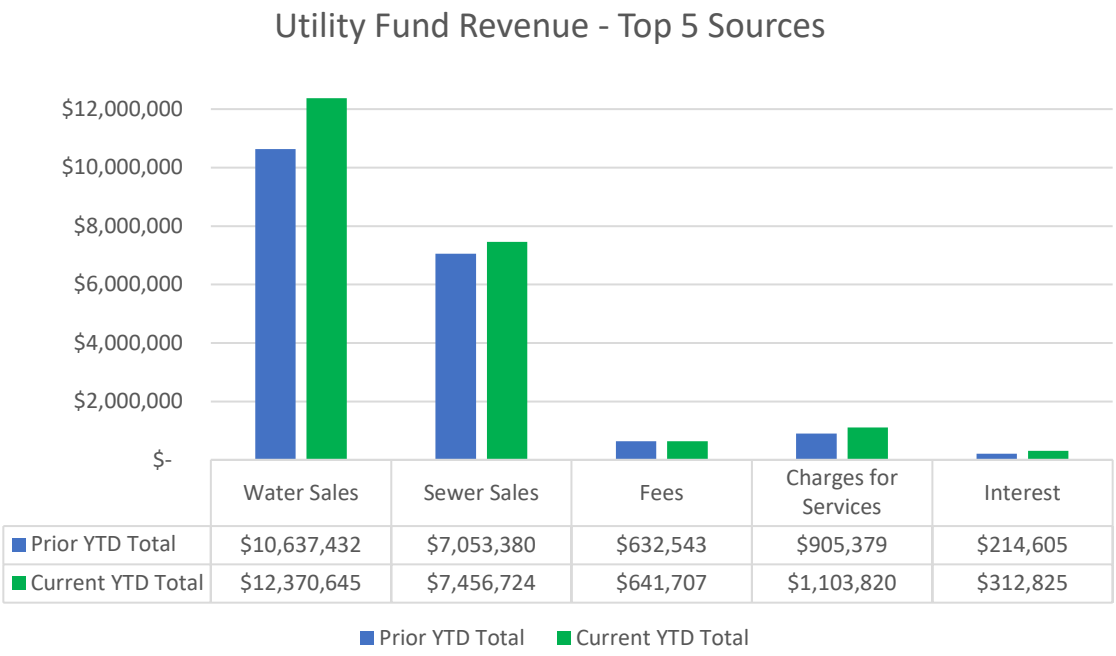
	FY2021	FY 2022
Total	$47,176,730	$47,180,023
Remaining	$3,725,081.81	$2,092,663.84
Encumbrance	$5,540.00	$1,617,022.00
Actual	$43,446,108	$43,470,338

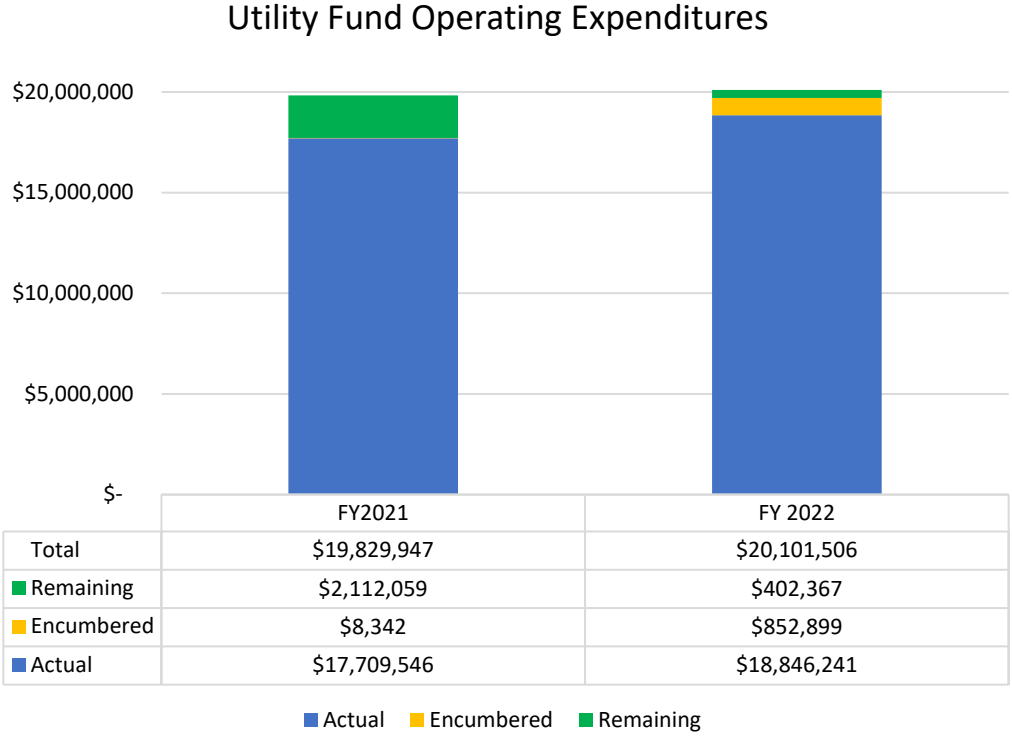
Actual Encumbrance Remaining

Top 5 Revenue Sources

Revenue Source	Prior YTD Total	Current Budget	Current YTD Total	% Change
Property Tax	$ 23,688,059	$ 24,393,411	$ 26,597,185	12% ▲
Permits	$ 6,685,746	$ 2,947,576	$ 4,488,437	-33% ▼
Intergovernmental	$ 6,011,803	$ 5,837,730	$ 6,176,080	3% ▲
City Sales Tax	$ 5,212,961	$ 5,772,918	$ 6,406,979	23% ▲
Charges for Services	$ 2,581,269	$ 2,068,000	$ 2,547,339	-1% ▼

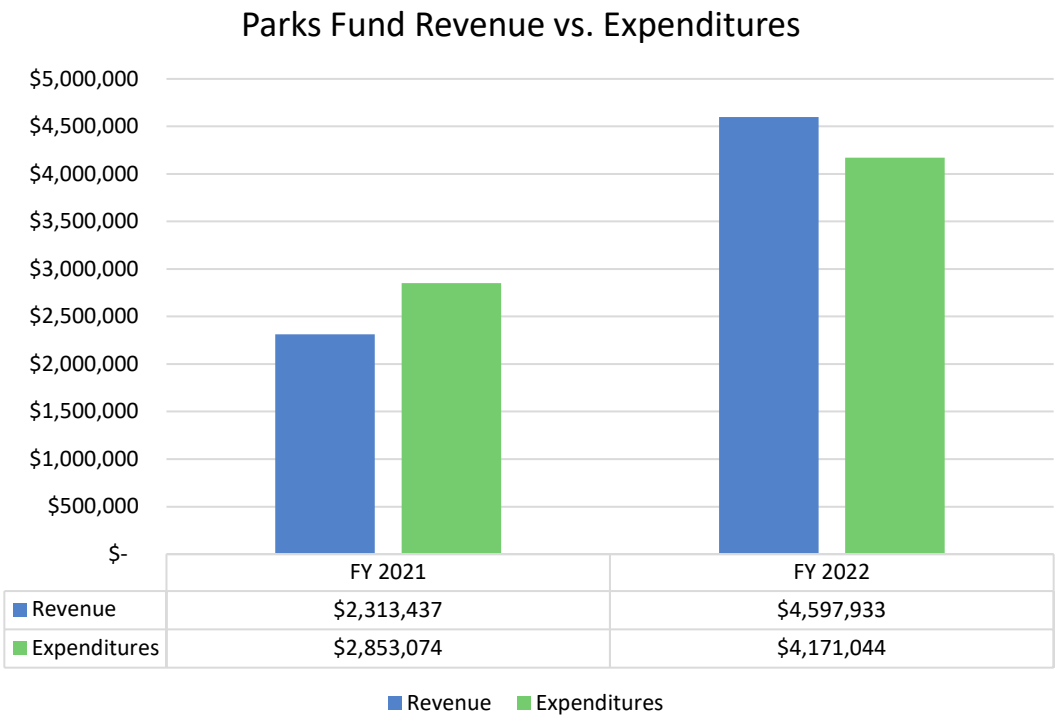
FY 2022 Utility Fund Revenue and Expenditure Summary

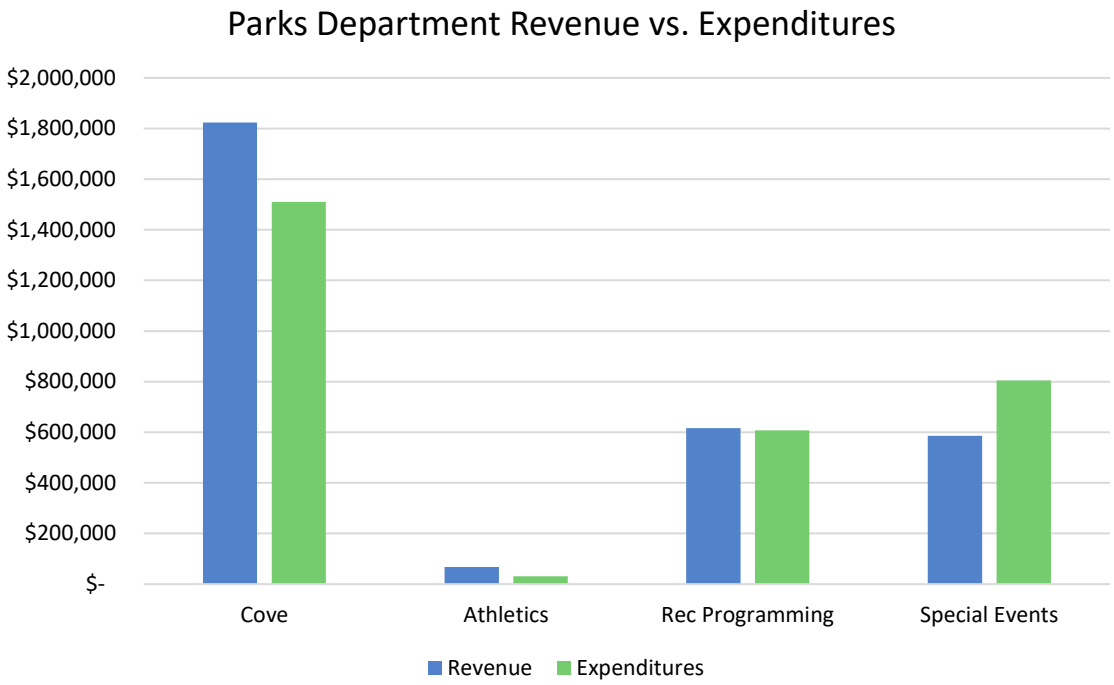




Top 5 Revenue Sources				
Revenue Source	Prior YTD Total	Current Budget	Current YTD Total	% Change
Water Sales	$ 10,637,432	$ 11,241,359	$ 12,370,645	16% ▲
Sewer Sales	$ 7,053,380	$ 7,491,589	$ 7,456,724	6% ▲
Fees	$ 632,543	$ 463,500	$ 641,707	1% ▲
Charges for Services	$ 905,379	$ 1,104,526	$ 1,103,820	22% ▲
Interest	$ 214,605	$ 200,000	$ 312,825	46% ▲

FY 2022 Parks and Rec Fund Revenue and Expenditure Summary





Description	Cove	Athletics	Rec Programming	Special Events
Revenue	$ 2,926,862	$ 101,478	$ 849,092	$ 843,757
Expenditures	$ 2,340,424	$ 47,866	$ 895,229	$ 887,526
Cost Recovered (%)	125%	212%	95%	95%

Date:	11/01/2022
Agenda Item #:	4. E.
Department:	Public Works
Strategic Goal:	Ensure excellence in public services while keeping up with the growth in the community
Staff Contact:	Jason Shroyer, Director of Public Works

AGENDA ITEM:

Consider Action to Approve a **Professional Services Contract with Freese and Nichols, Inc., for the Design of Improvements to the Wastewater Treatment Plant Solids Dewatering System in an Amount not to Exceed $393,200.**

DESCRIPTION:

The Town owns and operates a 4 million gallon per day (MGD) wastewater treatment plant. The process of treating wastewater creates two (2) discharge byproducts, the clean effluent that is reintroduced into Lake Lewisville and the solids that must be transported to the Denton Landfill. Prior to transport, the solids must be dewatered. Dewatering is a vital component of the wastewater treatment process, it can reduce the volume of residuals, improve operation, and reduce costs for subsequent storage, processing, transfer, end use, or disposal. The current process for dewatering includes running the material through a large belt-press machine which essentially passes wet solids over a series of belts that use both gravity and compression to force the liquids out. The resultant solid material, sometimes referred to as "cake" is then placed in dumpsters and hauled to the landfill. The current belt press has been in operation since the early 2000s and has recently experienced a series of significant failures. With the age of the unit, it has become significantly difficult to source repair parts and components, in some case these components are no longer available. Also, with only one unit we do not currently have redundancy in the event of a failure. With the resultant failures of the system the best course of action is to replace the dewatering system. The Public Works team has evaluated several newer technologies for dewatering and have determined that the volute dewatering press to be the most cost-effective solution.

The volute dewatering press is a newer technology that runs the wet material over a series of metal plates that squeeze the water out of the solids. This process requires fewer moving parts than the belt press. It also produces a drier "cake" material while utilizing less electricity. We will also be installing two (2) units to meet the Texas Commission on Environmental Quality (TCEQ) requirement for redundancy.

Freese and Nichols, Inc., will provide design, bidding and construction phase services for the

project. Their scope will include:

1. Design Services - includes an initial design submittal, a 3D PDF model to assist with placement of the equipment within the existing building and a final submittal to issue for bidding. This includes all associated design for the electrical improvements and addition of the system to the Town's Supervisory Control and Data Acquisition system.
2. Project Management - includes creation of project schedules, quality control plan development and performance of reviews.
3. Bidding Assistance - the scope of this item includes all services needed to publicly bid the project, including attendance of a pre-bid meeting, preparation of a bid tabulation and assistance with selection of the final contractor.
4. Construction Phase Services - this item includes review of all construction submittals, schedules, contractor pay applications and any required change orders. Engineer will also provide construction inspection assistance during critical phases of the project. The engineering team will also prepare a final inspection checklist upon completion of the project and provide it to the contractor.

The Town has utilized Freese and Nichols, Inc., for a number of projects and have always been happy with their commitment and level of service.

Funds for this project have been identified in the Utility Capital Projects budget. We expect design for the project to take approximately 6 months, then the project will be bid for construction.

BUDGET IMPACT:

Capital expenditures have been outlined in the Town's Utility Fund Capital Improvement Project Planning List and are funded by 2021 Certificate of Obligation bonds.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Contract

EXHIBIT B - WORK ORDER

MAPS # 2016-1065 **MAPS DATE:** _____

CONSULTANT NAME Freese and Nichols, Inc.

Pursuant to and subject to the referenced Master Agreement for Professional Services (MAPS), between the TOWN of Little Elm, Texas ("Owner"), and Consultant, Owner hereby requests that Consultant perform, and Consultant agrees to perform, the work described below upon the terms set forth in said MAPS and in this Work Order:

Work Order #: _____

Consultant Project #: _____

Project Name: WWTP Dewatering Improvements

INVOICE SUBMITTAL

Billing Period:	Monthly-Through the end of each month, billed by the 10th of the following month.
Invoice Mailing Instructions:	Mail to: TOWN of Little Elm Accounts Payable 100 W. Eldorado Pkwy. Little Elm, TX 75068 Email to: accounts.payable@littleelm.org Include work order number, PO number, billing period, and project name,

OWNER OPTIONAL INFORMATION:

1. **Work Site:** Consultant Offices unless otherwise stated.
2. **Work to be performed:** All work shall be in accordance with the scope listed below and as listed in the Master Agreement for Professional Services.
3. **Drawings / Plans are / are not attached.**
4. **Date and Time to Commence:** Upon Receipt of Purchase Order and Sign Work Order.
5. **Other:** N/A

CONSULTANT PROVIDED INFORMATION:

1. Scope of Work:

PROJECT DESCRIPTION

The WWTP Dewatering Improvements (Project) is generally described as follows:

Engineering services for the final design, bidding, and construction phase services for the incorporation of two (2) new volute dewatering presses within the existing dewatering building at the TOWN's wastewater treatment plant. The installation of the new volute dewatering presses will provide dewatering redundancy.

SCOPE OF SERVICES

BASIC SERVICES: Consultant shall render the following professional services in connection with the development of the Project:

GENERAL ASSUMPTIONS:

1. Dewatering improvements to follow the scope at outlined in the Dewatering Evaluation Technical Memorandum dated August 11, 2022.
2. PW Tech is to be the sole-sourced manufacturer of the volute dewatering press units.
3. The project will include a parallel sludge line to the dewatering building such that the volute dewatering press may control the speed of the associated sludge feed pump.
4. The project will also include a new shaftless screw conveyor to transfer dewatered sludge to the roll-off containers.
5. Construction and installation of the proposed improvements will be accommodated through a traditional design-bid-build contract.
6. Specifications to be provided in the 46-division format. FNI's front end (Division 00) to be utilized.
7. Supervisory Control and Data Acquisition (SCADA) services are not included in this scope.
8. Final Design Phase of 7 months.
9. Bid Phase of 2 months.
10. Construction Phase of 12 months.

A. PROJECT MANAGEMENT, QUALITY CONTROL AND QUALITY ASSURANCE. Consultant will proceed with the performance of services in this phase as follows:

1. Project Management for up to twenty-one (21) months. Project Management to include:
    a. Project Setup
    b. Project and Resource Scheduling
    c. Monthly Status Reporting
2. Quality Control/Quality Assurance for up to twenty (20) months. Quality Control/Quality Assurance to include:
    a. Develop and implement quality management plan.
    b. Perform quality control reviews for each deliverable to be provided.
    c. Perform quality assurance reviews for the project.
3. Project Coordination Meetings. Project coordination meetings to include:
    a. Internal Kickoff Meeting
    b. Kickoff Meeting with the TOWN

c. Internal Model Coordination Meetings

4. Project Site Visits. Perform up to two (2) visits to the project site for verification of existing field conditions.

B. DESIGN PHASE. FNI will proceed with the performance of services in this phase as follows:

1. Initial Submittal (Level I)
    a. Develop and Submit the Initial Submittal (Level I)
        i. Format: One (1) PDF document
        ii. Drawings:
            1. General sheets.
            2. Existing site plan.
            3. Conceptual site layout.
            4. Conceptual yard piping plan.
            5. Conceptual process mechanical layouts.
            6. Process and instrumentation diagrams.
            7. Existing conceptual one-line diagrams.
        iii. Specifications:
            1. Table of Contents.
        iv. Process Control Narratives. Base scope and additive alternate.
    b. Provide a Senior Advisor to advise and support the design team during the development of the submittal.
    c. Develop an Engineer's Opinion of Probable Construction Costs (OPCC). Base scope and additive alternate.
    d. Quality Control Review: Perform internal quality control review and revise the submittal before submission to the TOWN.
    e. Constructability Review: Perform internal constructability control review and revise the submittal before submission to the TOWN.
    f. Workshop: FNI will conduct a workshop with the TOWN. The workshop is anticipated to be in person and will be conducted at the TOWN's service center. Support disciplines will attend virtually.
2. Model Overview (Level II)
    a. Develop and submit the Model Overview (Level II)
        i. Format: FNI will submit a 3D PDF model to the TOWN. Base scope and additive alternate.
        ii. Drawings: Not applicable.
        iii. Specifications: Not applicable.
    b. Provide a Senior Advisor to advise and support the design team during the development of the submittal.
    c. Opinion of Probable Construction Cost (OPCC): Not applicable.
    d. Quality Control Review: Perform internal quality control review and revise the submittal before submission to the TOWN.
    e. Constructability Review: Not applicable.
    f. Workshop: FNI will conduct an interactive model review workshop with the TOWN to review the model before development of detailed construction documents. The workshop is anticipated to be in person and will be conducted at the TOWN's service center. Support disciplines will attend virtually.
3. DRAFT Final Submittal (Level IV)
    a. Develop and submit the DRAFT Final Submittal (Level IV)
        i. Format: One (1) PDF document
        ii. Drawings: Final Review Package
            1. Cover
            2. Sheet Index
            3. Location Map
            4. Standard Symbols and Legend
            5. General Notes
            6. Site Plan

7. Yard Piping Plan
8. Civil Details
9. Mechanical Demolition Plan and Sections
10. Mechanical Plan
11. Mechanical Sections I
12. Mechanical Sections II
13. Mechanical Details
14. Mechanical Standard Details
15. Structural Notes
16. Structural Plan
17. Structural Sections and Details
18. Electrical Legend I
19. Electrical Legend II
20. Electrical Demolition
21. Electrical Power Plan
22. Electrical Control Plan
23. Electrical Interconnection Diagram
24. Electrical Panelboard Schedule
25. Electrical One-Line Demolition and Modification
26. Electrical Details
27. Electrical Details
28. Process and Instrumentation Diagram
29. Process and Instrumentation Diagram
30. Loop Diagrams

iii. Specifications:

1. Front-end Documents
2. Technical Specifications
3. Sole-Source Documents for the Volute Dewatering Presses

b. Provide a Senior Advisor to advise and support the design team during the development of the submittal.
c. Opinion of Probable Construction Cost (OPCC). Update the Engineer's Opinion of Probable Construction Costs (OPCC).
d. Quality Control Review: Perform internal quality control review and revise the submittal before submission to the TOWN.
e. Constructability Review: Perform internal constructability control review and revise the submittal before submission to the TOWN.
f. Workshop: FNI will conduct a workshop with the TOWN. The workshop is anticipated to be in person and will be conducted at the TOWN's service center. Support disciplines will attend virtually.

4. Final Submittal (Level IV)
    a. Develop and submit Final Submittal (Level IV)
        i. Format: One (1) PDF document
        ii. Drawings: Final Bid Package
        iii. Specifications:
            1. Front-end Documents
            2. Technical Specifications
            3. Sole-Source Documents for Volute Dewatering Presses
    b. Provide a Senior Advisor to advise and support the design team during the development of the submittal.
    c. Opinion of Probable Construction Cost (OPCC). Update the Engineer's Opinion of Probable Construction Costs (OPCC).
    d. Quality Control Review: Perform internal quality control review and revise the submittal before submission to the TOWN.
    e. Constructability Review: Not applicable.
    f. Workshop: Not applicable.

C. BID PHASE. Upon completion of the design services, approval of "Final" drawings and specifications by TOWN, FNI will proceed with the performance of services in this phase as follows:

1. Assist TOWN in securing bids. Prepare a Notice to Bidders for prospective contractors and vendors. Provide a copy of the Notice to Bidders for TOWN to use in notifying construction news publications and publishing appropriate legal notice. The cost for advertisement in publications shall be paid by the TOWN. The TOWN shall maintain information on entities that have been issued a set of bid documents and will distribute information on plan holders to interested contractors and vendors on request.

2. Assist TOWN by responding to questions and interpreting bid documents. Prepare and issue addenda to the bid documents to plan holders if necessary. Up to three (3) addenda are included in this scope. Additional addenda to be considered additional service.

3. Assist TOWN in the preparation and attendance at one (1) pre-bid meeting at the Project site.

4. Assist TOWN in the opening, tabulating, and analyzing the bids received, including attendance at the Bid Opening. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project. Recommend award of contracts or other actions as appropriate to be taken by TOWN.

5. Assist TOWN in the preparation of conformed Construction Contract Documents for the construction contract. Provide ten (10) sets of Construction Contract Documents, which include information from the apparent low bidders bid documents, legal documents, and addenda bound in the documents for execution by the TOWN and construction contractor. Distribute five (5) copies of these documents to the contractor with a Notice of Award that includes directions for the execution of these documents by the construction contractor. Provide TOWN with the remaining five (5) copies of these documents for use during construction. Additional sets of documents can be provided as an additional service. In addition, provide a PDF of the conformed contract documents to the TOWN and construction contractor.

Entity	Specifications		Plan Size	
	Executed	Conformed	Full (22x34)	Half (11x17)
Contractor	2	2	2	3
TOWN	3	3	1	4
Total	5	5	3	7

D. CONSTRUCTION PHASE: Upon completion of the bid or negotiation phase services, FNI will proceed with the performance of construction phase services as described below. FNI will endeavor to protect the TOWN in providing these services. However, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the Project.

The TOWN agrees to include provisions in the construction contract documents that will require the construction contractors to include FNI and their subconsultants on this project to be listed as an additional insured on contractors' insurance policies.

1. Assist TOWN in conducting one (1) pre-construction conference with the Contractor, review construction schedules prepared by the Contractor pursuant to the requirements of the construction contract and prepare a proposed estimate of monthly cash requirements of the Project from information provided by the Construction Contractor. Establish communication procedures with the TOWN and contractor.

2. Establish and maintain a project documentation system consistent with the requirements of the construction contract documents. FNI Manager will be utilized for document control and will be maintained by FNI.

3. Monitor the processing of contractor's submittals and provide for filing and retrieval of project documentation. Review contractor's submittals, including, requests for information, modification requests, shop drawings, schedules, and other submittals in accordance with the requirements of the construction contract documents for the projects. Up to twenty (20) shop drawings/O&Ms are included in this scope. Up to ten (10) Contractor's requests for information are included in this scope.

4. Based on FNI's observations as an experienced and qualified design professional and review of twelve (12) Payment Requests and supporting documentation submitted by Contractor, determine the amount that FNI recommends Contractor be paid on monthly and final estimates, pursuant to the General Conditions of the Construction Contract.

5. Make up to six (6) site visits total to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Construction Contract Documents. In addition, FNI will attend up to six (6) progress meetings during construction. It is anticipated that each site visit will correspond with a progress meeting. For each meeting, FNI will prepare an agenda and meeting minutes for distribution. In these efforts FNI will endeavor to protect the TOWN against defects and deficiencies in the work of Contractors and will report any observed deficiencies to the TOWN. Visits to the site in excess of the specified number are an additional service.

6. Notify the contractor of non-conforming work observed on site visits. Review up to eighteen (18) quality related documents provided by the contractor such as test reports, equipment installation reports or other documentation required by the Construction contract documents.

7. Interpret the drawings and specifications for the TOWN and Contractor. Investigations, analyses, and studies requested by the Contractor and approved by the TOWN, for substitutions of equipment and/or materials or deviations from the drawings and specifications is an additional service.

8. Establish procedures for administering constructive changes to the construction contracts. Process contract modifications and negotiate with the contractor on behalf of the TOWN to determine the cost and time impacts of these changes. Prepare change order documentation for approved changes for execution by the TOWN. Documentation of field orders, where cost to TOWN is not impacted, will also be prepared. Investigations, analyses, studies or design for substitutions of equipment or materials, corrections of defective or deficient work of the contractor or other deviations from the construction contract documents requested by the contractor and approved by the TOWN are an additional service. Substitutions of materials or equipment or design modifications requested by the TOWN are an additional service. Up to two (2) field orders and two (2) change orders are included in this scope.

9. Prepare documentation for contract modifications required to implement modifications in the design of the project. Receive and evaluate notices of contractor claims and make recommendations to the TOWN on the merit and value of the claim on the basis of information submitted by the contractor or available in project documentation. Endeavor to negotiate a settlement value with the Contractor on behalf of the TOWN if appropriate. Providing these services to review or evaluate construction contractor(s) claim(s), supported by causes not within the control of FNI are an additional service. Up to two (2) contract modification requests are included in this scope.

10. Conduct, in company with TOWN's representative, a final walk-through review of the Project for conformance with the design concept of the Project and general compliance with the Construction Contract Documents. Prepare a list of deficiencies to be corrected by the contractor before recommendation of final payment. Assist the TOWN in obtaining legal releases, permits, warranties, and spare parts from the contractor. Review and comment on the certificate of completion and the recommendation for final payment to the Contractor. Visiting the site to review completed work in excess of two (2) trips are an additional service.

11. Revise the construction drawings in accordance with the information furnished by construction Contractor(s) reflecting changes in the Project made during construction. One (1) set of hard copy prints of "Record Drawings" shall be provided by FNI to the TOWN (22x34 bond set). FNI shall also provide both PDF and DWG electronic copies of the Record Drawings to the TOWN.

ADDITIONAL SERVICES: Additional Services to be performed by Consultant, if authorized by the TOWN, which are not included in the above described scope of services, are described as follows:

A. Geotechnical Services.

B. Instrumentation and Control design services for implementation into a Supervisory Control and Data Acquisition (SCADA) system.

C. Odor control improvements.

D. Addition of or improvements to site lighting.

E. Resident Representation.

F. Field layouts or the furnishing of construction line and grade surveys.

G. Making revisions to documents when such revisions are 1) not consistent with approvals or instructions previously given by the TOWN or 2) due to other causes not solely within the control of Consultant.

H. Performing investigations, studies and analyses of the presence of hazardous materials including but not limited to lead based paint and asbestos.

I. Design, contract modifications, studies or analysis required to comply with local, State, Federal or other regulatory agencies that become effective after the date of this agreement.

J. Preparing data and reports for assistance to the TOWN in preparation for hearings before regulatory agencies, courts, arbitration panels or any mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.

K. Providing services to review or evaluate construction contractor(s) claim(s), provided said claims are supported by causes not within the control of Consultant.

L. Providing services to review or evaluate construction contractor(s) claim(s), provided said claims are supported by causes not within the control of FNI.

M. Providing value engineering studies or reviews of cost savings proposed by construction contractors after bids have been submitted.

N. Environmental permitting services included but not limited to Nationwide permit documentation, USCACE notification or individual Section 404 permitting.

O. Preparing data and reports for TCEQ documentation for power outages at more than one site. This includes documentation for portable pumps, storage, redundant commercial power, discharge prevention, and collection systems.

P. Additional exploratory drilling and associated laboratory testing due to soft soil conditions, other unexpected site conditions, or additional structures.

Q. Site clearing required for access related to geotechnical drilling and exploration.

R. Landowner or agency site access coordination.

2. **Timeline:** Consultant will complete Engineering services within twenty-one (21) months from receipt of notice to proceed from the TOWN.

3. **Compensation:** Consultant will provide Professional Services as outlined in the scope of work on a lump basis with an estimate to complete the work as follows:

TOTAL BASIC SERVICES (Lump Sum) $393,200

ACCEPTANCE:

This Work Order is accepted on the terms set forth herein and in the MAPS referenced above, as indicated by the signatures below.

TOWN OF LITTLE ELM	**FREESE AND NICHOLS, INC.**
Matthew Mueller, TOWN Manager	James Naylor, Principal/Vice-President Printed Name & Title
Date	October 25, 2022 Date

Date:	11/01/2022
Agenda Item #:	4. F.
Department:	Administrative Services
Strategic Goal:	Maintain operational integrity and viability
Staff Contact:	Doug Peach, Deputy Town Manager

AGENDA ITEM:

Consider Action to Approve **Resolution No. 1101202201 Denying Oncor's Application to Change Rates Within the Town.**

DESCRIPTION:

On May 13, 2022, Oncor Electric Delivery Company LLC ("Oncor" or "Company") filed an application with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by about $251 million or approximately 4.5% over present revenues. The Company asks the City to approve an 11.2% increase in residential rates and a 1.6% increase in street lighting rates. The impact of this requested increase on an average residential customer using 1,300 kWh/month would be about $6.02 per month.

In a prior City action, Oncor's rate request was suspended from taking effect for 90 days, the fullest extent permissible under the law. This time period has permitted the City, through its participation with the Steering Committee of Cities Served by Oncor ("Steering Committee"), to determine that the proposed rate increase is unreasonable. Consistent with the recommendations of the experts engaged by the Steering Committee, Oncor's request for a rate increase should be denied.

Accordingly, the purpose of the Resolution is to deny the rate change application proposed by Oncor. Once the Resolution is adopted, Oncor will have 30 days to appeal the decision to the Public Utility Commission of Texas where the appeal will be consolidated with Oncor's filing (i.e. PUC Docket No. 53601) currently pending at the Commission.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Resolution No. 1101202201

RESOLUTION NO. 1101202201

A RESOLUTION OF THE TOWN OF LITTLE ELM, TEXAS FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S ("ONCOR" OR "COMPANY") APPLICATION TO CHANGE RATES WITHIN THE TOWN SHOULD BE DENIED; FINDING THAT THE TOWN'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the Town of Little Elm, Texas ("Town") is an electric utility customer of Oncor Electric Delivery Company LLC ("Oncor" or "Company"), and a regulatory authority with an interest in the rates and charges of Oncor; and

WHEREAS, the Town is a member of the Steering Committee of Cities Served by Oncor ("Steering Committee"), a coalition of similarly situated cities served by Oncor that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in Oncor's service area; and

WHEREAS, on or about May 13, 2022, Oncor filed with the Town an application to increase system-wide transmission and distribution rates by $251 million or approximately 4.5% over present revenues. The Company asks the Town to approve an 11.2% increase in residential rates and a 1.6% increase in street lighting rates; and

WHEREAS, the Steering Committee is coordinating its review of Oncor's application and working with the designated attorneys and consultants to resolve issues in the Company's filing; and

WHEREAS, through review of the application, the Steering Committee's consultants determined that Oncor's proposed rates are excessive; and

WHEREAS, the Steering Committee's members and attorneys recommend that members deny the Application; and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

Section 1. That the rates proposed by Oncor to be recovered through its electric rates charged to customers located within the Town limits, are hereby found to be unreasonable and shall be denied.

Section 2. That the Company shall continue to charge its existing rates to customers within the Town.

Section 3. That the Town's reasonable rate case expenses shall be reimbursed in full by Oncor within 30 days of the adoption of this Resolution.

Section 4. That it is hereby officially found and determined that the meeting at which this Resolution is passed 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.

Section 5. That a copy of this Resolution shall be sent to Oncor, Care of Howard Fisher, Oncor Electric Delivery Company, LLC, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202 and to Thomas Brocato, Counsel to the Steering Committee, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Ave., Suite 1900, Austin, TX 78701.

PASSED AND APPROVED this 1st day of November, 2022.

_____
Curtis J. Cornelius, Mayor

ATTEST:

_____
Caitlan Biggs, Town Secretary

APPROVED AS TO FORM:

_____
Robert Brown, Town Attorney

Date:	11/01/2022
Agenda Item #:	4. G.
Department:	Public Works
Strategic Goal:	Ensure excellence in public services while keeping up with the growth in the community
Staff Contact:	Jason Shroyer, Director of Public Works

AGENDA ITEM:

Consider Action to Approve a **Two (2) Year Interlocal Agreement with the City of Denton for Landfill Disposal Services for Municipal Solid Waste Disposed of at the Town's Courtesy Drop Site in an Amount not to Exceed $66,500.**

DESCRIPTION:

The Town owns and operates a courtesy drop site for the disposal of residential trash. The site is open every weekend, Friday, Saturday and Sunday for the residents of Little Elm to utilize. All the refuse that is collected at the site must be hauled off in large roll-off style trucks to a landfill. The Town has utilized the City of Denton's landfill for a number of years. The Denton landfill is the closest site that will accept the Town's municipal waste. The City of Denton has created a new agreement that they are requiring for all waste haulers and transporters that utilize their landfill.

The key points of the interlocal agreement are:

1. The term of this agreement shall be for two (2) years unless terminated by either party.
2. The disposal fee associated with this agreement shall be $35.00 per ton of municipal waste.
3. The Town has provided the City of Denton with a proposed annual tonnage of material based on our historical numbers. The anticipated annual tonnage per the agreement is 1900 tons. Any tonnage beyond the initial 1900 tons will be paid at the Non-Denton Residents/Business rate.
4. The agreement may be terminated in whole, or in part, by either party upon thirty (30) days written notice to the other party.

The Town budgets funds in the Solid Waste Fund annually for this disposal fee. This agreement has been reviewed by both the Public Works Department and the Town's Attorney. Once the agreement is approved by the Little Elm Town Council, it will be taken to the Denton City Council for final approval.

BUDGET IMPACT:

Funds have been budgeted in the FY 2022-2023 budget from the Solid Waste Fund as an operating expenditure or supplemental package.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Interlocal Agreement

INTERLOCAL AGREEMENT

FOR

MODIFIED LANDFILL DISPOSAL RATE

This Interlocal Agreement for Modified Landfill Disposal Rate ("Contract") is made by and between the City of Denton, a Texas home-rule municipality (the "City"), and the Town of Little Elm, a Texas municipal corporation, with its principal address at 100 W. Eldorado Parkway, Little Elm, Texas, 75068 ("Contractor" or "Little Elm"). The City and Little Elm are collectively referred to hereafter as the "Parties" or individually as a "Party".

RECITALS:

WHEREAS, City desires that the City of Denton Landfill ("Landfill") receive predictable tonnages of solid waste for both revenue and management purposes; and

WHEREAS, Contractor is willing to guarantee delivery of a specified annual tonnage of solid waste in consideration of a discounted disposal charge; and

WHEREAS, this Contract has been authorized by the governing bodies of the City of Denton and the Town of Little Elm; and

WHEREAS, the Interlocal Cooperation Act, contained in the Texas Government Code Chapter 791 authorizes units of local government to contract with one or more units of local government to perform governmental functions and services; and

WHEREAS, both parties have agreed that this Contract is in the public interest and is mutually advantageous to both parties to enter this Contract.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained in this contract, City and Contractor agree to the following terms and conditions:

1. Administration. This Contract shall be administered on behalf of City of Denton by its Director of Solid Waste or the Director's designee (hereinafter called the "Director"), and on behalf of Contractor by its duly authorized officer or employee.

2. Delivery of Acceptable Solid Waste. Contractor agrees that it will pay to deliver to the Landfill Acceptable Solid Waste in the following tonnage ("Annual Tonnage") for each year of the Contract and City agrees to accept all such Acceptable Solid Waste at the Landfill:

Contract Year	Annual Tonnage
2022-2023	1,900 tons
2023-2024	1,900 tons

3. Additional Delivery of Acceptable Solid Waste. Contractor understands and agrees that any volume of delivered acceptable solid waste in excess of the Annual Tonnage will be paid at the Non-Denton Residents/Businesses rate in the Utilities Rate Ordinance, as amended. A rate ordinance is approved annually by the Denton City Council.

4. Reporting of Material Diversion. Contractor understands that City requires quarterly information from Contractor detailing diversion activities conducted by Contractor. This would include tonnages of materials delivered to a Materials Recovery Facility ("MRF"), compost facility, or any other type of re-use or recycling facility. Contractor shall provide to the City on a quarterly basis, (with quarter 1 being October – December, 2022 with quarters 2, 3 and 4 being the following 3 months respectively) information detailing the gross and net recycling tonnages delivered, and a list of material diverted with tonnages.

5. Contract Year means any period during the contract beginning on October 1 and ending on September 30 of the following year.

6. Acceptable Solid Waste means Acceptable Solid Waste means all wet or dry Solid Waste that is authorized under State permit MSW 1590B to be disposed of at the Landfill under applicable federal, state, and local laws, regulations, ordinances, rules, permits, licenses, and governmental orders or directives, and that is not Unacceptable Solid Waste (as defined in Section 11 below). Acceptable Solid Waste does not include sludge, special waste, or material of citizens served by other municipalities or corporations. "Solid Waste" as used herein shall have the same meaning as Municipal Solid Waste set forth in Subchapter A, Section 361.003(20) of the Texas Health and Safety Code (also known as the Texas Solid Waste Disposal Act).

7. Delivery Procedures; Operation of the Landfill.
    a. Operation of the Landfill; Procedures. The delivery of Acceptable Solid Waste to the Landfill, which shall occur only during the Landfill's posted hours, shall be governed by the procedures applicable to haulers utilizing the Landfill. Contractor shall comply with all Landfill procedures established by City ordinance and promulgated by the Director in the disposal of Acceptable Solid Waste, as same may be amended from time to time. Notwithstanding anything in this Contract to the contrary, City shall have the right, in its sole discretion, to close its Landfill, in whole or in part, either temporarily or permanently, at any time for any reason. Upon any such permanent closure, this Contract shall be terminated by City as described in Section 18. Notwithstanding anything contained herein to the contrary, any unscheduled closure of the Landfill of more than two (2) days

by City shall result in an equitable reduction in the Guaranteed Annual Tonnage owed by Contractor if requested in writing by Contractor. In addition, if City closes the Landfill for more than thirty (30) days during any three (3) month period, Contractor shall be entitled to terminate this Contract by delivering such termination in writing to the Director of Solid Waste with a copy to the City Manager. If Contractor chooses to terminate due to such closure, the obligations of both parties to deliver and to accept Acceptable Solid Waste shall terminate (including, without limitation, Contractor's obligation to provide the Guaranteed Annual Tonnage and the City's obligation to accept the tonnage at the Discount Disposal Fee rate).

b. Compliance with Applicable Laws. This Contract is entered subject to and controlled by the Charter and ordinances of the City of Denton and all applicable laws, rules, and regulations of the State of Texas and the United States of America. Contractor and City shall, during the performance of this Contract, comply with all applicable City codes, ordinances, and regulations, as amended, and all applicable State and Federal laws, rules, and regulations, as amended.

c. Title to Waste. Title to and risk of loss and responsibility for Acceptable Solid Waste delivered to the Landfill shall pass at the time such Acceptable Solid Waste is removed from the delivery vehicle at the landfill. Title to Unacceptable Solid Waste shall remain with Contractor or its customer and shall never be deemed to pass to the City. City shall have the right to reject Solid Waste determined to be Unacceptable Solid Waste at any time, and Contractor shall be required to immediately pick up and properly dispose at its own expense, in accordance with Subsection 11(c) of this contract, Solid Waste determined by the Director to be Unacceptable Solid Waste.

8. Term. Unless sooner terminated pursuant to Section 17, this Contract shall be for a term of two (2) years, commencing on October 1, 2022 (the "Contract Start Date") and terminating on September 30, 2024. Upon termination of this Contract, the obligations of both parties to deliver and accept Acceptable Solid Waste shall terminate; provided, however, that all other rights and obligation of the parties under this Contract which by their nature are intended to survive (including those with respect to payment and indemnification) shall survive termination.

9. Disposal Fees and Payments.
    a. Fees. In consideration of City's permission of Acceptable Solid Waste under this Contract, Contractor shall pay thirty-five dollars ($35.00) per ton. Contractor agrees that the Discount Disposal Fee may be increased on October 1 of each calendar year beginning on October 1, 2023. The percentage increase will be determined by the Director using the Consumer Price Index for All Urban Consumers (CPI-U) for the South Region for All Items, published by the United States Department of Labor, Bureau of Labor Statistics. Any increase in the Discount Disposal Fee shall not exceed five percent (5%) in any single calendar year. Any Additional Acceptable Tonnage delivered to the Landfill will be charged the Non-Denton Resident/Business rate, as established by the Utility Rate Ordinance, in effect at the time of disposal.
    b. Payment. Contractor shall pay the Discount Disposal Fee on a monthly basis for Acceptable Solid Waste delivered to Landfill. The monthly bill shall be paid no later than thirty (30) days after receipt of a monthly invoice from the Director during the term of the Contract. If Contractor delivers its Annual Tonnage before the end of the one-year period, additional Acceptable Solid Waste delivered to the landfill shall be charged the Non-Resident/Business Gate Rate set by the then current City of Denton Solid Waste Rate Ordinance.
    c. Taxes and Other Charges. In addition to the Discount Disposal Fee, Contractor shall pay all other federal, state, local, or other taxes, fees, surcharges, or similar charges related to the acceptance or disposal of Acceptable Solid Waste or related to the operations or activities of the Landfill that imposed by law, ordinance, regulation, agreement with a governmental authority, governmental audit, or otherwise.
    d. Security Deposit. Upon execution of this Contract, Contractor shall provide a security deposit in an amount equal to one-sixth (1/6) of the annual amount under this Contract. The Director may approve a lesser deposit if Contractor receives an acceptable credit rating from a credit source available to the City. The cost to obtain the credit rating will be charged to the Contractor and will not exceed one hundred dollars ($100.00). The security deposit may also be waived or reduced based on recent payment history of the Contractor. The security deposit may take the form of cash, a performance bond issued by a corporate surety or sureties licensed to issue bonds in the State of Texas or otherwise acceptable to City, or an unconditional, irrevocable standby letter of credit issued by and drawable at a financial institution located in Denton County, Texas. If other than cash, the form of the security deposit shall be approved by the Director and approved as to legal form. For multi-year contract, the security deposit will be reviewed annually to reflect an increase or decrease in the full Disposal Rate, and the amount of the security deposit will be increased or decreased to reflect the change.
    e. Remedies in the Event of Default. If Contractor, after thirty (30) days advance written notice and opportunity to cure from City, fails to make payment of amounts due under this Contract or breaches any term, condition, or covenant of this Contract, the Director may exercise any or all of the following remedies, without waiving any other remedies available to City at law or in equity: (1) suspend delivery of solid waste to the Landfill by Contractor; (2) terminate this Contract for default as provided in Section 15; or (3) draw

upon the security deposit and require Contractor to furnish a replacement security deposit as provided in Subsection (d) above, except that the Director may require a greater amount of security than provided for in Subsection (d) in order to provide City with adequate assurance of performance by Contractor.

10. Liability and Insurance; Force Majeure.

    a. During the term of this Contract, Contractor shall procure, pay for, and maintain at least the minimum insurance coverages described in Exhibit A, attached to and made part of this Contact. Approval, disapproval, or failure to act by City regarding any insurance supplied by Contractor or its subcontractors shall not relieve Contractor of full responsibility or liability for damages, errors, omissions, or accidents as set forth in this Contract. The bankruptcy or insolvency of Contractor's insurer or any denial of liability by Contractor's insurer shall not exonerate Contractor from the liability or responsibility of Contractor set forth in this Contract.

    b. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Contract, for any failure or delay in fulfilling or performing any term of this Contract, except for any obligations to make payments to the other party hereunder, when and to the extent such party's (the "Impacted Party") failure or delay is caused by or results from the following force majeure events ("Force Majeure Events"): (a) acts of God; (b) flood, fire, earthquake, other potential disasters or catastrophes, such as epidemics, pandemics, or quarantines, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order, law, or action; (e) embargoes, or blockades in effect on or after the date of this Contract; and (f) national or regional emergency; and (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (h) shortage of adequate power or transportation facilities; and (i) any other similar events or circumstances beyond the reasonable control of the Impacted Party. (b) The Impacted Party shall give notice within 10 days of the Force Majeure Event to the other party, stating the period of time the Force Majeure Event is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. In the event that the Impacted Party's failure or delay remains uncured for a period of 30 consecutive days following written notice given by it under this Section 10, either party/the other party may thereafter terminate this Contract upon 45 days' written notice.

11. Unacceptable Solid Waste.

    a. For the purposes of this Contract, "Unacceptable Solid Waste" means: (i) any material that is not Acceptable Solid Waste; (ii) any material that by reason of its composition,

characteristics, or quality is defined as a ”hazardous waste,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “toxic substance,” “toxic waste,” “toxic pollutant,” “contaminant,” “pollutant,” “infectious waste,” “medical waste,“ “radioactive waste,” or “sewage sludge” under any Applicable Law; (iii) any material that requires other than normal handling, storage, management, transfer, or disposal; or (iv) any other materials that may present a substantial endangerment to public health or safety, may cause applicable air quality or water effluent standards to be violated by the normal operation of the Landfill, or because of its size, durability, or composition cannot be disposed of at the Landfill or has a reasonable possibility of otherwise adversely affecting the operation or useful life of the Landfill.

b. Contractor agrees that it shall not deliver any Unacceptable Solid Waste to the City’s Landfill. If Contractor delivers waste that contains both Acceptable Solid Waste and Unacceptable Solid Waste, the entire delivery shall constitute Unacceptable Solid Waste if the Unacceptable Solid Waste cannot be separated from the Acceptable Solid Waste through the reasonable efforts of City, with the cost of such separation to be paid by Contractor. City shall have the right, but not the obligation, to inspect any of Contractor’s trucks to determine whether the waste delivered is Acceptable Solid Waste or Unacceptable Solid Waste. Any failure by City to preform any such inspection or to detect Unacceptable Solid Waste despite such inspection shall in no way relieve Contractor from its obligation to deliver only Acceptable Solid Waste or from its other obligations under this Section, or to retrieve such Unacceptable Solid Waste as required under Subsection 7(c).

c. If Contractor delivers Unacceptable Solid Waste to City’s Landfill, City may, in its sole discretion: (i) reject such Unacceptable Solid Waste at Contractor’s sole expense; or (ii) if City does not discover such Unacceptable Solid Waste in time to reject and reload such Unacceptable Solid Waste, inform Contractor by telephone or the problem and require pickup of the Unacceptable Solid Waste within twenty-four (24) hours, unless the Unacceptable Solid Waste is deemed by City to be a threat to the health and safety of its employees or the general public, in which case Contractor shall respond and remove the Unacceptable Solid Waste immediately. If Contractor fails or refuses to timely remove or properly dispose of such Unacceptable Solid Waste at a location authorized to accept such Unacceptable Solid Waste in accordance with all applicable laws, ordinances, and regulations and to charge Contractor all direct and indirect costs incurred due to the removing, handling, transporting, and disposing of such Unacceptable Solid Waste. Notwithstanding the foregoing, no notice to Contractor shall be required for City to dispose of Unacceptable Solid Waste at the Contractor’s sole expense in emergency situations where, in the Director’s judgement, a delay in such disposal could constitute a hazard to the landfill or any person on, about, or near the Landfill premises.

12. Environmental Compliance. Contractor and City shall comply with all federal, state, and local environmental laws and regulations, including, but not limited to, the Resource Conservation and Recovery Act (RCRA), the Safe Drinking Water Act (SDWA), the Clean Water Act (CWA), and the Clean Air Act (CAA) in their performance under this Contract. Contractor shall ensure that its agents, subcontractors, and employees have received training or information appropriate to the

environmental aspects and impacts of their activities in connection with performance of this Contract. Contractor and City shall ensure that any spills or other releases of materials into the environment that may result from performance under this Contract are responded to and reported adequately and in compliance with applicable environmental laws.

13. Notices. Except as otherwise provided in Section 14, any notice, payment, statement, or demand required or permitted to be given under this Contract by either party to the other may be affected by personal delivery in writing or by mail, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

    If intended for City, to:

    Brian Boerner
    Director of Solid Waste
    City of Denton
    1527 S. Mayhill Rd.
    Denton TX 76208

    If intended for Contractor, to:

    Director of Public Works
    100 W. Eldorado Parkway
    Little Elm, Texas, 75068

14. Assignment. Contractor shall not sell, assign, transfer, or convey this Contract, in whole or in part.

15. Independent Contractor. Contractor's status shall be that of an independent contractor and not an agent, servant, employee, or representative of City in the performance of the Services. Contractor shall exercise independent judgement in performing its obligations under this Contract and is solely responsible for setting working hours, scheduling, or prioritizing and determining how its obligations under this Contract are to be performed. No term or provision of this Contract or act of Contractor in the performance of this Contract shall be construed as making Contractor the agent, servant or employee of City, or making Contractor or any of its employees eligible for the fringe benefits, such as retirement, insurance, and worker's compensation, which City provides its employees.

16. Indemnity; Liability.

a. TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND THE LAWS OF THE STATE OF TEXAS, CONTRACTOR AGREES TO DEFEND, INDEMNIFY, AND HOLD CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGEMENTS, COSTS, FINES, PENALTIES, AND EXPENSES FOR PERSONAL INJURY (INCLUDING

DEATH), PROPERTY DAMAGE, VIOLATIONS OF STATE OR FEDERAL ENVIRONMENTAL LAWS OR REGULATIONS, OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY CONTRACTOR'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS CONTRACT, OR BY ANY NEGLIGENT, WRONGFUL, OR STRICTLY LIABLE ACT OR OMISSION OF CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, OR SUBCONTRACTORS, IN THE PERFORMANCE OF THIS CONTRACT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING SOLELY FROM NEGLIGENCE, WRONGFUL ACT, OR FAULT OF CITY, ITS OFFICERS, AGENTS, EMPLOYEES, OR SEPARATE CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRING NEGLIGENCE OR FAULT OF CONTRACTOR AND CITY, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OR THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES TO THIS CONTRACT AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

b. Little Elm agrees to be responsible for the liabilities arising out of Little Elm's conduct, and the conduct of Little Elm's officers, employees and agents.

17. Termination. This agreement may be terminated in whole, or in part, by the City or the Contractor upon thirty (30) days written notice to the other party. In the event of termination, Contractor shall pay all contract fees for Solid Waste delivered to City's landfill up to and Including the date of termination.

18. Venue. The obligations of the parties to this Contract shall be performable in Denton County, Texas, and if legal action is necessary in connection with or to enforce rights under this Contract, exclusive venue shall lie in Denton County, Texas.

19. Governing Law. This Contract shall be governed by and construed in accordance with the laws and court decisions of the State of Texas, without regard to conflict of law or choice of law principles of Texas or of any other state.

20. Legal Construction. In case any one or more of the provisions contained in this Contract 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 of this Contract, and this Contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Contract.

21. Counterparts. This Contract may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Contract Is executed in counterparts, then It shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Contract to be executed.

22. Captions. The captions to the various clauses of this Contract are for informational purposes only and shall not alter the substance of the terms and conditions of this Contract.

23. Successors and Assigns. This Contract shall be binding upon and inure to the benefit of the parties and their respective successors and, except as otherwise provided in this Contract, their assigns.

24. Entire Agreement: No Oral Modifications. This Contract (with all referenced Exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of both parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Contract. Except as otherwise provided elsewhere in this Contract, this Contract cannot be modified without written supplemental agreement executed by both parties.

25. Non-appropriation. The Contractor's performance and obligation to pay under this Contract is contingent upon an annual appropriation by the Little Elm Town Council. Should the funds not be appropriated for Contract Year 2023-2024, Contractor may terminate this Contract with respect to those payments for which such funds are not appropriated. Little Elm will give City thirty (30) days' written notice of such termination. All obligations of Little Elm to make payments after the termination date will cease.

Executed this the _____ day of _____, 20___ by City, signing by and through its City Manager, duly authorized to execute same by Ordinance _____ approved on _____ ____, 20___.

CITY OF DENTON, TEXAS

BY:_____

SARA HENSLEY, CITY MANAGER

TOWN OF LITTLE ELM, TEXAS

BY:_____

MATT MUELLER, TOWN MANAGER

ATTEST:

ROSA RIOS, CITY SECRETARY

BY:_____

ATTEST:

Caitlin Biggs, TOWN SECRETARY

BY:_____

APPROVED AS TO LEGAL FORM:

CITY ATTORNEY

_____

APPROVED AS TO LEGAL FORM:

TOWN ATTORNEY

_____

Date:	11/01/2022
Agenda Item #:	4. H.
Department:	Development Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Fred Gibbs, Director of Development Services

AGENDA ITEM:

Consider Action to Approve a **Development Agreement associated with the Lakefront Residential Overlay District, between the Town of Little Elm and Modica Construction LLC, Property Owner and Developer of 208 East Park Drive.**

DESCRIPTION:

Subject property is located at 208 East Park Drive. This is a currently vacant property zoned Single Family A2 with Lakefront Residential Overlay District. The property owner, Saverio Accardo with Modica Construction LLC, would like to develop a custom single-family home. The property owner has been working with Staff through the Lakefront Residential Design Committee review process.

Lakefront Residential Overlay District. The future land use section of the 2017 Comprehensive Plan calls for an objective within the recommendations section of the Lakefront District to plan for redevelopment and expansion of the district. In working with Council, staff has identified the residential areas surrounding the Lakefront Zoning District as areas prime for redevelopment. The purpose for the overlay is to establish zoning for residential areas around the existing Lakefront District within the context of redevelopment. The associated standards and visual examples will function to create a residential area that provides flexibility and variety in unique architectural design and high-quality alternative materials.

The goal is to expand on the Town's targeted "lakeside community character" by creating flexibility in residential architectural design, promoting the utilization of a variety of high-quality building materials, encouraging residential redevelopment, and providing unique development standards.

The intent of the Overlay District is to expand upon the Lakefront District's desire to provide a comfortable and attractive environment that will provide a unique, yet compatible residential neighborhood by encouraging redevelopment that is distinct from traditional residential subdivisions.

The proposed design was reviewed based on the architectural design criteria provided within the Overlay District.

(d) Architectural elements.

(1) Architectural variety. No facade may be repeated within any five adjacent lots or across the street from those lots. A request to vary from this standard shall be reviewed and approved by the LRDC.

(2) Tripartite architecture. The exterior facades of homes shall be broken up into three distinct sections (base, middle, top) utilizing different primary and accent materials, colors, and/or general orientation of materials.

(3) Gifts to the street. Homes shall provide a minimum of two gifts to the street. Proposed features not noted in the definition for "gifts to the street" shall be approved at the discretion of the LRDC.

(4) Fences. Fences adjacent to public parks, open space, drainage areas or floodplains shall be constructed of black tubular (wrought iron) fencing. All other fencing shall adhere to the residential fences section (section 106.06.32) of the zoning ordinance.

(5) Roofs. Roofs shall be constructed with architectural grade shingles, or better. Seamed metal, clay and slate tile roofs (cement based) are permitted. Flat roofs may be utilized so long as they can properly drain which will be determined by the building official.

(6) Windows. Openings and panes shall be vertically proportioned or square and be separated with trim.

(7) Gutters. Gutters shall be copper, galvanized steel, aluminum or painted if exposed.

(8) Chimneys. If chimneys are located on a street-facing wall, they shall extend to the ground.

(9) Concealed items. HVAC units, trash storage, and utility meters shall be concealed.

The Lakefront Residential Design Committee has reviewed the proposed development plans and determined that they meet the vision and intent of the Overlay District.

Town Council approval of the attached Development Agreement and associated exhibits is the final step in allowing this project to begin its residential building permit review.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDED ACTION:

The Lakefront Residential Design Committee recommends approval of the attached development plans and associated exhibits.

Attachments

Development Agreement - 208 East Park Drive

STATE OF TEXAS	**§**	**DEVELOPMENT AGREEMENT**
	§	**FOR 208 EAST PARK DRIVE**
COUNTY OF DENTON	**§**	

This Development Agreement for 208 East Park Drive ("**Agreement**") is entered into between Modica Construction LLC ("**Developer**"), whose address for purposes of this Agreement is 10551 Rose Bud Ct, McKinney, TX 75070, and the Town of Little Elm, Texas ("**Town**"), whose address for purposes of this Agreement is 100 W. Eldorado Parkway, Little Elm, TX 75068. Developer and the Town are sometimes referred herein together as the "**Parties**" and individually as a "**Party**."

Recitals:

1. Developer is the owner of .1194 acres generally located at 208 East Park Drive, on the east side of Park Drive, approximately 550 feet from Main Street, in the Town of Little Elm, Texas (the "**Property")**, which Property is more particularly described in **Exhibit A** attached hereto.

2. In furtherance of the development of the Property, the Parties have negotiated certain matters regarding the Property as set forth in this Agreement.

3. The Parties seek to memorialize these negotiated matters and to include them in this contractually-binding Agreement.

NOW, THEREFORE, for and in consideration of the above and foregoing premises, the benefits to each of the Parties from this Agreement, and other good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the Parties do hereby agree as follows:

Section 1. Incorporation of Premises. The above and foregoing Recitals are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Term. This Agreement shall be effective as of the date of execution of this Agreement by the last of the Parties to do so ("**Effective Date**"). This Agreement shall remain in full force and effect from the Effective Date until terminated by the mutual agreement of all of the Parties in writing, or until all obligations in the Agreement have been fulfilled ("**Term**").

Section 3. Agreements. The Parties agree as follows:

A. The negotiated and agreed upon development plans attached hereto as **Exhibit B**, which incorporate by reference the general zoning regulations of the Town's zoning ordinance, are hereby adopted and incorporated into this agreement as contractually-binding obligations of the Developer.

Section 4. Miscellaneous.

A. Applicability of Town Ordinances. When the Property is developed, Developer shall construct all structures on the Property, in accordance with all applicable Town

ordinances and building/construction codes, whether now existing or arising prior to such construction in the future.

B. **Default/Mediation**. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than thirty (30) days after written notice of the alleged failure has been given). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. If either Party is in default under this Agreement, the other Party shall have the right to enforce the Agreement in accordance with applicable law, provided, however, in no event shall any Party be liable for consequential or punitive damages. In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved by the signatories hereto, the signatories agree to submit such disagreement to non-binding mediation.

C. **Venue**. This Agreement and any dispute arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to its conflict of law rules. In the event of any dispute or action under this Agreement, venue for any and all disputes or actions shall be instituted and maintained in Denton County, Texas.

D. **Relationship of Parties**. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership, joint venture, joint enterprise, or other relationship between or among the Parties.

E. **Severability**. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

F. **Cumulative Rights and Remedies**. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either Party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the Parties may have by law statute, ordinance, or otherwise. The failure by any Party to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such Party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. Any rights and remedies any Party may have with respect to the other arising out of this

Agreement shall survive the cancellation, expiration or termination of this Agreement, except as otherwise expressly set forth herein.

G. **Exhibits**. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

H. **Surviving Rights**. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination or expiration of this Agreement shall survive termination or expiration.

I. **Applicable Laws**. This Agreement is made subject to the existing provisions of the Charter of the Town of Little Elm, its present rules, regulations, procedures and ordinances, and all applicable laws, rules, and regulations of the State of Texas and the United States.

J. **Authority to Execute**. The undersigned officers and/or agents of the Parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

K. **Amendments**. This Agreement may be only amended or altered by written instrument signed by the Parties.

L. **Headings**. The headings and captions used in this Agreement are for the convenience of the Parties only and shall not in any way define, limit or describe the scope or intent of any provisions of this Agreement.

M. **Entire Agreement**. This Agreement is the entire agreement between the Parties with respect to the subject matters covered in this Agreement. There are no other collateral oral or written agreements between the Parties that in any manner relates to the subject matter of this Agreement, except as provided or referenced in this Agreement.

N. **Filing in Deed Records**. This Agreement shall be recorded in the real property records of Denton County, Texas. This Agreement and all of its terms, conditions, and provisions is and shall constitute a restriction and condition upon the development of the Property and all portions thereof and a covenant running with the Property and all portions thereof, and is and shall be binding upon Developer and all of Developer's heirs, successors, and assigns and the future owners of the Property and any portion thereof; provided, however, this Agreement shall not constitute an obligation of or be deemed a restriction or encumbrance with respect to any final platted residential lot upon which a completed home has been constructed.

O. **Notification of Sale or Transfer; Assignment of Agreement**. Developer shall notify the Town in writing of any sale or transfer of all or any portion of the Property, within ten (10) business days of such sale or transfer. Developer has the right (from time to time without the consent of the Town, but upon written notice to the Town) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Developer under this Agreement, to any person or entity (an "**Assignee**") that is or will

become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Developer. Each assignment shall be in writing executed by Developer and the Assignee and shall obligate the Assignee to be bound by this Agreement with respect to the portion of the Property transferred to Assignee. If the Property is transferred or owned by multiple parties, this Agreement shall only apply to, and be binding on, such parties to the extent of the Property owned by such successor owner, and if the Developer or any Assignee is in default under this Agreement, such default shall not be an event of default for any non-defaulting Assignee which owns any portion of the Property separate from the defaulting Developer or Assignee. A copy of each assignment shall be provided to the Town within ten (10) business days after execution. Provided that the successor developer assumes the liabilities, responsibilities, and obligations of the assignor under this Agreement with respect to the Property transferred to the successor developer, the assigning party will be released from any rights and obligations under this Agreement as to the Property that is the subject of such assignment, effective upon receipt of the assignment by the Town. No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment. Developer shall maintain true and correct copies of all assignments made by Developer to Assignees, including a copy of each executed assignment and the Assignee's Notice information.

P. **Sovereign Immunity**. The Parties agree that the Town has not waived its sovereign immunity from suit by entering into and performing its obligations under this Agreement.

Q. **Exactions/Infrastructure Costs**. Developer has been represented by legal counsel, or has had an opportunity to do so, in the negotiation of this Agreement, and been advised, or has had the opportunity to have legal counsel review this Agreement and advise Developer, regarding Developer's rights under Texas and federal law. Developer hereby waives any requirement that the Town retain a professional engineer, licensed pursuant to Chapter 1001 of the Texas Occupations Code, to review and determine that the exactions required by the Town in this Agreement are roughly proportional or roughly proportionate to the proposed development's anticipated impact. Developer specifically reserves its right to appeal the apportionment of municipal infrastructure costs in accordance with § 212.904 of the Texas Local Government Code; however, notwithstanding the foregoing, Developer hereby releases the Town from any and all liability under § 212.904 of the Texas Local Government Code, as amended, regarding or related to the cost of those municipal infrastructure requirements imposed by this Agreement.

R. **Waiver of Texas Government Code § 3000.001 et seq**. With respect to the improvements constructed on the Property pursuant to this Agreement, Developer hereby waives any right, requirement or enforcement of Texas Government Code §§ 3000.001-3000.005.

S. **Rough Proportionality**. Developer hereby waives any federal constitutional claims and any statutory or state constitutional takings claims under the Texas Constitution with respect to infrastructure requirements imposed by this Agreement. Developer and the Town further agree to waive and release all claims one may have

against the other related to any and all rough proportionality and individual determination requirements mandated by the United States Supreme Court in *Dolan v. City of Tigard*, 512 U.S. 374 (1994), and its progeny, as well as any other requirements of a nexus between development conditions and the projected impact of the terms of this Agreement, with respect to infrastructure requirements imposed by this Agreement.

T. Form 1295 Certificate. The Developer agrees to comply with Texas Government Code, Section 2252.908 and in connection therewith, the Developer agrees to go online with the Texas Ethics Commission to complete a Form 1295 Certificate and further agrees to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, Section 2252.908 and the rules of the Texas Ethics Commission and provide to the Town, at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate.

U. Undocumented Workers Provision. The Developer certifies that Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of any public subsidy provided under this Agreement to Developer plus six percent (6.0%), not later than the 120th day after the date the Town notifies Developer of the violation.

V. Non-Boycott of Israel Provision. In accordance with Chapter 2270 of the Texas Government Code, a Texas governmental entity may not enter into an agreement with a business entity for the provision of goods or services unless the agreement contains a written verification from the business entity that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement. Chapter 2270 of the Texas Government Code does not apply to a (1) a company that is a sole proprietorship; (2) a company that has fewer than ten (10) full-time employees; or (3) the contract has a value of less than One Hundred Thousand Dollars ($100,000.00). Unless Developer is not subject to Chapter 2270 of the Texas Government Code for the reasons stated herein, the signatory executing this Agreement on behalf of Developer verifies that Developer does not boycott Israel and will not boycott Israel during the Term of this Agreement.

W. Prohibition on Contracts with Certain Companies Provision. In accordance with Section 2252.152 of the Texas Government Code, the Parties covenant and agree that Developer is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 2252.153 of the Texas Government Code.

X. Report Agreement to Comptroller's Office. Town covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with Section 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021). [For Chapter 380 Agreements]

Y. Verification Against Discrimination of Firearm or Ammunition Industries. Pursuant to Texas Government Code Chapter 2274, (as added by Texas Senate Bill 19,

87th Tex. Reg. Session (2021) (effective September 1, 2021)) unless otherwise exempt, if the Developer employs at least ten (10) fulltime employees and this Agreement has a value of at least $100,000 that is paid wholly or partly from public funds of the Town, the Developer represents that: (1) the Developer does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) the Developer will not discriminate during the Term of the Agreement against a firearm entity or firearm trade association.

Z. Verification Against Discrimination Developer Does Not Boycott Energy Companies. Pursuant to Texas Government Code Chapter 2274, (as added by Texas Senate Bill 13, 87th Tex. Reg. Session (2021) (effective September 1, 2021)) unless otherwise exempt, if the Developer employs at least ten (10) fulltime employees and this Agreement has a value of at least $100,000 that is paid wholly or partly from public funds of the Town, the Developer represents that: (1) the Developer does not boycott energy companies; and (2) the Developer will not boycott energy companies during the Term of this Agreement.

EXECUTED by the Parties on the dates set forth below, to be effective as of the date first written above.

DEVELOPER
a MODICA Construction LLC company

By: _____

Date: 10.27.22

TOWN OF LITTLE ELM, TEXAS

By: _____
Matt Mueller
Town Manager

Date: _____

ATTEST:

By: _____
Caitlan Biggs
Town Secretary

STATE OF TEXAS §
§
COUNTY OF DENTON §

Before me, the undersigned authority, on this _____ day of _____, 2022, personally appeared MATT MUELLER, Town Manager of the Town of Little Elm, Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

[Seal]

By:_____
Notary Public, State of Texas

My Commission Expires:_____

STATE OF TEXAS §
§
COUNTY OF Denton §

Before me, the undersigned authority, on this 27 day of OctoBer, 2022, personally appeared SAVERIO ACCARDO, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity of a duly authorized representative of MODICA CONSTRUCTION LLC

[Seal]

Natasha Leigh Roach
My Commission Expires
11/12/2024
ID No. 132779769

By: Natasha Leigh Roach
Notary Public, State of Texas

My Commission Expires: 11/12/2024

EXHIBIT A

Property Description

MICHELLE FRENCH
DENTON COUNTY TAX ASSESSOR/COLLECTOR
P O BOX 90223
DENTON, TX 76202
(940) 349-3500

Original Receipt

Property Account Number:
961917DEN

Statement Date: 10/27/22
Owner: MODICA CONSTRUCTION LLC
Mailing Address: 10551 ROSE BUD CT
MCKINNEY TX 75072-6538

Property Location: EAST PARK DR
Acres: 0.1198
Legal: FRISCO PARK ESTATES BLK 1 LOT 12R-1

Exemptions:
Receipt #: 41241272

Deposit #: 202210275819-2022/emilee.jenki

YEAR	TAXING ENTITIES	TAXABLE VALUE	TAX RATE PER $100	DATE PAID	BASE TAX PAID	PENALTY & INTEREST PAID
2022	TOWN OF LITTLE ELM	$46,962.00	0.629900	10/27/22	$295.81	$0.00
2022	LITTLE ELM ISD	$46,962.00	1.412900	10/27/22	$663.53	$0.00
2022	DENTON COUNTY	$46,962.00	0.217543	10/27/22	$102.16	$0.00

BASE TAX **$1,061.50**
TOTAL PAID **$1,061.50**

Remitted By: MODICA CONSTRUCTION LLC
10551 ROSE BUD CT
MCKINNEY TX 75072-6538

Payment Type: CHECK
Check #: 1523

Remaining Amount Due As of 10/27/22
0.00

NOV 10, 2022

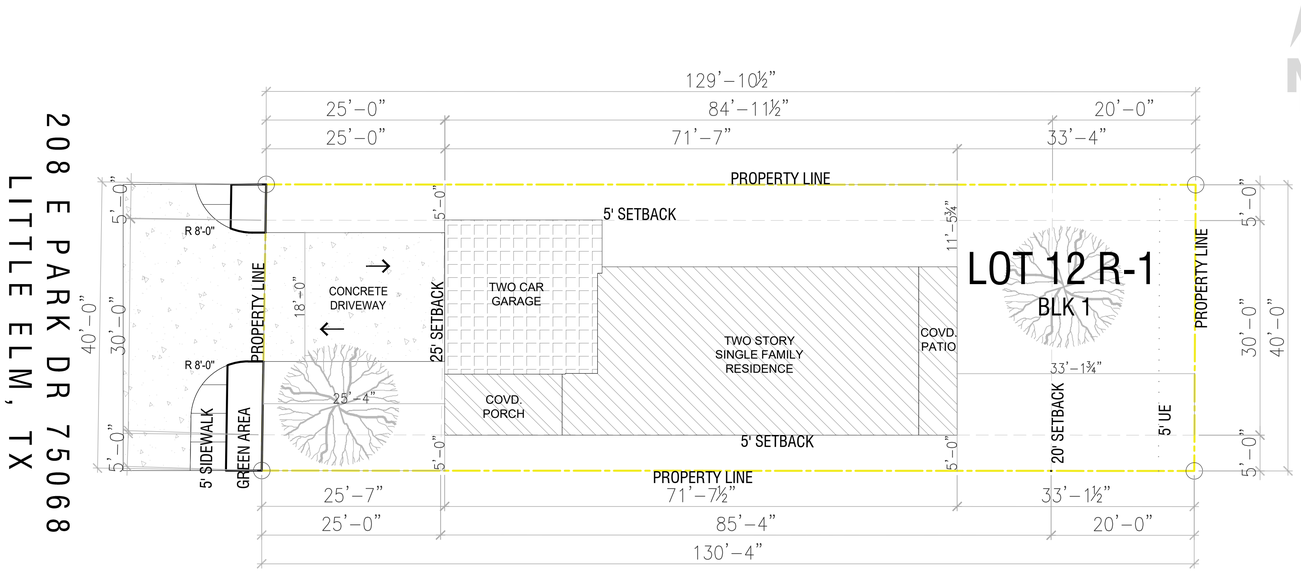
Receipt 10/27/22

MODICA CONSTRUCTION LLC
10551 ROSE BUD CT
MCKINNEY TX 75072-6538

EXHIBIT B

Development Plans

208 E PARK DR 75068
LITTLE ELM, TX



1 SITE PLAN
C2.00 1" = 10' - 0"

PROJECT AREA CALCULATIONS			
CONDITIONED AREA (AC)		TOTAL CONDITIONED AREA (AC)	
FIRST FLOOR	1,099.00 S.F		2,599.00 S.F
SECOND FLOOR	1,500.00 S.F	TOTAL UNDER ROOF	
NON-CONDITIONED AREA			3,332.00 S.F
COVD. PORCH	141.00 S.F	FOOTPRINT	
COVD. PATIO	127.00 S.F		1,832.00 S.F
GARAGE	465.00 S.F	LOT USAGE	
		PERIMETER (AC)	147.00 F
		LOT SIZE	5,203.00 S.F
		NON ROOF AREA	3,371.00 S.F
		% OF LOT	36.00 %

PROJECT INFORMATION

ZONING	A-2
LEGAL DESCRIPTION	FRISCO PARK ESTATES BLK 1 LOT 12R-1
CONSTRUCTION TYPE	# III-A
CLIMATE ZONE	ZONE 3A (MOIST)
HOUSE DESCRIPTION	4 BEDROOM 2½ BATH SINGLE-FAMILY TWO- STORY TWO CAR ATTACHED



1 VICINITY MAP
C2.00 FOR REFERENCE ONLY

***TRASH ENCLOSURE AND CONSTRUCTION SITE MANAGEMENT SIGN MUST BE POSTED IN AN AREA VISIBLE TO THE INSPECTOR.

SEAL

CONSTRUCTION CONCEPTS INC.
"Planning and Designing a Better Tomorrow"
317 E. JEFFERSON BLVD.
DALLAS, TX. 75203
TEL. (214) 946-4300
FAX. (214) 948-9544

REVISIONS	
SENT DATE	APPROVED DATE

ADDRESS
208 E PARK DR
LITTLE ELM, TX
75068

DATE
10/07/2022

DRAWN BY
VP-IB

CHECKED BY
ER

DESCRIPTION
SINGLE-FAMILY
TWO STORY, ATTACHED TWO CAR GARAGE
4 BEDROOMS, 2½ BATHROOMS

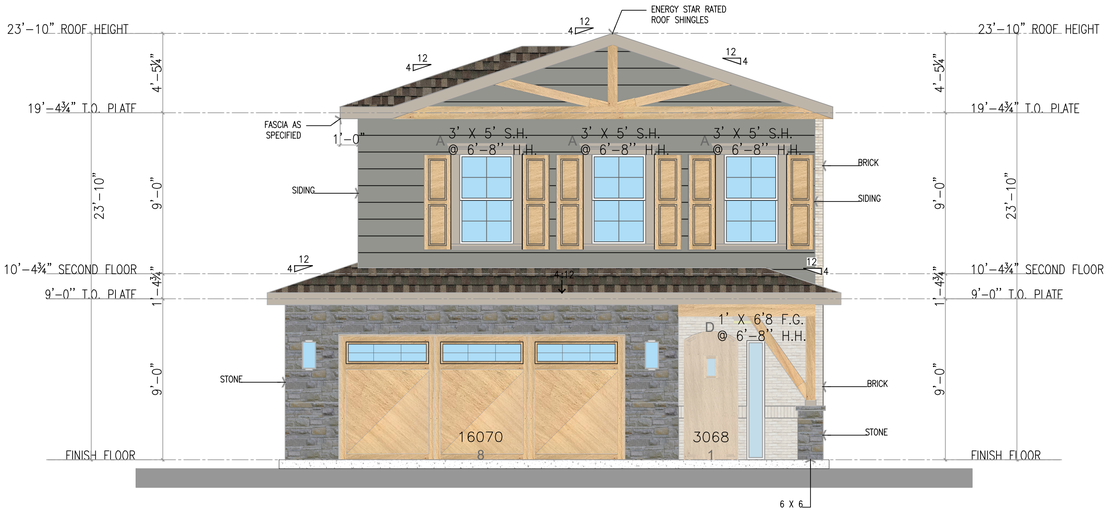
SCALE
1" = 10' - 0"

SHEET TITLE
SITE PLAN

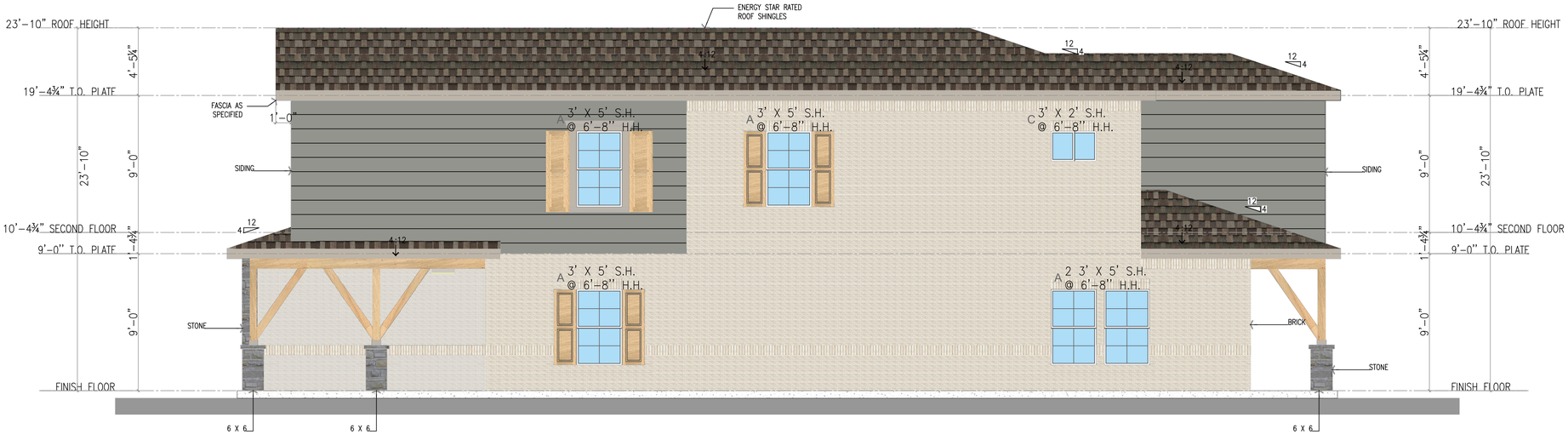
SHEET #
C2.00

FILE NAME
C2.00_SITE_PLAN

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1 FRONT ELEVATION
A2.01 1/4" = 1'-0"



1 RIGHT ELEVATION
A2.01 1/4" = 1'-0"

CRAFTSMAN SHEME

SW 7044
Amazing Gray
Brick Bands, GD, WT

SW 7048
Urbane Bronze
All Trim

SW 9164
Illusive Green
Siding

White Cedar Wood
Door, Garage Door, Column

Asphalt Roof Shingles - Color Natural Timber

Brighton Brick

Stone

SEAL

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DALLAS, TX. 75203
TEL. (214) 946-4300
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REVISIONS

SENT DATE	APPROVED DATE

ADDRESS
208 E PARK DR
LITTLE ELM, TX
75068

DATE
10/07/2022

DRAWN BY
VP-IB

CHECKED BY
ER

DESCRIPTION
SINGLE-FAMILY
TWO STORY, ATTACHED TWO CAR GARAGE
4 BEDROOMS, 2½ BATHROOMS

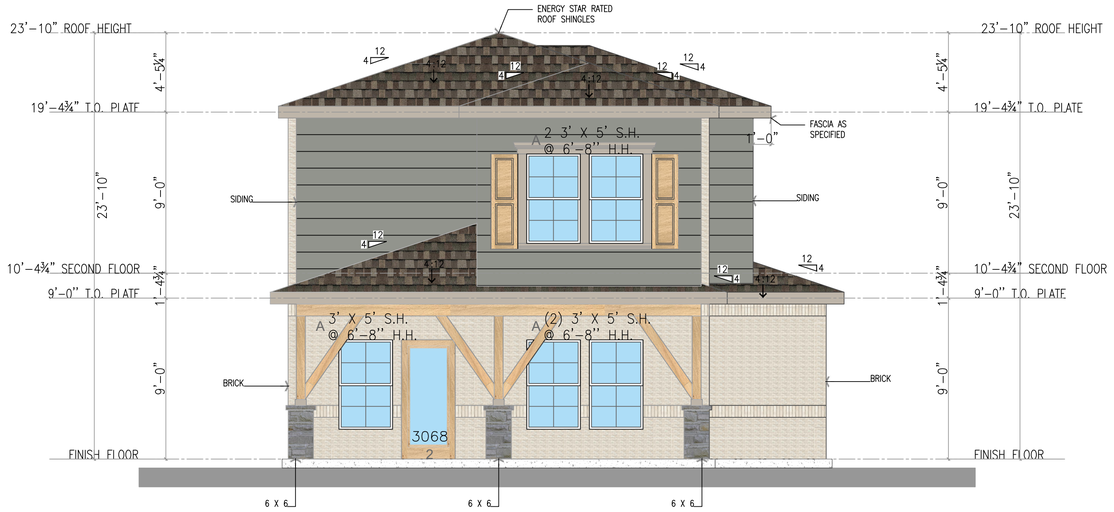
SCALE
1/4" = 1'-0"

SHEET TITLE
ELEVATIONS

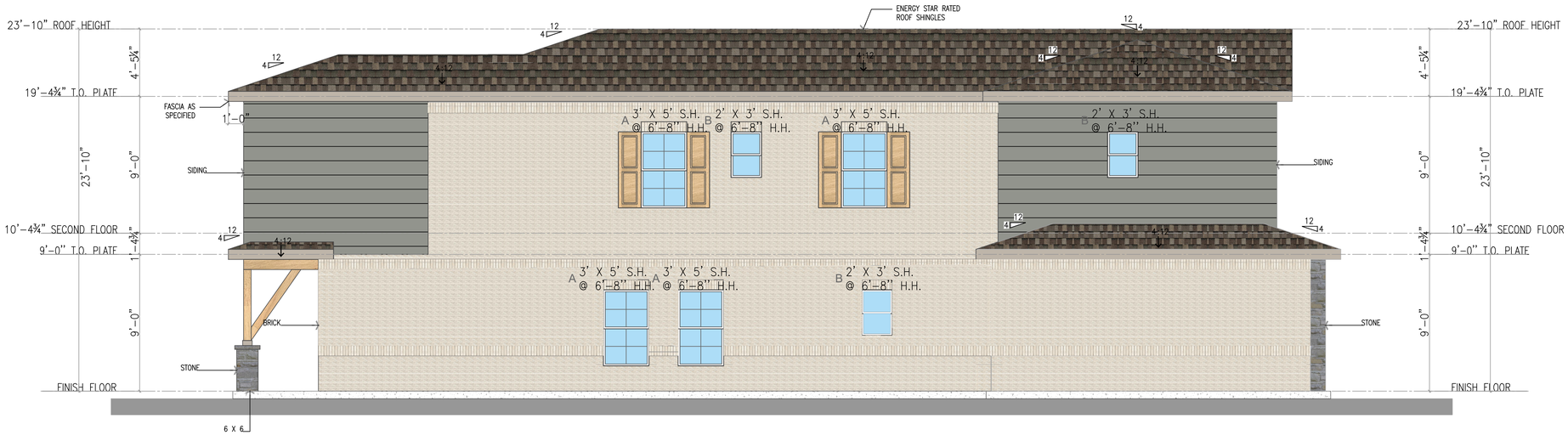
SHEET #
A2.01

FILE NAME
A2.01_ELEVATIONS

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1 REAR ELEVATION
A2.02 1/4" = 1'-0"



1 LEFT ELEVATION
A2.02 1/4" = 1'-0"

CRAFTSMAN SHEME

- **SW 7044 Amazing Gray** Brick Bands, GD, WT
- **SW 7048 Urbane Bronze** All Trim
- **SW 9164 Illusive Green** Siding
- **White Cedar Wood** Door, Garage Door, Column
- **Asphalt Roof Shingles - Color Natural Timber**
- **Brighton Brick**
- **Stone**

SEAL

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REVISIONS

SENT DATE	APPROVED DATE

ADDRESS
208 E PARK DR
LITTLE ELM, TX
75068

DATE
10/07/2022

DRAWN BY
VP-IB

CHECKED BY
ER

DESCRIPTION
SINGLE-FAMILY
TWO STORY, ATTACHED TWO CAR GARAGE
4 BEDROOMS, 2½ BATHROOMS

SCALE
1/4" = 1'-0"

SHEET TITLE
ELEVATIONS

SHEET #
A2.02

FILE NAME
A2.02_ELEVATIONS

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Date:	11/01/2022
Agenda Item #:	4. I.
Department:	Finance
Strategic Goal:	Maximize community recreation and leisure activities
Staff Contact:	Chad Hyde, Director of Community Services

AGENDA ITEM:

Consider Action to Award **Bid 2023-03 for Annual Rental and Installation of Special Event Attractions to MacGregor Entertainment, in an estimated amount of $85,000.**

DESCRIPTION:

This agreement will include annual rental, delivery, set up, certified operators for a 42ft Ferris Wheel and 16 horse carousel. These attractions will be in operation during Lights on the Lake held November through December.

The term of the agreement will be for one (1) year, with up to four (4) annual renewals.

This solicitation was advertised in the local paper and posted on the Town's eProcurement system. Twenty-five (25) contractors were notified, with two (2) responding. The lowest responsible bidder is MacGregor Entertainment, of Crawford, Texas.

BUDGET IMPACT:

Funding has been identified in Parks and Recreation fund for the special event Lights on the Lake. Expenditures will not exceed funds appropriated, and funds will be committed at the issuance of a purchase order.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Tabulation

Town of Little Elm
Bid 2023-03
Annual Rental and Installation of Special Event Attractions

				MacGregor Entertainment		Triple T Amusements	
Line #	**Description**	**QTY**	**UOM**	**Unit**	**Extended**	**Unit**	**Extended**
1	Ferris Wheel Century Wheel, or approved equal Approximately 63 feet in height, simultaneous loading of three gondolas per stop for five-stop loading and unloading. Wheel shall include approximately fifteen, 4-6 passenger gondolas. Preference of multicolored lighting for increased visibility from a distance and after dark.	1	EA			No Bid	
1ALTa	Ferris Wheel - 68ft Eagle 16	1	EA	$ 80,000.00	$ 80,000.00		
1ALTb	Ferris Wheel - 42ft ELI Hy-5	1	EA	$ 60,000.00	$ 60,000.00		
2	Carousel Approximately 20 feet in diameter, approximately 15 ride-on items. Exterior lighting for increased visibility from a distance and after dark.	1	EA				
2ALTa	Carousel 50 - 16 horses	1	EA	$ 25,000.00	$ 25,000.00		
2ALTb	Carousel 28' - 20 horses	1	EA			$ 50,000.00	$ 50,000.00
			Total:		**$ 85,000.00**		**$ 50,000.00**

NOTES:

Triple T Amusements:

28' Carousel 35' fence to fence, 20 horses. Town of Little Elm will provide 60amp/220V electric for CarouselTown of Little Elm will provide 2 RV spots for employees on location. RV spots will include water hook ups, 50amp/220V electrical hook ups and a grey water holding tank. Town of Little Elm will provide a ticket booth and tickets for amusement rides with staff to sell tickets. Triple T Amusements is guaranteed $50,000, the Town of Little Elm will pay Triple T Amusements 50% of ticket sales during the event. Deposit of $17,000 will be due on October 27,2022. Second payment of $16,500 will be due on November 24, 2022. Third payment of $16,500 is due on December 9,2022. Final payment of any and all compensation owed over the guaranteed amount of $50,000 will be due December 28,2022.

MacGregor Entertainment:
42ft Eli Hy-5 Ferris Ferris wheel $60,000 50 Carousel 16 Horses $25,000 68ft Eagle 16 Ferris wheel $80,000
A 50% deposit is required by Nov. 6th 2022 to lock in the dates requested after an agreement\contract has been signed by both parties. All services include delivery, set-up, certified operators, generators.

Date:	11/01/2022
Agenda Item #:	5. A.
Department:	Administrative Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Continue the Public Hearing to Present, Discuss, and Consider Action on **Ordinance No. 1687 Accepting and Approving a Service and Assessment Plan and Assessment Roll for the Valencia Public Improvement District No. 2 and Levying Assessments.**

Public Hearing Opened: October 8, 2022 at 6:47 p.m.
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1687

DESCRIPTION:

Public Hearing to consider an Ordinance levying assessments on property within the Valencia Public Improvement District No. 2. (the "District"); approving the final Valencia Public Improvement District No. 2 Service and Assessment Plan, including the Assessment Roll; making a finding of special benefit to property within the district; and other matters related thereto, pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Ordinance No. 1687

ORDINANCE NO. 1687

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, a petition was submitted and filed with the Town Secretary (the "Town Secretary") of the Town of Little Elm, Texas (the "Town") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), requesting the creation of a public improvement district located within the corporate limits of the Town; and

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

WHEREAS, on August 16, 2022, after due notice, the Town Council of the Town (the "Town Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on August 16, 2022, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 0816202201 (the "Authorization Resolution"), adopted by a majority of the members of the Town Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on August 19, 2022, the Town Secretary filed a copy of Resolution No. 0816202201 with the county clerk of each county in which all or a part of the District is located in accordance with the provisions of the PID Act; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the Town Secretary within 20 days after August 16, 2022, and

WHEREAS, on September 6, 2022, the Town Council adopted a resolution approving a preliminary service and assessment plan, including a proposed assessment roll for the District;

calling for a public hearing to consider an ordinance levying assessments on property within the District (the "Assessments"); authorizing and directing the Town Secretary of the Town to file the proposed assessment roll for the District and make such assessment roll available for public inspection; authorizing and directing the publication of notice of a public hearing to consider the levying of the Assessments against the property within the District (the "Levy and Assessment Hearing"); authorizing and directing the mailing of notice of the Levy and Assessment Hearing to owners of property liable for assessment; and directing related action; and

WHEREAS, on September 7, 2022, the Town Secretary, filed the Assessment Roll (defined below) and made the same available for public inspection; and

WHEREAS, the Town Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Levy and Assessment Hearing on September 18, 2022 in the *Denton Record-Chronicle*, a newspaper of general circulation in the Town; and

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

WHEREAS, the Town Council opened and convened the hearing on October 18, 2022 and then the Town Council recessed such public hearing until November 1, 2022; and

WHEREAS, on November 1, 2022, the Town Council convened the Levy and Assessment Hearing, 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 Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the improvements to be undertaken for the benefit of the District (the "Authorized Improvements"), the purposes of the Assessments, the special benefits of the Authorized Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the Town Council finds and determines that the Assessment Roll and the Valencia Public Improvement District No. 2 Service and Assessment Plan, dated November 1, 2022, in a form substantially similar to the attached *Exhibit A,* which final form shall be approved by the Town Manager and the Town's advisors (as updated, the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance and the Service and Assessment Plan and the assessment roll attached thereto as Appendix G (the "Assessment Roll"); and

WHEREAS, the Town Council further finds that there were no objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of the Actual Costs of the Authorized Improvements (as described in the Service and Assessment Plan), the Assessment Roll, or the levy of the Assessments against the Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the owners (the "Landowners"), or their representatives, of the majority of the privately-owned and taxable property located within the District, who are the persons to be

assessed pursuant to this Ordinance, have previously indicated their approval and acceptance of the Service and Assessment Plan, approval of the Assessment Roll, approval of this Ordinance, and approval of the levy of the Assessments against their property; and

WHEREAS, the Town Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the Town, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

Section 1. Terms.

Terms not otherwise defined herein are defined in the Service and Assessment Plan.

Section 2. Findings.

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

(a) The apportionment of the Actual Costs of Authorized Improvements (as reflected in the Service and Assessment Plan), and the Administrative Expenses (as defined in and as described by the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each parcel of Assessed Property will receive from the construction of the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;

(b) The Service and Assessment Plan (i) covers a period of at least five years, (ii) defines the annual indebtedness and projected costs for the Authorized Improvements, and (iii) includes a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended;

(c) The Service and Assessment Plan apportions the Actual Costs of the Authorized Improvements to be assessed against the Assessed Property as Assessments and such apportionment is made on the basis of special benefits accruing to the property because of the Authorized Improvements;

(d) All of the real property in the District which is being assessed in the amounts shown in the Assessment Roll will be benefited by the Authorized Improvements proposed to be constructed as described in the Service and Assessment Plan, and each parcel of Assessed Property will receive special benefits during the term of the Assessments equal to or greater than the total amount assessed;

(e) The method of apportionment of the Actual Costs of the Authorized Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Authorized Improvements and

Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the Actual Costs of the Authorized Improvements;

(f) The Service and Assessment Plan should be approved as the service plan and assessment plan for the District as described in Sections 372.013 and 372.014 of the PID Act;

(g) The Assessment Roll should be approved as the assessment roll for the District;

(h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the services and improvements needed and required for the District; and

(i) A written notice of the date, hour, place and subject of this meeting of the Town Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan for the District.

Section 4. Assessment Roll.

The Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the assessment roll for the District.

Section 5. Levy and Payment of Assessments for Actual Costs of Authorized Improvements.

(a) The Town Council hereby levies an assessment on each parcel of Assessed Property (excluding Non-Benefited Property, as defined in the Service and Assessment Plan), as shown and described in the Service and Assessment Plan and the Assessment Roll, in the respective amounts shown on the Assessment Roll, as a special assessment on the properties set forth in the Assessment Roll.

(b) The levy of the Assessments shall be effective on the date of the adoption of this Ordinance levying the Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.

(c) The collection of the Assessments shall be as described in the Service and Assessment Plan and the PID Act.

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

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

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

(g) The Administrative Expenses for the Assessed Property shall be calculated and collected pursuant to the terms of the Service and Assessment Plan.

Section 6. Method of Assessment.

The method of apportioning the Actual Costs of the Authorized Improvements and Administrative Expenses is set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Assessments.

Delinquent Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. Prepayments of Assessments.

As provided in Section VI of the Service and Assessment Plan, the owner of any Assessed Property subject to an Assessment may prepay the Assessments levied by this Ordinance.

Section 9. Lien Priority.

The Town Council and the Landowners intend for the obligations, covenants and burdens on the Landowners of each parcel of Assessed Property, including without limitation such Landowners' obligations related to payment of the Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Assessments and the Annual Installments thereof which are levied hereby shall be binding upon the Landowners, as the owners of each parcel of 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. Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. Appointment of Administrator and Collector of Assessments.

(a) Appointment of Administrator.

MuniCap, Inc., is hereby appointed and designated to initially serve, or until otherwise determined by the Town Council, as the Administrator of the Service and Assessment Plan and

of the Assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator's fees, charges and expenses for providing such service shall constitute an Administrative Expense.

(b) Appointment of Collector.

The Tax Assessor/Collector of Denton County is hereby appointed and designated as the collector of the Assessments.

Section 11. Applicability of Tax Code.

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of the Assessments by the Town.

Section 12. Filing in Land Records.

The Town Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and the Assessment Roll, to be recorded in the real property records of Denton County, not later than the seventh day after the date the Town Council adopts this Ordinance approving the Service and Assessment Plan. The Town Secretary is further directed to similarly file each Annual Service Plan Update (as defined in the Service and Assessment Plan) approved by the Town Council not later than the seventh day after the date that the Town Council approves each Annual Service Plan Update.

Section 13. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of the same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the 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 or any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 14. Effective Date.

This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage hereof.

PASSED AND APPROVED, this the 1st day of November, 2022.

TOWN OF LITTLE ELM, TEXAS

_____
Curtis J. Cornelious, Mayor

ATTEST:

_____
Caitlan Biggs, Town Secretary

_____
Matt Mueller, Town Manager

(Town Seal)

APPROVED AS TO FORM:

_____
Robert Brown, Town Attorney

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the _____ day of _____, 2022 by Curtis J. Cornelious, Matt Mueller, and Robert Brown, Mayor, Town Manager, and Town Attorney, respectively, of the Town of Little Elm, Texas on behalf of said Town.

_____
Notary Public, State of Texas

(SEAL)

EXHIBIT A

Service and Assessment Plan

VALENCIA
PUBLIC IMPROVEMENT DISTRICT
NO. 2

TOWN OF LITTLE ELM, TEXAS

SERVICE AND ASSESSMENT PLAN

November 1, 2022

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

VALENCIA
PUBLIC IMPROVEMENT DISTRICT NO. 2

SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On August 16, 2022 (the "Creation Date") the Town Council (the "Town Council") of the Town of Little Elm, Texas (the "Town") passed and approved Resolution No. 0816202201 approving and authorizing the creation of the Valencia Public Improvement District No. 2 (the "PID") to finance the costs of certain public improvements for the benefit of property in such public improvement district (the "Authorized Improvements"), all of which is located within the Town.

The property in the PID is proposed to be developed as one phase, and the PID will finance public improvements as the property is developed. Assessments will be imposed on the property that receives a special benefit from the Authorized Improvements to be constructed.

Chapter 372 of the Texas Local Government Code, the "Public Improvement District Assessment Act" (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. The Valencia Public Improvement District No. 2 Service and Assessment Plan (the "Service and Assessment Plan") has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan "must (i) cover a period of at least five years; (ii) define the annual indebtedness and the projected costs for improvements; and (iii) include a copy of the notice form required by Section 5.014, Property Code." The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix E.

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

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

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

B. DEFINITIONS

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

"**Actual Cost(s)**" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the Town. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes, (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, Town permit fees, development fees), insurance premiums, and miscellaneous expenses.

Actual Costs include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the Town or construction management fees in an amount up to five percent of the eligible Actual Costs described in a payment request in a form that has been reviewed and approved by the Town. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

"Additional Interest" means the 0.50% additional interest rate charged on Assessments (if applicable) pursuant to Section 372.018 of the PID Act.

"Additional Interest Component" means the amount collected by application of the Additional Interest.

"Additional Interest Reserve" has the meaning set forth in Section V.F of this Service and Assessment Plan.

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of

installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds or any other cost of issuance associated with the bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Administrator" means the employee or designee of the Town, identified in any indenture of trust relating to a series of Bonds or identified in any other agreement approved by the Town Council, who shall have the responsibilities provided for herein.

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

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

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

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

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

"Assessment Revenues" mean the revenues received by or on behalf of the Town from the collection of Assessments or Annual Installment payment thereof.

"Assessment Roll" or **"Assessment Rolls"** means collectively or separately, as applicable, the Assessment Roll included in this Service and Assessment Plan as Appendix G or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an

Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this Service and Assessment Plan and in the PID Act.

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

"Authorized Improvement Costs" mean the Actual Costs or the Budgeted Costs, as applicable, of all or any portion of the Authorized Improvements, as shown in Appendix B.

"Bonds" mean any bonds, including the Series 2022 PID Bonds, issued in one or more series for financing the Authorized Improvements and secured in whole or in part by the Assessment Revenues.

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

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

"County" means Denton County, Texas.

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

"Developer" means Valencia on the Lake 2B2 & 4, LLC, a Texas limited liability company and its successors and assigns.

"Equivalent Units" mean, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix F attached hereto.

"Homeowner Association" means a homeowners' association or property owners' association established for the benefit of property owners within the PID.

"Homeowner Association Property" means property within the PID owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, a Homeowners' Association established for the benefit of a group of homeowners or property owners within the PID.

"Lot" means a tract of land described as a "lot" in a subdivision plat recorded in the official public records of the County.

"Lot Type" means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the 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 final average home value for each lot as of the date of the recorded subdivision plat, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the Town Council.

"Maximum Assessment Per Unit" means an Assessment per unit for each applicable Lot Type as follows:

Lot Type 1 (60 Ft Lot) - $34,389.64
Lot Type 2 (50 Ft Lot) - $28,199.50

"Non-Benefited Property" means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.E.

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

"PID" has the meaning set forth in Section I.A. of this Service and Assessment Plan.

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

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

"Public Property" means property, right of way and easements within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Denton County, the Town, a school district or any other public agency or political subdivision, whether in fee simple or through an exclusive use easement.

"Series 2022 PID Bonds" mean those certain Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project) that are secured primarily by the Assessment Revenues.

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

"Town" means the Town of Little Elm, Texas.

"Town Council" means the duly elected governing body of the Town.

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

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

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the Town and contains approximately 189.257 acres of land. A map of the property within the PID is shown in Appendix A and a legal description of the property within the PID is shown in Appendix C to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 535 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots and the classification of each lot are based upon the proposed development plan.

The property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development within the PID

Proposed Development	Quantity	Measurement
Single-Family - 60 Ft	196	Units
Single-Family - 50 Ft	339	Units
Total	**535**	**Units**

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

(remainder of this page is intentionally left blank)

III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

(i) landscaping;

(ii) erection of fountains, distinctive lighting, and signs;

(iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;

(iv) construction or improvement of pedestrian malls;

(v) acquisition and installation of pieces of art;

(vi) acquisition, construction, or improvement of libraries;

(vii) acquisition, construction, or improvement of off-street parking facilities;

(viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;

(ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;

(x) the establishment or improvement of parks;

(xi) projects similar to those listed in Subdivisions (i)-(x);

(xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;

(xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;

(xiv) payment of expenses incurred in the establishment, administration and operation of the district; and

(xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the Town has determined at this time to undertake only Authorized Improvements listed in Section III.B. on the following page and shown in the opinion of probable costs included as Appendix B and on the

diagrams included as Appendix D for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the Town and an update to this Service and Assessment Plan.

B. DESCRIPTIONS OF THE AUTHORIZED IMPROVEMENTS

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

A description of the Authorized Improvements are as follows:

Roadway Improvements

The roadway improvements within the PID consist of the construction of roadway improvements, including related paving, excavation, drainage, curbs, gutters, sidewalks, retaining walls, signage, traffic control devices, and right-of-way which benefit the Assessed Property. All roadway projects will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Water Improvements

The water improvements within the PID consist of construction and installation of a looped water main network, which includes waterlines, valves, fire hydrants, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Sanitary Sewer Improvements

Onsite:

The onsite sanitary sewer improvements within the PID consist of construction and installation of various sized sanitary sewer pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Assessed Property. The onsite sanitary sewer improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Offsite:

The offsite sanitary sewer improvements within the PID consist of construction and installation of various sized sanitary sewer pipes, service lines, manholes, encasements, appurtenances, and a lift station necessary to provide sanitary sewer service to Assessed Property. The offsite sanitary sewer improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and operated by the Town.

Storm Drainage Improvements

The storm drainage improvements within the PID consist of reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, junction boxes, inlets, headwalls, and appurtenances which benefit the Assessed Property. The storm drainage collection system improvements will be designed and constructed in accordance with Town standards and specifications and will be owned and maintained by the Town.

Soft and Miscellaneous Costs

The soft and miscellaneous costs within the PID consist of engineering and surveying, project management fees, contingency, district formation, and other soft and miscellaneous costs.

The Budgeted Costs of the Authorized Improvements shown in Table III-A may be revised in Annual Service Plan Updates. Savings from one line item may be applied to a cost increase in another line item. These savings may be applied only to increases in costs of the Authorized Improvements (i.e., the improvements for the benefit of property within the PID). Additional details of the Authorized Improvements are shown in Appendix B attached to this Service and Assessment Plan. The method of cost allocation is explained in Section V.C.

Table III-A
Budgeted Authorized Improvement Costs

Description	Total
Roadway improvements (including right-of-way)	$6,692,479
Water improvements	$1,673,302
Sanitary sewer improvements:	
Onsite sanitary sewer improvements	$1,367,548
Offsite sanitary sewer improvements	$891,510
Storm drainage improvements	$1,420,022
Other soft and miscellaneous costs	$2,286,596
Total Authorized Improvements	**$14,331,457**

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IV. SERVICE PLAN

A. PROJECTED SOURCES AND USES OF FUNDS

The PID Act requires the service plan to cover a period of at least five years. The service plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five year period. It is anticipated the Authorized Improvements will be completed and dedicated to the Town in the 4th quarter of 2022.

The Budgeted Costs for the Authorized Improvements plus costs related to the issuance of the Series 2022 PID Bonds and payment of expenses incurred in the establishment, administration and operation of the PID are $17,844,887 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the Actual Costs of the Authorized Improvements, and updating the Assessment Roll. Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

Table IV-A shows the projected sources and uses of funds for the Authorized Improvements.

The Series 2022 PID Bonds described in Table IV-A are being issued in 2022 and will be used to finance the Authorized Improvement Costs.

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Table IV-A
Projected Sources and Uses

Sources of Funds	**Total**
Par amount	$16,300,000
Other funding sources[1]	$1,544,887
Total Sources	**$17,844,887**
Uses of Funds	
Authorized Improvements[2]:	
Roadway improvements (including right-of-way)	$6,692,479
Water improvements	$1,673,302
Sanitary sewer improvements:	
Onsite sanitary sewer improvements	$1,367,548
Offsite sanitary sewer improvements	$891,510
Storm drainage improvements	$1,420,022
Other soft and miscellaneous costs	$2,286,596
Subtotal	*$14,331,457*
Estimated Bond Issuance Costs:	
Cost of issuance	$978,000
Capitalized interest	$791,456
Reserve fund	$1,194,975
Administrative expense	$60,000
Underwriter's discount	$489,000
Subtotal	*$3,513,431*
Total Uses	**$17,844,887**

[1]Other funding sources, if any, consist of funds contributed by the Developer to complete the Authorized Improvements that are not funded by the Series 2022 PID Bonds, which will not be reimbursed to the Developer.
[2]See Table III-A for details.

B. PROJECTED FIVE -YEAR SERVICE PLAN

The annual projected costs and annual projected indebtedness are shown in Table IV-B. The annual projected costs and indebtedness are subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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Table IV-B
Annual Projected Costs and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources[(2)]	Projected Annual Installments
2022	$17,844,887	$16,300,000	$1,544,887	$0
2023[(1)]	$0	$0	$0	$0
2024	$0	$0	$0	$1,305,950
2025	$0	$0	$0	$1,306,049
2026	$0	$0	$0	$1,306,360
2027	$0	$0	$0	$1,305,821
2028	$0	$0	$0	$1,306,432
Total	**$17,844,887**	**$16,300,000**	**$1,544,887**	**$6,530,612**

[1]Assumes interest in 2023 is funded with capitalized interest and Administrative Expenses in 2023 are funded with bond proceeds.
[2] Other funding sources, if any, consist of funds contributed by the Developer to complete the Authorized Improvements that are not funded by the Series 2022 PID Bonds, which will not be reimbursed to the Developer.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Authorized Improvements shown in Table III-A, the costs associated with creating the PID and costs of issuing the Series 2022 PID Bonds, including reserves shown in Table IV-A. The difference between the annual projected cost and the annual projected indebtedness, if any, represents an amount funded by the Developer.

C. PID DISCLOSURE

The PID Act requires that this Service and Assessment Plan, and each Annual Service Plan Update, include a copy of the notice form (required by Section 5.014 of the Texas Property Code), (the "PID Disclosure"). The PID Disclosure is attached hereto as Appendix E and may be updated from time to time or in Annual Service Plan Updates.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the Town Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

For purposes of this Service and Assessment Plan, the Town Council has determined that the Budgeted Costs of the Authorized Improvements shall be allocated as described below:

1. The Authorized Improvement Costs shall be allocated on the basis of Equivalent Units once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.

2. The Town Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the Town Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home prices provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Authorized Improvements.

3. The Assessed Property is classified into different Lot Types as described in Appendix F based on the type and size of proposed development on each Parcel.

4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.

This section of this Service and Assessment Plan (i) describes the special benefit received by each Parcel within the Assessed Property as a result of the Authorized Improvements, (ii) provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments levied or to be levied on the Assessed Property, and (iii) establishes the methodologies by which the Town Council allocates and reallocates the special benefit of the Authorized Improvements to the Assessed Property in a manner that results in equal shares of the

Actual Costs of such improvements being apportioned to the Assessed Property similarly benefited. The determination by the Town Council 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 Developer and all future owners and developers of the Assessed Property.

B. SPECIAL BENEFIT

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

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

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

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

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

The special assessments will repay financing that is on advantageous terms, as the Bonds issued to finance the Authorized Improvements will pay interest that is exempt from federal income tax.

As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer's option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

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

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

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

2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;

3. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);

4. Financing of the costs of the Authorized Improvements through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,

5. As a result, the special benefit to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. ASSESSMENT METHODOLOGY

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

1. Assessment Methodology for the Authorized Improvements

For purpose of this Service and Assessment Plan, the Town Council has determined that the Budgeted Costs of the Authorized Improvements to be financed with the Bonds shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units anticipated to be developed on each Parcel within the PID.

Based on the Budgeted Costs of the Authorized Improvements, as set forth in Table III-A, the Town Council has determined that the benefit to the Assessed Property of the Authorized Improvements is at least equal to the Assessments levied on the Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units of all Lots in the platted Parcel, as calculated and shown in Appendix F using the types, number and average home value of Lots anticipated to be developed on each Parcel.

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

D. ASSESSMENTS

The Assessments are being levied on each Parcel according to the Assessment Roll, attached hereto as Appendix G. The Annual Installments of the Assessments will be collected at the time and in the amounts shown on the Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

See Appendix F for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

E. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates. The first year's Administrative Expenses are expected to be paid from the proceeds of the Series 2022 PID Bonds, as shown in Table IV-A.

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F. ADDITIONAL INTEREST RESERVE

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%), the Additional Interest. The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs and/or as described in the Trust Indenture, the Additional Interest Reserve. The Additional Interest Reserve shall be funded until it reaches 5.50% of the outstanding Bonds unless otherwise stipulated in the Bond documents. Once the Additional Interest Reserve is funded in full, the Town may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE PID

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

The Annual Installments shall be collected from the Assessed Property in an amount sufficient to pay (i) principal and interest on the Series 2022 PID Bonds, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel in the PID shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

B. REALLOCATION OF ASSESSMENTS

1. Subdivision

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

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

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel
B = the Assessment for the Parcel prior to subdivision
C = the estimated total Equivalent Units to be built on each new subdivided Parcel
D = the sum of the estimated total Equivalent units to be built on all of the new subdivided Parcels

The calculation of the estimated Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the Town Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the Town Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the Town Council.

C. MANDATORY PREPAYMENT OF ASSESSMENTS

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

2. If at any time the Assessment per unit on a Parcel exceeds the applicable Maximum Assessment Per Unit shown in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the Town prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per unit for the Parcel exceeds the applicable Maximum Assessment per Unit calculated in this Service and Assessment Plan.

3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

D. REDUCTION OF ASSESSMENTS

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

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

E. PAYMENT OF ASSESSMENTS

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the Town shall deposit the payment in accordance with the Trust Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.

(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. Payment in Annual Installments

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

Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Additional Interest Reserve. Payment of the Annual Installments shall commence with tax bills mailed after the issuance of the Bonds.

Each Assessment levied against the Assessed Property shall be paid with interest of no more than the actual interest rate paid on the Series 2022 PID Bonds and Additional Interest; the Assessment Roll sets forth for each year the Annual Installment for each parcel based on an estimated interest rate of 5.75% on the Series 2022 PID Bonds and Additional Interest at the rate of 0.5% for the Additional Interest Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Roll, as shown in Appendix G.

The Annual Installments shall be reduced to equal the Actual Costs of repaying the Series 2022 PID Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

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

F. COLLECTION OF ANNUAL INSTALLMENTS

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

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

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. Collection of the initial Annual Installments relating to the Authorized Improvements that benefit the Assessed Property will be due when billed and will be delinquent if not paid prior to February 1, 2024.

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VII. THE ASSESSMENT ROLL

A. ASSESSMENT ROLL

The Town Council has evaluated each Parcel in the PID based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of Authorized Improvements, and other development factors deemed relevant by the Town Council to determine the amount of Assessed Property within the PID.

The Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Authorized Improvements. Table VII-A summarizes the $17,844,887 in special benefit received by the Assessed Property from the Authorized Improvements, including costs of PID formation and administration and the Series 2022 PID Bonds issuance costs. The par amount of the Series 2022 PID Bonds is $16,300,000 which is less than the benefit received by the Assessed Property. Accordingly, the total Assessment to be applied to all the Assessed Property is $16,300,000, which will be collected in addition to interest thereon plus the Additional Interest and annual Administrative Expenses. The Assessment for each Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Assessment Roll is attached hereto as Appendix G.

Table VII-A
Special Benefit Summary

Special Benefit	**Total Cost**
Total Authorized Improvements(1)	$14,331,457
Estimated Bond Issuance Costs:	
Cost of issuance	$978,000
Capitalized interest	$791,456
Reserve fund	$1,194,975
Administrative expense	$60,000
Underwriter's discount	$489,000
Subtotal Bond Issuance Costs	$3,513,431
Total Special Benefit	**$17,844,887**
Special Benefit:	
Total Special Benefit	$17,844,887
Projected Assessment	$16,300,000
Excess Benefit	**$1,544,887**

[1]See Table III-A for details.

B. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the Town Council for approval, annual updates to the Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the Town and permitted by the PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan and in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.E. of this Service and Assessment Plan.

Once Bonds are issued, the Assessment Roll shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the Bonds on which the Annual Installments shall be paid, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the Bonds and Developer funds.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The Town may elect to designate a third party to serve as Administrator. The Town shall notify Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the Town not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the Town Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the Town Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the Town Council, the decision of the Town Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the Town shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination".

C. AMENDMENTS

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

The Town Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:

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

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

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

E. SEVERABILITY

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

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

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APPENDIX A
PID MAP

Existing Phases

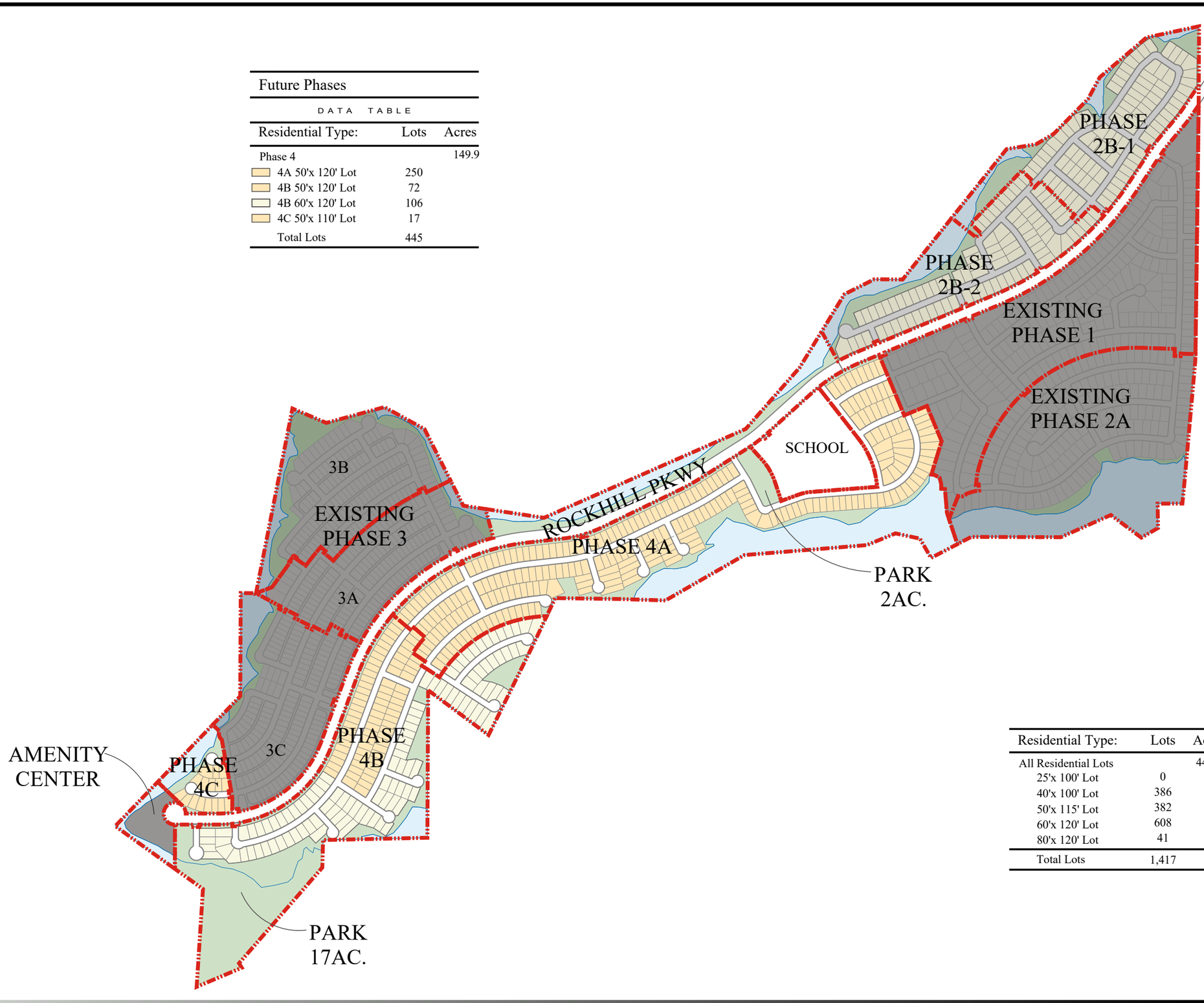
DATA TABLE

Residential Type:	Lots	Acres
Phase 1		62.4
60'x 120' Lot	169	
80'x 135' Lot	41	
Total Lots	210	
Phase 2A		51.9
60'x 120' Lot	154	
Total Lots	154	
Phase 3		80.7
3A 40'x 100' Lot	126	24.2
3A 50'x 115' Lot	14	
3B 40'x 100' Lot	118	28.5
3B 50'x 115' Lot	21	
3C 40'x 100' Lot	142	28.0
3C 50'x 115' Lot	8	
Total Lots	429	

Future Phases

DATA TABLE

Residential Type:	Lots	Acres
Phase 4		149.9
4A 50'x 120' Lot	250	
4B 50'x 120' Lot	72	
4B 60'x 120' Lot	106	
4C 50'x 110' Lot	17	
Total Lots	445	



Proposed Phase 2B - Amendment No. 6

Approved Phases

DATA TABLE

Residential Type:	Lots	Acres
Phase 2B		57.7
2B-1 60'x 120' Lot	89	28.8
2B-2 60'x 120' Lot	90	28.9
Total Lots	179	

Residential Type:	Lots	Acres
All Residential Lots		447.9
25'x 100' Lot	0	
40'x 100' Lot	386	
50'x 115' Lot	382	
60'x 120' Lot	608	
80'x 120' Lot	41	
Total Lots	1,417	

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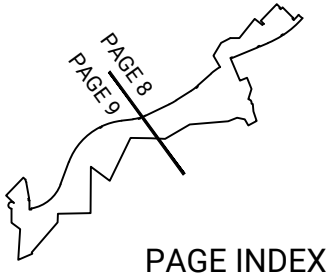
BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

VALENCIA ON THE LAKES - MASTER PLAN 11
TOWN OF LITTLE ELM ETJ, DENTON COUNTY, TEXAS

SCALE: 1"=400'
DATE: JAN. 2021

CENTURION AMERICAN

LEGEND	
ROW	RIGHT-OF-WAY
VOL., PG.	VOLUME, PAGE
INST. NO.	INSTRUMENT NUMBER
RPRDCT	REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS
PRDCT	PLAT RECORDS, DENTON COUNTY, TEXAS



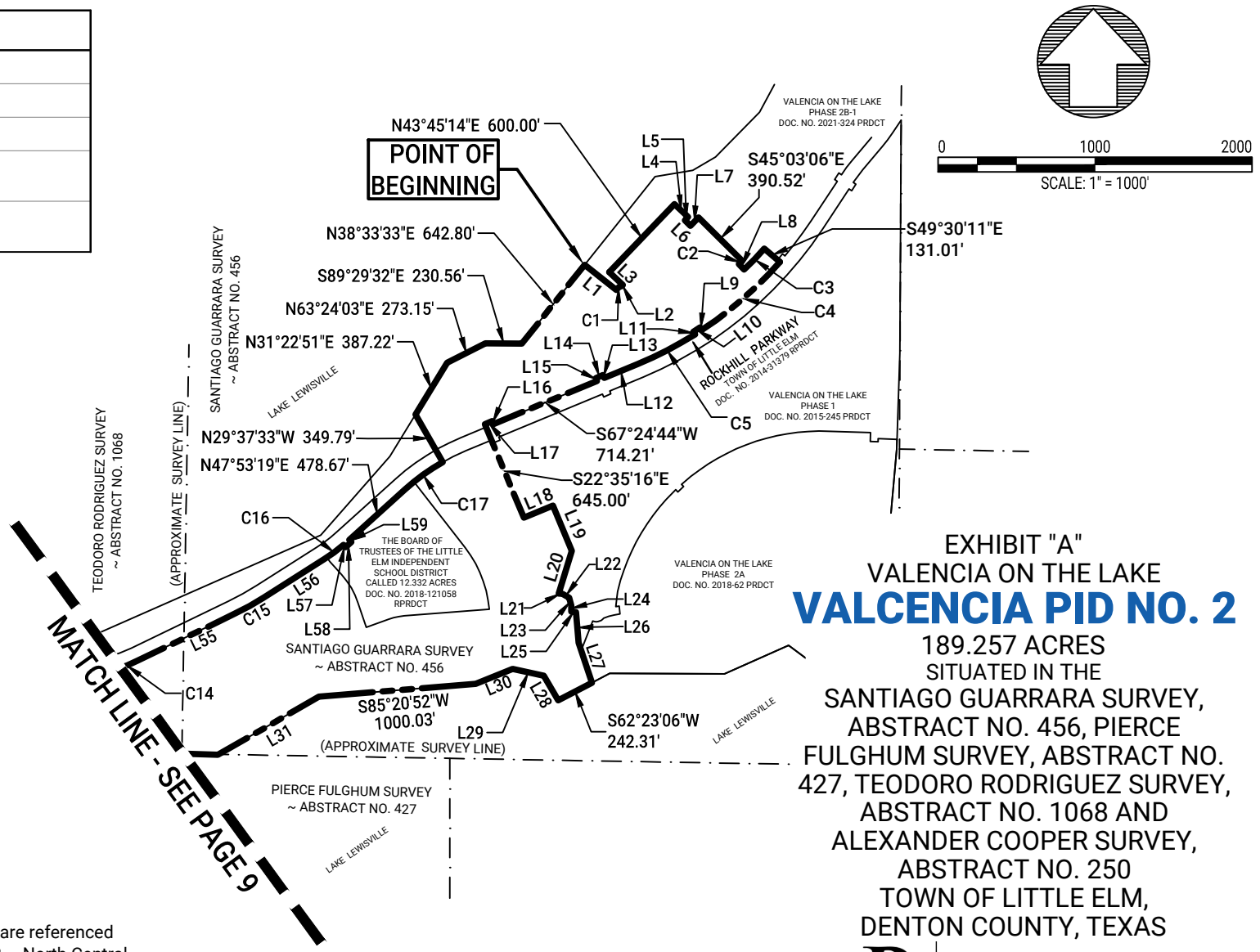


EXHIBIT "A"
VALENCIA ON THE LAKE
VALCENCIA PID NO. 2
189.257 ACRES
SITUATED IN THE
SANTIAGO GUARRARA SURVEY, ABSTRACT NO. 456, PIERCE FULGHUM SURVEY, ABSTRACT NO. 427, TEODORO RODRIGUEZ SURVEY, ABSTRACT NO. 1068 AND ALEXANDER COOPER SURVEY, ABSTRACT NO. 250
TOWN OF LITTLE ELM,
DENTON COUNTY, TEXAS

NOTES:

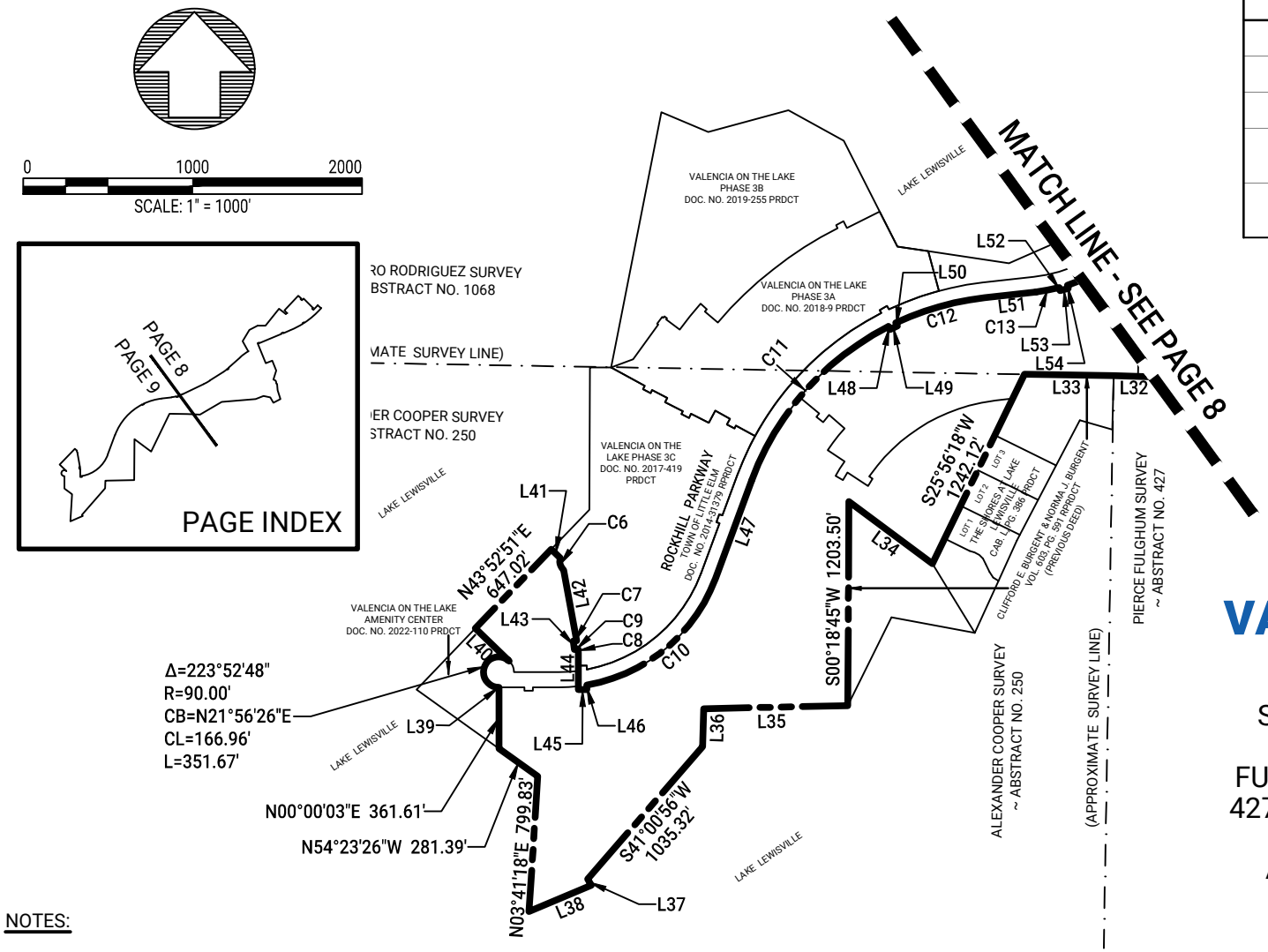
1. The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999849392677).
2. There are no improvements, easements or floodplain lines shown or referenced on this exhibit.
3. A description of even date attached hereto.
4. Corner Monuments referenced in the attached description are not shown plotted hereon.

"This document was prepared under 22 Texas Administrative Code §138.95, 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."

BARRAZA CONSULTING GROUP, LLC
TBPLS FIRM REG. NO. 10194538
TBPE FIRM REG. NO. 20683
801 East Campbell Road, Ste. 650
Richardson, Texas 75081
TELEPHONE - (214)-484-7055
PROJECT NO. 2019-004
DATE June 2022

TECH=BAS
SCALE 1"=1000'

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LEGEND	
ROW	RIGHT-OF-WAY
VOL., PG.	VOLUME, PAGE
INST. NO.	INSTRUMENT NUMBER
RPRDCT	REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS
PRDCT	PLAT RECORDS, DENTON COUNTY, TEXAS

NOTES:

1. The bearings shown and recited hereon are referenced to the Texas Coordinate System of 1983 ~ North Central Zone No. 4202 - NAD 83. (All distances are surface distances with a surface to grid scale factor of 0.999849392677).
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EXHIBIT "A"
VALENCIA ON THE LAKE

VALCENCIA PID NO. 2

189.257 ACRES
SITUATED IN THE
SANTIAGO GUARRARA SURVEY, ABSTRACT NO. 456, PIERCE FULGHUM SURVEY, ABSTRACT NO. 427, TEODORO RODRIGUEZ SURVEY, ABSTRACT NO. 1068 AND ALEXANDER COOPER SURVEY, ABSTRACT NO. 250
TOWN OF LITTLE ELM,
DENTON COUNTY, TEXAS

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TECH=BAS
SCALE 1"=1000'

S:\2019\2019004-00 Valencia\SURVEY\07-EXHIBITS\Legals\PID.dwg

APPENDIX B
BUDGETED COSTS OF AUTHORIZED IMPROVEMENTS

BARRAZA
CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

COMMUNITY NAME:	**Valencia on the Lake**	**ACREAGE:**	174.774
PHASE:	2B2 & 4	**TOTAL LOTS:**	**535**
CITY OR TOWN:	Town of Little Elm, Denton County, Texas	**CREATED:**	07/26/22

COST SUMMARY - FUTURE PHASE 2B2 AND PHASE 4 BONDS

DIRECT COSTS	PER LOT COST	ITEM COST
GRADING - RIGHT OF WAY	$739	$395,401.86
WATER IMPROVEMENTS	$3,128	$1,673,301.50
SANITARY SEWER IMPROVEMENTS	$2,556	$1,367,548.30
STORM DRAINAGE IMPROVEMENTS	$2,654	$1,420,022.20
PAVING IMPROVEMENTS	$11,770	$6,297,077.00
OFFSITE UTILITY IMPROVEMENTS	$1,666	$891,510.00
SOFT COST IMPROVEMENTS	$2,956	$1,581,595.83
DISTRICT FORMATION	$1,318	$705,000.00
TOTAL DIRECT COST	$26,788	$14,331,456.69

APPENDIX C
LEGAL DESCRIPTION

VALENCIA ON THE LAKE
VALENCIA PID NO. 2
189.257 ACRES

BEING that certain tract of land situated in the Santiago Guarrara Survey, Abstract No. 456, the Alexander Cooper Survey, Abstract No. 250, the Pierce Fulghum Survey, Abstract No. 427, and the Teodoro Rodriguez Survey, Abstract No. 1068, in the Town of Little Elm, Denton County, Texas, and being all of that certain called 13.874 acre tract of land described as Tract I (Part of Phase 2B2), all of that certain called 139.705 acre tract of land described as Tract II (Phases 4A and 4B), and all of that certain called 6.097 acre tract of land described as Tract III (Phase 4C) in Deed to Valencia on the Lake 2B2 and 4, LLC recorded in Document Number 2021-157901, of the Real Property Records of Denton County, Texas (RPRDCT), all of that certain called 15.145 acre tract of land described in Deed to Valencia on the Lake 2B2 and 4, LLC recorded in Document Number 2021-157902, RPRDCT, all of that certain called 12.332 acre tract of land described in Deed to The Board of Trustees of the Little Elm Independent School District recorded in Document No. 2018-121058, RPRDCT, and part of that certain tract of land described in deed to the Town of Little Elm (Rockhill Parkway - called 90 foot right-of-way) recorded in Document No. 2014-31379, RPRDCT, and including an 0.026 acre portion of the called 50-foot right-of-way of Barx Drive, dedicated according to Valencia on the Lake Phase 3C, an addition to The Town of Little Elm according to Final Plat recorded in Document Number 2017-419 RPRDCT, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped “BCG 10194538” found at the most westerly corner of Valencia on the Lake Phase 2B-1, an Addition to the Town of Little Elm Texas according to Final Plat recorded in Document No. 2021-324, of the Plat Records of Denton County, Texas (PRDCT), said iron rod also being located on the southerly line of the “Take Line” of Lake Lewisville;

THENCE leaving said “Take Line", and with the southwesterly line of said Valencia on the Lake Phase 2B-1, the following courses to 5/8-inch iron rods with cap stamped “BCG 10194538” found for corner:

South 51º26'27” East, a distance of 257.14 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 43°47'33", a radius of 60.00 feet, a chord which bears North 55°24'53" East, a chord distance of 44.75 feet, and an arc distance of 45.86 feet to the end of said curve;

North 43º45'14” East, a distance of 7.48 feet;

North 46º14'46” West, a distance of 120.00 feet;

North 43º45'14” East, a distance of 600.00 feet;

South 46º14'46” East, a distance of 120.00 feet;

South 43º45'14” West, a distance of 30.00 feet;

South 46º14'46” East, a distance of 50.00 feet;

North 43º45'14” East, a distance of 74.94 feet;

South 45º03'06” East, a distance of 390.52 feet to the beginning of a non-tangent curve to the right;

Southwesterly, with said curve which has a central angle of 00°45'33", a radius of 2264.00 feet, a chord which bears South 45°19'41" West, a chord distance of 30.00 feet, and an arc distance of 30.00 feet to the end of said curve;

South 44º17'32” East, a distance of 50.00 feet to being the beginning of a non-tangent curve to the left;

And northeasterly, with said curve which has a central angle of 04°35'30", a radius of 2314.00 feet, a chord which bears North 43°24'43" East, a chord distance of 185.39 feet, and an arc distance of 185.44 feet to the end of said curve;

THENCE South 49°30'11" East, passing at a distance of 111.01 feet a 5/8-inch iron rod with cap stamped "BCG 10194538" found at a southwest corner of said Valencia on the Lake Phase 2B-1, and continuing with a southwest line of said Rockhill Parkway, in all, a total distance of 131.01 feet to a point for corner located at the beginning of a non-tangent curve to the right;

THENCE with the northerly right-of-way line of said Rockhill Parkway, the following courses to 5/8-inch iron rods with cap stamped "BCG 10194538" found for corner:

Southwesterly, with said curve which has a central angle of 15°31'47", a radius of 2445.00 feet, a chord which bears South 48°50'51" West, a chord distance of 660.67 feet, and an arc distance of 662.70 feet to the end of said curve;

North 33°30'17" West, a distance of 20.00 feet;

South 57°12'14" West, a distance of 50.00 feet;

South 33°30'17" East, a distance of 20.00 feet, said iron rod being the beginning of a non-tangent curve to the right;

Southwesterly, with said curve which has a central angle of 09°37'40", a radius of 2445.00 feet, a chord which bears South 62°35'53" West, a chord distance of 410.37 feet, and an arc distance of 410.85 feet to the end of said curve;

South 67°24'44" West, a distance of 231.77 feet;

North 22°35'16" West, a distance of 20.00 feet;

South 67°24'44" West, a distance of 50.00 feet;

South 22°35'16" East, a distance of 20.00 feet;

South 67°24'44" West, a distance of 714.21 feet;

North 22°35'16" West, a distance of 20.00 feet;

And South 67°24'44" West, a distance of 50.00 feet;

THENCE South 22°35'16" East, passing at a distance of 20.00 feet a 5/8-inch iron rod with cap stamped "BCG 10194538" found on said northerly right-of-way line of Rockhill Parkway, continuing over and across said Rockhill Parkway, passing at a distance of 110.00 feet an "X" cut in concrete found at the northeast corner of said called 139.705 acre tract of land described as Tract II (Phases 4A and 4B), passing at a distance of 140.00 feet a 5/8-inch iron rod with cap stamped "PETITT-RPLS 4087" found at the most westerly northwest corner of Valencia on the Lake Phase 1, an Addition to the Town of Little Elm Texas according to Final Plat recorded in Document No. 2015-245, PRDCT, continuing with the southwesterly line of said Valencia on the Lake Phase 1, in all, a total distance of 645.00 feet to a 5/8-inch iron rod with cap stamped "PETITT-RPLS 4087" found for corner;

THENCE with said southwesterly line of Valencia on the Lake Phase 1, the following courses to 5/8-inch iron rods with cap stamped "PETITT-RPLS 4087" found for corner:

North 67°24'44" East, a distance of 200.32 feet;

South 22°35'16" East, a distance of 312.29 feet;

South 17°05'19" West, a distance of 283.91 feet;

South 85°49'57" East, a distance of 23.24 feet;

South 60°11'21" East, a distance of 50.30 feet;

South 14°40'15" East, a distance of 50.96 feet;

South 00°02'26" West, a distance of 39.41 feet;

South 83°27'48" East, a distance of 31.28 feet;

South 04°48'46" East, a distance of 195.51 feet;

THENCE South 18°25'34" East, passing at a distance of 51.10 feet the southwest corner of said Valencia on the Lake Phase 1, and continuing with the westerly line of Valencia on the Lake Phase 2A, an Addition to the Town of Little Elm, Texas according to Final Plat recorded in Document Number 2018-62, PRDCT, in all, a total distance of 267.83 feet to a 5/8-inch iron rod with cap stamped "PETITT-RPLS 4087" found for corner at the southwest corner of said Valencia on the Lake Phase 2A, and being located on the northerly "Take Line" of said Lake Lewisville;

THENCE with said northerly "Take Line" of Lake Lewisville, the following courses:

South 62°23'06" West, a distance of 242.31 feet to a U.S.A.C.O.E. Fence Post Marked JP-5E found for corner;

North 30°02'10" West, a distance of 182.02 feet to a U.S.A.C.O.E. Fence Post Marked JP-5F found for corner;

North 77°58'31" West, a distance of 203.63 feet to a U.S.A.C.O.E. Fence Post Marked JP-5G found for corner;

South 67°53'16" West, a distance of 253.98 feet to a U.S.A.C.O.E. Monument Marked J-809-2-3 found for corner;

South 85°20'52" West, a distance of 1000.03 feet to a U.S.A.C.O.E. Monument Marked J-809-2-2 found for corner;

South 60°04'23" West, a distance of 742.15 feet to a U.S.A.C.O.E. Monument Marked J-809-2-1 found for corner;

And North 88°13'22" West, a distance of 373.76 feet to a U.S.A.C.O.E. Monument (disturbed) found for the northeast corner of that certain tract of land described in deed to Clifford E. Burgent and Norma J. Burgent recorded in Volume 603, Page 591, RPRDCT;

THENCE North 89°11'54" West, with a northerly line of said Burgent tract, a distance of 526.42 feet to a 1/2-inch iron rod found for corner;

THENCE South 25°56'18" West, with a westerly line of said Burgent tract, a distance of 1242.12 feet to a 1-inch iron rod found at an "ell"corner of said Burgent tract;

THENCE North 53°26'05" West, with a northerly line of said Burgent tract, a distance of 613.52 feet to a 1-inch iron rod found at the most northerly corner of said Burgent tract;

THENCE South 00°18'45" West, with the west line of said Burgent tract, a distance of 1203.50 feet to a 5/8-inch iron rod with cap stamped "PETITT-RPLS 4087" found on said northerly "Take Line" of Lake Lewisville;

THENCE with the northerly "Take Line" of Lake Lewisville, the following courses:

South 88°44'53" West, a distance of 850.88 feet to a U.S.A.C.O.E. Monument Marked H-723-A found for corner;

South 01°32'31" West, a distance of 224.05 feet to a 1/2-inch iron rod found for corner;

South 41°00'56" West, a distance of 1035.32 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner;

South 31°43'14" East, a distance of 42.77 feet to a U.S.A.C.O.E. Monument Marked H-725-6 found for corner;

South 67°02'07" West, a distance of 399.58 feet to a U.S.A.C.O.E. Monument Marked H-725-5 found for corner;

North 03°41'18” East, a distance of 799.83 feet to a U.S.A.C.O.E. Monument Marked H-725-4 found for corner;

And North 54°23'26” West, a distance of 281.39 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” found for corner at the south corner of Valencia on the lake Amenity Center, an addition to the Town of Little Elm according to Final Plat recorded in Document No. 2022-110, PRDCT;

THENCE North 00°00'03” East, leaving said “Take Line” of Lake Lewisville, and with the east line of said Valencia on the lake Amenity Center, a distance of 361.61 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” found for corner on the southerly right-of-way line of said Rockhill Parkway;

THENCE North 89º59’57” West, with said southerly right-of-way line of Rockhill Parkway, a distance of 1.93 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner at the beginning of a tangent curve to the right;

THENCE northeasterly, with the westerly right-of-way line of Rockhill Parkway, and with said curve which has a central angle of 223º52’46”, a radius of 90.00 feet, a chord which bears North 21º56’26” East, a chord distance of 166.96 feet, and an arc distance of 351.67 feet to the end of said curve, a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner at the most easterly corner of said Valencia on the Lake Amenity Center;

THENCE North 46º07’09” West, with the northeast line of said Valencia on the Lake Amenity Center, a distance of 278.39 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner on the southeasterly line of said “Take Line” of Lake Lewisville;

THENCE North 43°52'51” East, with said southeasterly “Take Line” of Lake Lewisville, a distance of 647.02 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner at the most westerly corner of Valencia on the Lake Phase 3C, an Addition to The Town of Little Elm according to Final Plat recorded in Document Number 2017-419 RPRDCT;

THENCE with the southwesterly line of said Valencia on the Lake Phase 3C, the following courses:

South 46°07'09" East, a distance of 74.59 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner at the beginning of a non-tangent curve to the left;

And southeasterly, with said curve which has a central angle of 68°20'56", a radius of 65.00 feet, a chord which bears South 15°58'22" East, a distance of 73.02 feet, and an arc distance of 77.54 feet to the end of said curve, a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner;

THENCE South 10°25'55" East, continuing with the southwesterly line of said Valencia on the Lake Phase 3C, and over and across said right-of-way of Barx Drive, dedicated according to Valencia on the Lake Phase 3C, a distance of 423.55 feet to an "X" cut in concrete found for corner at the beginning of a non-tangent curve to the right;

THENCE with said southwesterly line of Valencia on the Lake Phase 3C, the following courses:

Southwesterly, with said curve which has a central angle of 01°35'54", a radius of 717.00 feet, a chord which bears South 82°21'55" West, a distance of 20.00 feet, and an arc distance of 20.00 feet to the end of said curve, a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner;

South 06°50'08" East, a distance of 50.00 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner at the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 01°39'45", a radius of 767.00 feet, a chord which bears North 82°19'59" East, a distance of 22.26 feet, and an arc distance of 22.26 feet to the end of said curve, an "X" cut in concrete found for corner at the beginning of a non-tangent curve to the right;

And southeasterly, with said curve which has a central angle of 05°21'24", a radius of 225.00 feet, a chord which bears South 02°40'39" East, a distance of 21.03 feet, and an arc distance of 21.04 feet to the end of said curve, a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found or corner;

THENCE South 00°00'03" West, passing at a distance of 108.08 feet a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found at the southeast corner of said Tract III (Phase 4C), located on the northerly right-of-way line of Rockhill Parkway, continuing over and across said Rockhill Parkway, in all, a total distance of 219.51 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner on said southerly right-of-way line of Rockhill Parkway;

THENCE with said southerly right-of-way line of Rockhill Parkway, the following courses:

South 89°59'57" East, a distance of 50.00 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner;

North 00°00'03" East, a distance of 27.91 feet to an “X” cut in concrete found for corner at the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 60°07'30", a radius of 985.00 feet, a chord which bears North 50°20'02” East, a distance of 986.86 feet, and an arc distance of 1033.64 feet to the end of said curve, a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner;

North 20°16'17" East, a distance of 616.39 feet to a 5/8-inch iron rod with cap stamped “PETITT-RPLS 4087” found for corner at the beginning of a tangent curve to the right;

Northeasterly, with said curve which has a central angle of 42º44’37", a radius of 1665.00 feet, a chord which bears North 41°38’36” East, a chord distance of 1213.51 feet, and an arc distance of 1242.12 feet to the end of said curve, a 5/8-inch iron rod with cap stamped “BCG 10194538” found for corner;

South 26°05'42" East, a distance of 20.00 feet;

North 63°52'30" East, a distance of 50.00 feet;

North 26°05'42" West, a distance of 20.00 feet, said iron rod being the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 18°47'50", a radius of 1665.00 feet, a chord which bears North 74°08'04" East, a distance of 543.80 feet, and an arc distance of 546.25 feet to the end of said curve;

North 83°31'59" East, a distance of 302.69 feet, said iron rod being the beginning of a tangent curve to the left;

Northeasterly, with said curve which has a central angle of 08°12'08", a radius of 995.00 feet, a chord which bears North 79°25'55" East, a distance of 142.32 feet, and an arc distance of 142.44 feet to the end of said curve;

South 16°06'32" East, a distance of 20.00 feet;

North 73°53'28" East, a distance of 50.00 feet;

North 16°06'32" West, a distance of 20.00 feet, said iron rod being the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 08°16'25", a radius of 995.00 feet, a chord which bears North 68°18'52" East, a distance of 143.55 feet, and an arc distance of 143.68 feet to the end of said curve;

North 64°10'40" East, a distance of 689.07 feet, said iron rod being the beginning of a tangent curve to the left;

Northeasterly, with said curve which has a central angle of 06°36'01", a radius of 1845.00 feet, a chord which bears North 60°52'40" East, a distance of 212.42 feet, and an arc distance of 212.54 feet to the end of said curve;

North 57°34'39" East, a distance of 457.24 feet, said iron rod being the beginning of a tangent curve to the left;

Northeasterly, with said curve which has a central angle of 08°14’55", a radius of 1045.00 feet, a chord which bears North 53°27’12" East, a chord distance of 150.32 feet, and an arc distance of 150.44 feet to the end of said curve,

South 42°02'31" East, a distance of 20.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for corner;

North 48°16'01" East, a distance of 50.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for corner;

North 42°02'31" West, a distance of 20.00 feet to an "X" cut in concrete found for corner;

North 47°53'19" East, a distance of 478.67 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for corner at the beginning of a tangent curve to the right;

And northeasterly, with said curve which has a central angle of 12°29’10", a radius of 1355.00 feet, a chord which bears North 54°07’54" East, a chord distance of 294.70 feet, and an arc distance of 295.29 feet to the end of said curve;

THENCE North 29º37’33” West, over and across said right-of-way of Rockhill Parkway, passing at a distance of 90.00 feet the southwest corner of said called 13.874 acre tract of land described as Tract I (Part of Phase 2B2), continuing with the southwest line of said Tract I, in all, a total distance of 349.79 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” found for corner on said southerly “Take Line” of Lake Lewisville, from which a U.S.A.C.O.E. monument marked J-809-1/3 found bears South 31°22'51" West, a distance of 313.07 feet;

THENCE with said southerly “Take Line”, the following courses:

North 31°22'51" East, a distance of 387.22 feet to a U.S.A.C.O.E. monument marked J-809-2 found for corner;

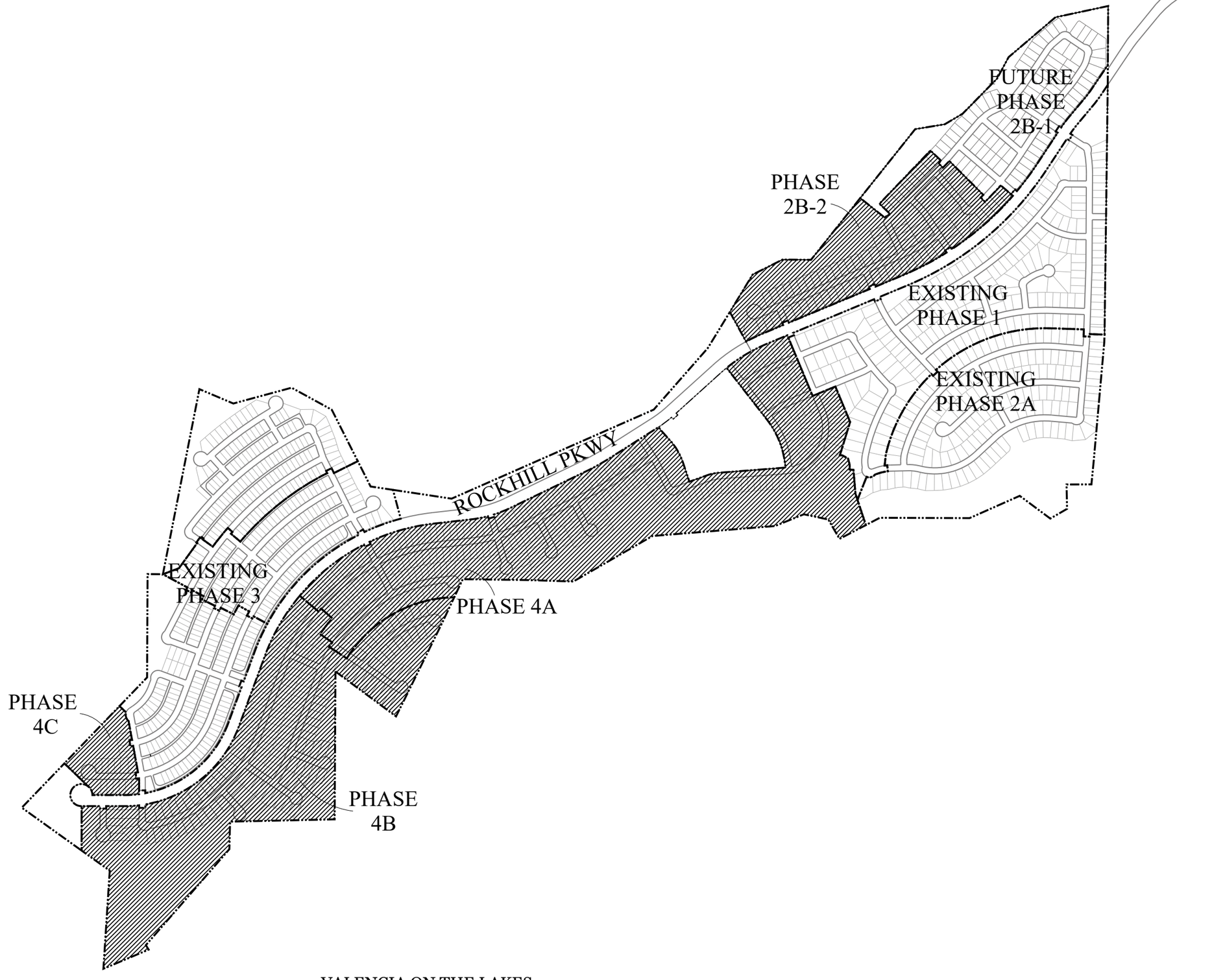
North 63°24'03" East, a distance of 273.15 feet to a U.S.A.C.O.E. monument marked J-840-1 found for corner;

South 89°29'32" East, a distance of 230.56 feet to a 5/8-inch iron rod with cap stamped “BCG 10194538” found for corner;

And North 38°33'33" East, a distance of 642.80 feet to the POINT OF BEGINNING and containing an area of 189.257 acres of land.

"This document was prepared under 22 Texas Administrative Code §138.95, 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."

APPENDIX D
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



VALENCIA ON THE LAKES
IMPROVEMENT AREAS PHASE 2B2, 4A, 4B, &4C
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA
CONSULTING GROUP, LLC
PLANNING • ENGINEERING

SCALE: 1"=400'

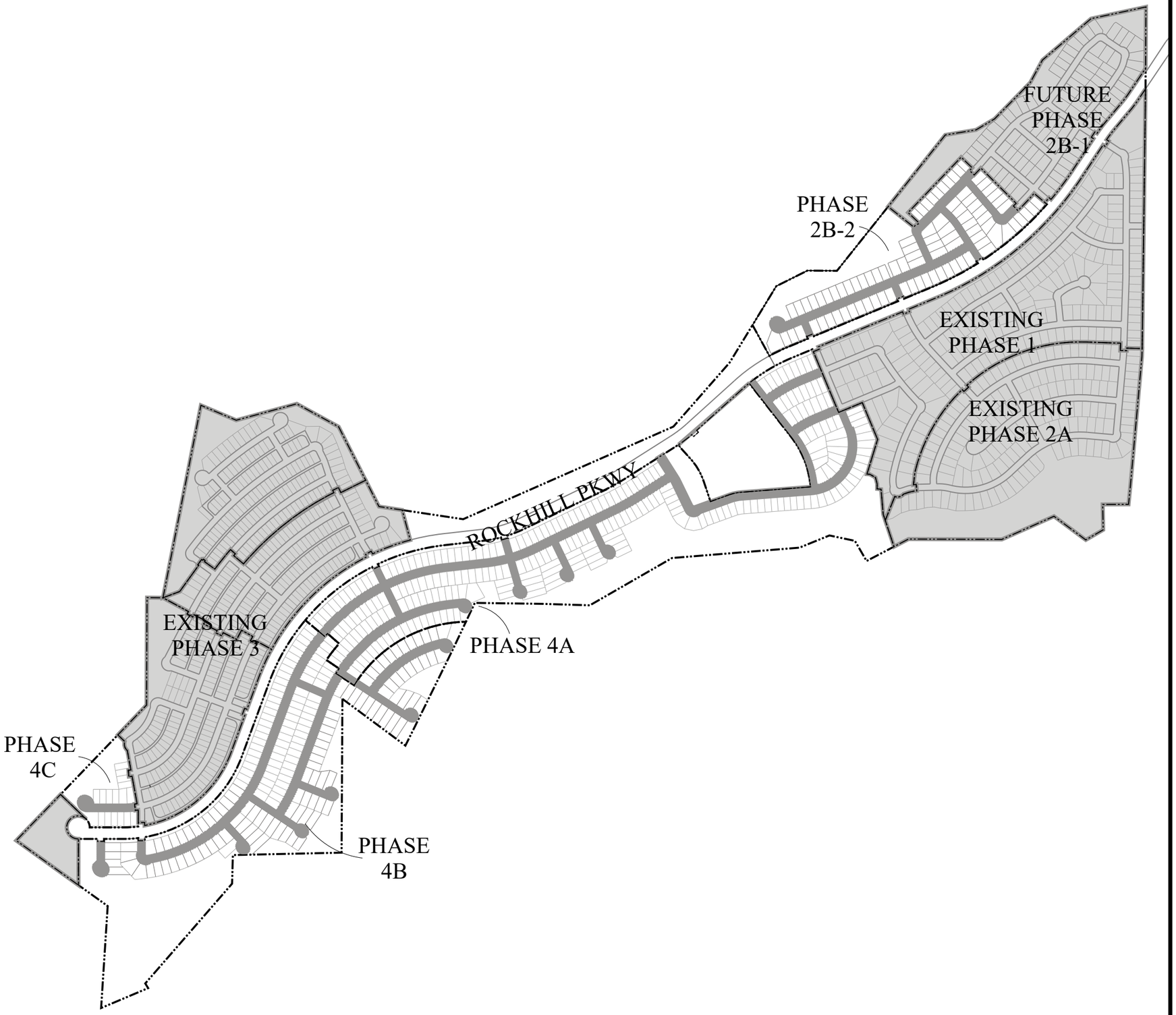
CENTURION AMERICAN

S:\2019\2019004-00 Valencia\CAD\04-EXHIBITS\2019004-00LP11Valencia PID Improvements 2B2, 4A, 4B, &4C.dwg Jul 27,2022 - 2:39 pm chancock

Right-of-Way Totals

DATA TABLE

Phase:	Total
	SQ FT
Phase 2B-2	122,752
Phase 4A	529,646
Phase 4B	367,385
Phase 4C	28,401
Total	1,048,184



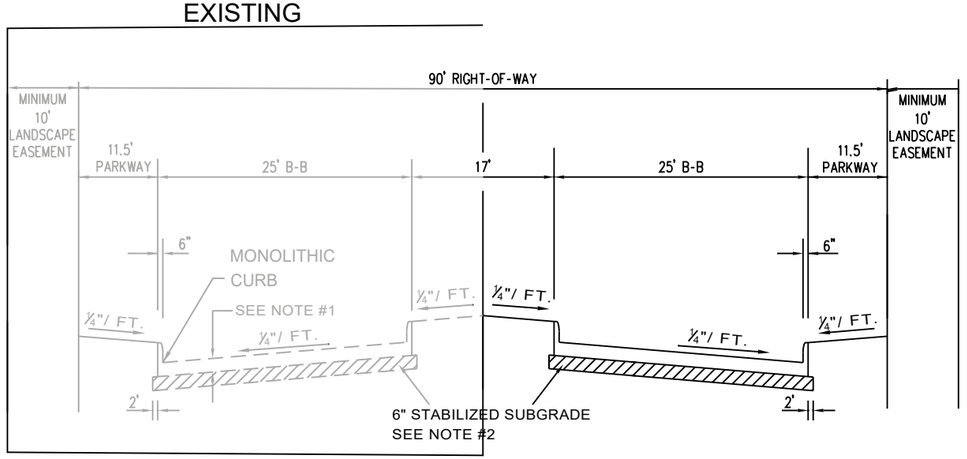
VALENCIA ON THE LAKES
RIGHT-OF-WAY TOTALS PHASE 2B-2, 4A, 4B, & 4C
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

SCALE: 1"=400'

CENTURION AMERICAN

S:\2019\2019004-00 Valencia\CAD\04-EXHIBITS\2019004-00LP11Valencia ROW Exhibit Phase 2B2, 4A, 4B, &4C.dwg Jul 27,2022 - 2:41 pm chancock

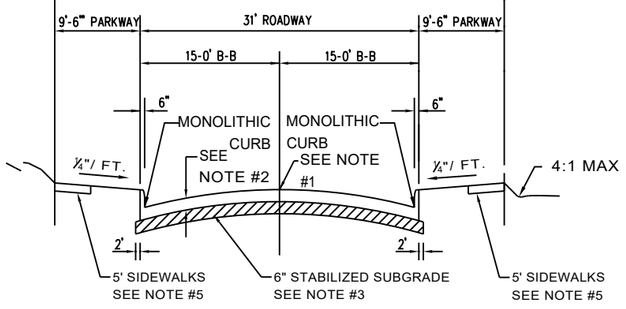


NOTES:

1. 8" REINF. CONC. PVMT. THICKNESS (4,000 PSI) #4 BARS @ 18" OCEW
2. RATE OF LIME/CEMENT APPLICATION TO BE DETERMINED BY LIME SERIES TEST (37 LBS/SQ YD PER GEOTECHNICAL CONSULTANT)
3. 4" REINF. CONC. SIDEWALK (3,500 PSI) WITH #3 BARS @ 18" OCEW 1 1/2" SAND (MIN.) UNDER THE SIDEWALK. SUBGRADE (INCLUDING SAND) SHALL BE COMPACTED TO 95% DENSITY

SECTION A-A
TYPICAL ROCKHILL PARKWAY SECTION

SCALE: NTS

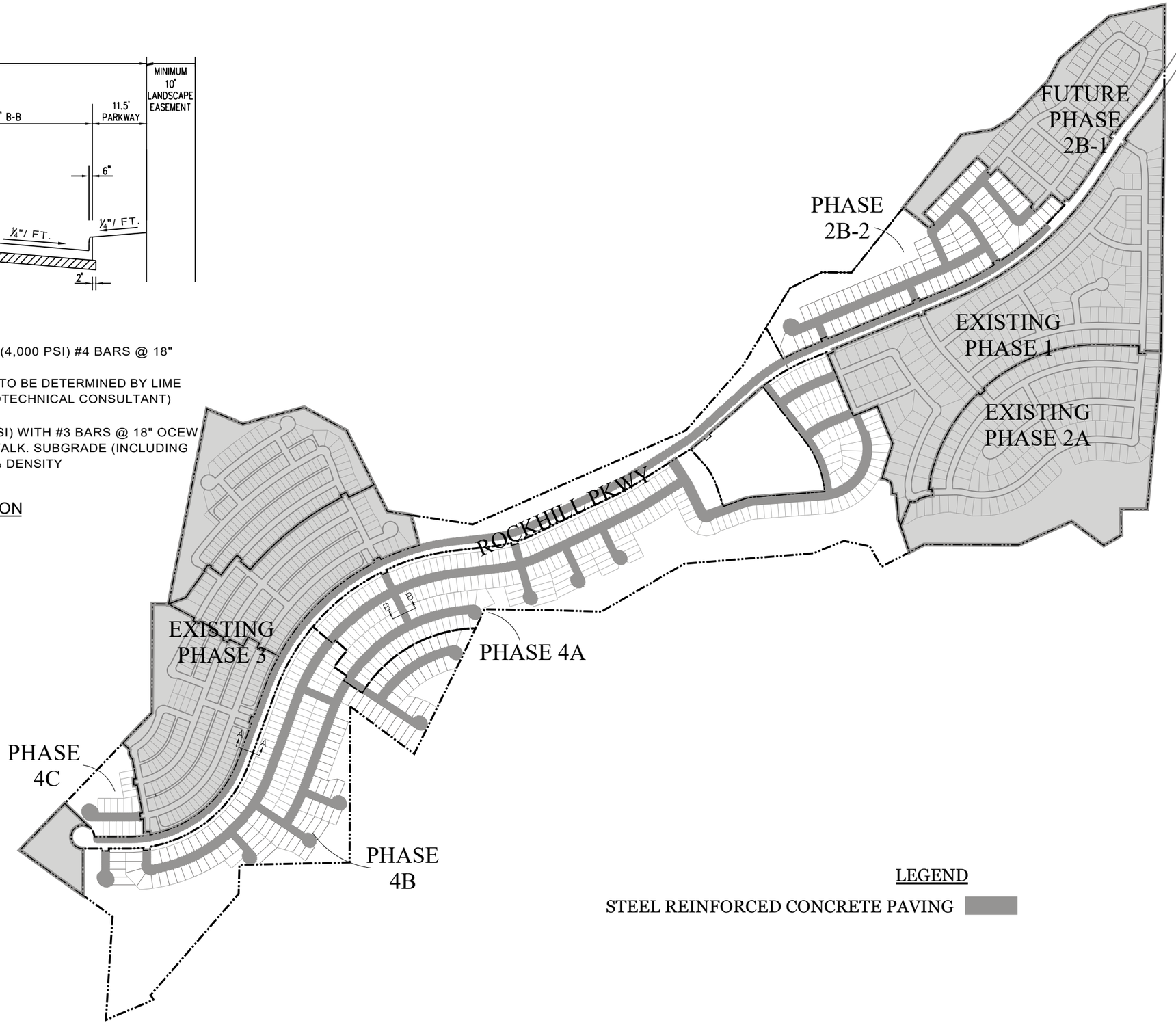


NOTES:

1. 6" CROWN FOR 31' B-B STREET, SAWED LONGITUDINAL DUMMY JOINT
2. 6" REINF. CONC. PVMT. THICKNESS (4,000 PSI PER NCTCOG ITEM 303.3.4.2-CLASS P1) #4 BARS @ 18" OCEW
3. RATE OF LIME\CEMENT APPLICATION TO BE DETERMINED BY LIME SERIES TEST (37 LBS/SQ YD PER GEOTECHNICAL CONSULTANT)
4. CONTRACTOR TO CUT STREET TO 5 FEET BEHIND BACK OF CURB @ SUBGRADE DEPTH.
5. 4" REINF. CONC. SIDEWALK (3,500 PSI) WITH #3 BARS @ 18" OCEW 1 1/2" SAND (MIN.) UNDER THE SIDEWALK. SUBGRADE (INCLUDING SAND) SHALL BE COMPACTED TO 95% DENSITY

SECTION B-B
TYPICAL RESIDENTIAL PAVING SECTION

SCALE: NTS



LEGEND

STEEL REINFORCED CONCRETE PAVING

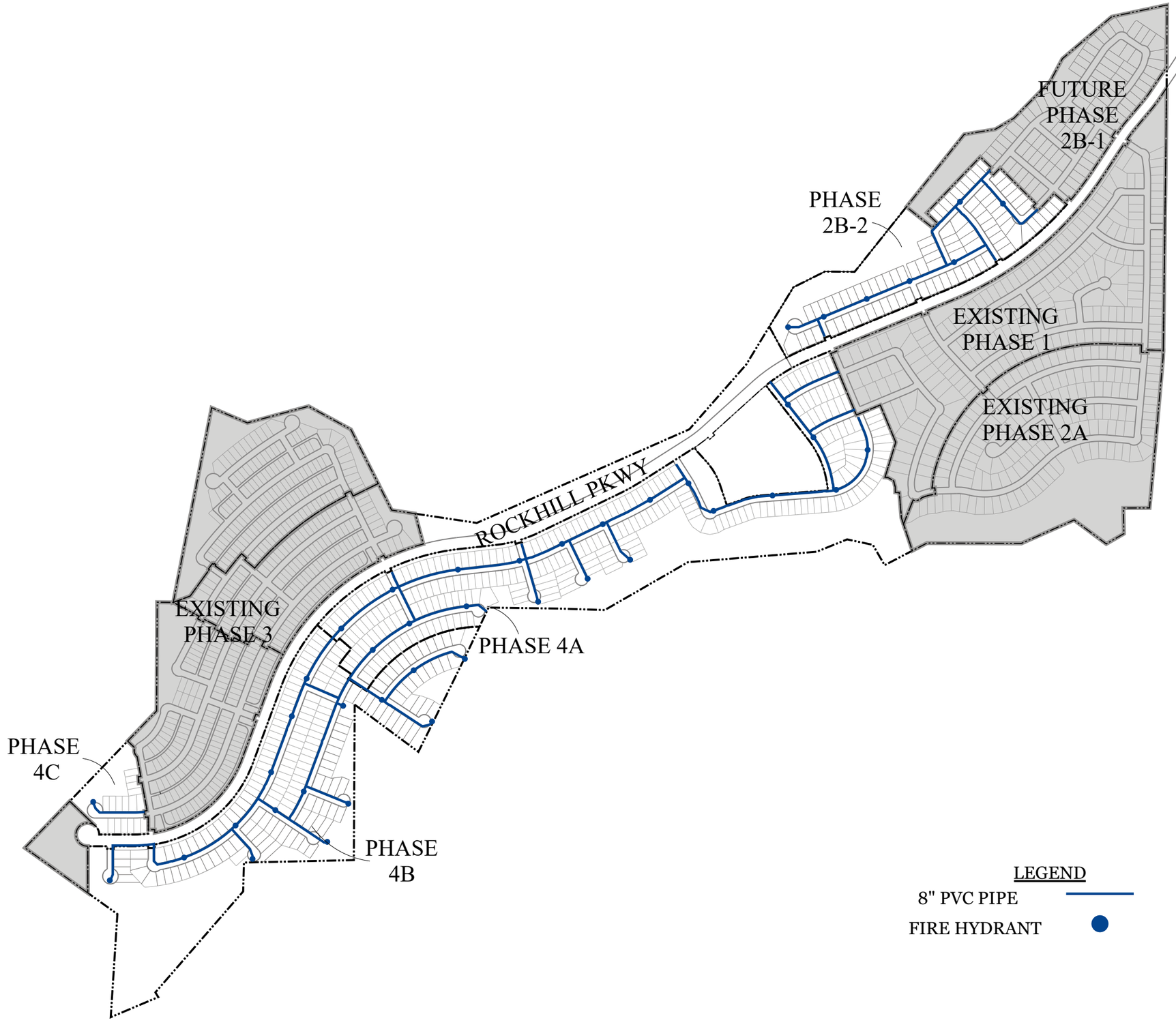
VALENCIA ON THE LAKES
PAVING IMPROVEMENTS
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

SCALE: 1"=400'

CENTURION AMERICAN

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LEGEND

8" PVC PIPE

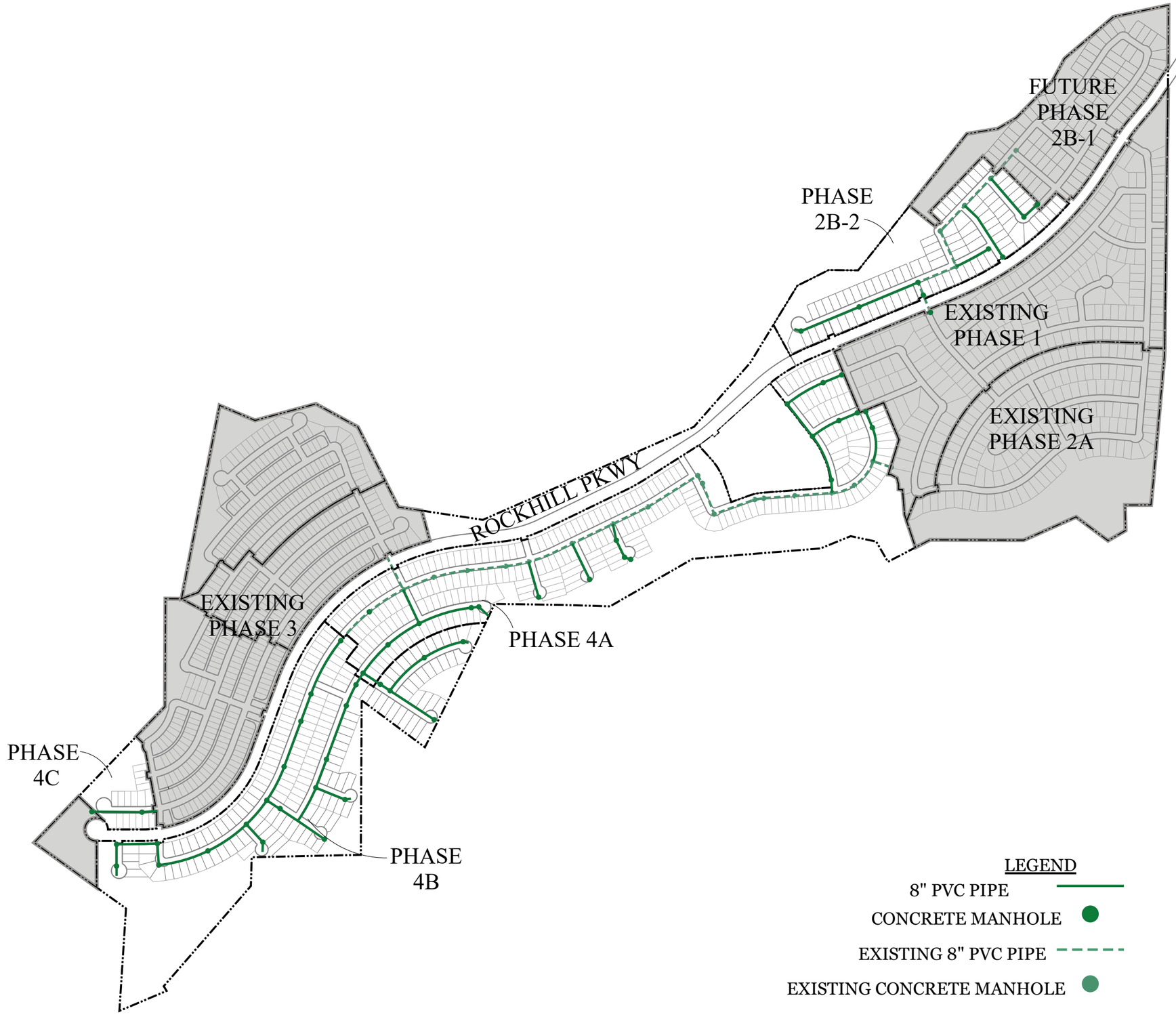
FIRE HYDRANT

VALENCIA ON THE LAKES
WATER IMPROVEMENTS
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

SCALE: 1"=400'

BARRAZA
CONSULTING GROUP, LLC
PLANNING • ENGINEERING

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LEGEND

8" PVC PIPE

CONCRETE MANHOLE

EXISTING 8" PVC PIPE

EXISTING CONCRETE MANHOLE

VALENCIA ON THE LAKES
WASTEWATER IMPROVEMENTS
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA
CONSULTING GROUP, LLC
PLANNING • ENGINEERING

SCALE: 1"=400'

CENTURION AMERICAN

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APPENDIX E
PID DISCLOSURE

AFTER RECORDING RETURN TO:

_____
_____
_____
_____
_____][1]

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
TOWN OF LITTLE ELM, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____
STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: $_____

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Little Elm, Texas (the "Town"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Valencia Public Improvement District No. 2*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the Town. The exact amount of each annual installment 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.

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

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF DENTON §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF DENTON §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Denton County.

APPENDIX F
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS

Appendix F

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of two Lot Types.

"Lot Type 1" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 60 feet.

"Lot Type 2" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet.

A) Proposed Development

Table F-1 shows the proposed residential units to be developed within the PID.

Table F-1
Proposed Development within the PID

Description	Proposed Development	
Lot Type 1 (60 Ft)	196	Units
Lot Type 2 (50 Ft)	339	Units
Total	**535**	**Units**

B) Calculation of Equivalent Units

As explained under Section IV, for purpose of this Service and Assessment Plan, the Town Council has determined that the Budgeted Costs of the Authorized Improvements to be financed with the Bonds shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Plan, the Town Council has determined that the Assessments shall be allocated to the Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the Town Council has taken into consideration (i) the type of lots (i.e.,60 Ft lots, 50 Ft lots, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the Town Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the "Lot Types" defined above. These classifications (from Lot Type 1 (60 Ft Lots) representing the highest value to Lot Type 2 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table F-2. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio

of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (60 Ft Lots) to 1.0.

Table F-2
Equivalent Unit Factors

Lot Type	Estimated Average Value	Equivalent Unit Factor	
Lot Type 1 (60 Ft)	$500,000	1.00	per dwelling unit
Lot Type 2 (50 Ft)	$410,000	0.82	per dwelling unit

The total Equivalent Units for the PID are shown in Table F-3 as calculated based on the Equivalent Unit factors shown in Table F-2, estimated Lot Types and number of units estimated to be built within the PID.

Table F-3
Equivalent Units- PID

Description	Planned No. of Units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60 Ft)	196	1.00	196.00
Lot Type 2 (50 Ft)	339	0.82	277.98
Total	**535**		**473.98**

C) Allocation of Assessments to Lots within the PID

The total amount of the Series 2022 PID Bonds, which represents the total Assessment to be allocated on all Parcels within the PID, is $16,300,000. As shown in Table F-3, there are a total of 473.98 Equivalent Units resulting in an Assessment per Unit of $34,389.64 (i.e., $16,300,000 ÷ 473.98 = $34,389.64).

Table F-4 sets forth the Assessment per dwelling unit within the PID.

Table F-4
Assessment Per Unit – PID

Description	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1 (60 Ft)	196	$34,389.64	1.00	$34,389.64	per dwelling unit	$6,740,369
Lot Type 2 (50 Ft)	339	$34,389.64	0.82	$28,199.50	per dwelling unit	$9,559,631
Total	**535**					**$16,300,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table F-5.

Table F-5
Projected Leverage – PID

Description	Planned No. of Units/1,000 GSF	Estimated Finished Lot Value per unit	Projected Home Value per unit	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (60 Ft)	196	$84,000	$500,000	$34,389.64	2.44	14.54
Lot Type 2 (50 Ft)	339	$70,000	$410,000	$28,199.50	2.48	14.54

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit is shown in Table F-6.

Table F-6
Estimated Tax Rate Equivalent per unit – PID

Description	Planned No. of Units	Estimated Finished Lot Value per unit	Projected Home Value per unit	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (60 Ft)	196	$84,000	$500,000	$2,756	$3.28	$0.5513
Lot Type 2 (50 Ft)	339	$70,000	$410,000	$2,260	$3.23	$0.5513

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

APPENDIX G
ASSESSMENT ROLL

Appendix G-1
Assessment Roll

Parcel	**All Parcels[5]**
Equivalent Units	**473.98**
Assessment	**$16,300,000**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/1/2023	$0	$791,456	$0	$0	($791,456)	$0
9/1/2024	$226,000	$937,250	$61,200	$81,500	$0	$1,305,950
9/1/2025	$239,000	$924,255	$62,424	$80,370	$0	$1,306,049
9/1/2026	$253,000	$910,513	$63,672	$79,175	$0	$1,306,360
9/1/2027	$267,000	$895,965	$64,946	$77,910	$0	$1,305,821
9/1/2028	$283,000	$880,613	$66,245	$76,575	$0	$1,306,432
9/1/2029	$299,000	$864,340	$67,570	$75,160	$0	$1,306,070
9/1/2030	$317,000	$847,148	$68,921	$73,665	$0	$1,306,734
9/1/2031	$335,000	$828,920	$70,300	$72,080	$0	$1,306,300
9/1/2032	$355,000	$809,658	$71,706	$70,405	$0	$1,306,768
9/1/2033	$375,000	$789,245	$73,140	$68,630	$0	$1,306,015
9/1/2034	$397,000	$767,683	$74,602	$66,755	$0	$1,306,040
9/1/2035	$421,000	$744,855	$76,095	$64,770	$0	$1,306,720
9/1/2036	$446,000	$720,648	$77,616	$62,665	$0	$1,306,929
9/1/2037	$472,000	$695,003	$79,169	$60,435	$0	$1,306,606
9/1/2038	$500,000	$667,863	$80,752	$58,075	$0	$1,306,690
9/1/2039	$529,000	$639,113	$82,367	$55,575	$0	$1,306,055
9/1/2040	$561,000	$608,695	$84,014	$52,930	$0	$1,306,639
9/1/2041	$594,000	$576,438	$85,695	$50,125	$0	$1,306,257
9/1/2042	$630,000	$542,283	$87,409	$47,155	$0	$1,306,846
9/1/2043	$667,000	$506,058	$89,157	$44,005	$0	$1,306,219
9/1/2044	$707,000	$467,705	$90,940	$40,670	$0	$1,306,315
9/1/2045	$750,000	$427,053	$92,759	$37,135	$0	$1,306,946
9/1/2046	$795,000	$383,928	$94,614	$33,385	$0	$1,306,926
9/1/2047	$843,000	$338,215	$96,506	$29,410	$0	$1,307,131
9/1/2048	$893,000	$289,743	$98,436	$25,195	$0	$1,306,374
9/1/2049	$947,000	$238,395	$100,405	$20,730	$0	$1,306,530
9/1/2050	$1,004,000	$183,943	$102,413	$15,995	$0	$1,306,351
9/1/2051	$1,065,000	$126,213	$104,461	$10,975	$0	$1,306,649
9/1/2052	$1,130,000	$64,975	$106,551	$5,650	$0	$1,307,176
Total[4]	**$16,300,000**	**$18,468,163**	**$2,374,085**	**$1,537,105**	**($791,456)**	**$37,887,897**

[1]The 9/30/20XX dates represent the fiscal year end for the Series 2022 PID Bonds.

[2]Annual Installments are calculated using an estimated interest rate of 5.75% and will be updated with the actual interest rate on the Series 2022 PID Bonds at final pricing. Each value is rounded to the nearest whole number.

[3]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Assumes Administrative Expenses in 2023 are funded with bond proceeds.

[4] Rounded.

[5]The parcels within the PID, as identified on Denton CAD, include 38646, 986670, 958385, 986672, 683675, 986673, 96674, 584981, and 986675.

Appendix G-2
Assessment Roll by Lot Type

Parcel	**Lot Type 1 (60 Ft)[5]**
Equivalent Units	**$34,389.64**
Assessment	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/1/2023	$0	$1,670	$0	$0	($1,670)	$0
9/1/2024	$477	$1,977	$129	$172	$0	$2,755
9/1/2025	$504	$1,950	$132	$170	$0	$2,755
9/1/2026	$534	$1,921	$134	$167	$0	$2,756
9/1/2027	$563	$1,890	$137	$164	$0	$2,755
9/1/2028	$597	$1,858	$140	$162	$0	$2,756
9/1/2029	$631	$1,824	$143	$159	$0	$2,756
9/1/2030	$669	$1,787	$145	$155	$0	$2,757
9/1/2031	$707	$1,749	$148	$152	$0	$2,756
9/1/2032	$749	$1,708	$151	$149	$0	$2,757
9/1/2033	$791	$1,665	$154	$145	$0	$2,755
9/1/2034	$838	$1,620	$157	$141	$0	$2,755
9/1/2035	$888	$1,571	$161	$137	$0	$2,757
9/1/2036	$941	$1,520	$164	$132	$0	$2,757
9/1/2037	$996	$1,466	$167	$128	$0	$2,757
9/1/2038	$1,055	$1,409	$170	$123	$0	$2,757
9/1/2039	$1,116	$1,348	$174	$117	$0	$2,756
9/1/2040	$1,184	$1,284	$177	$112	$0	$2,757
9/1/2041	$1,253	$1,216	$181	$106	$0	$2,756
9/1/2042	$1,329	$1,144	$184	$99	$0	$2,757
9/1/2043	$1,407	$1,068	$188	$93	$0	$2,756
9/1/2044	$1,492	$987	$192	$86	$0	$2,756
9/1/2045	$1,582	$901	$196	$78	$0	$2,757
9/1/2046	$1,677	$810	$200	$70	$0	$2,757
9/1/2047	$1,779	$714	$204	$62	$0	$2,758
9/1/2048	$1,884	$611	$208	$53	$0	$2,756
9/1/2049	$1,998	$503	$212	$44	$0	$2,757
9/1/2050	$2,118	$388	$216	$34	$0	$2,756
9/1/2051	$2,247	$266	$220	$23	$0	$2,757
9/1/2052	$2,384	$137	$225	$12	$0	$2,758
Total[4]	**$34,390**	**$38,964**	**$5,009**	**$3,243**	**($1,670)**	**$79,936**

[1]The 9/30/20XX dates represent the fiscal year end for the Series 2022 PID Bonds.
[2]Annual Installments are calculated using an estimated interest rate of 5.75% and will be updated with the actual interest rate on the Series 2022 PID Bonds at final pricing. Each value is rounded to the nearest whole number.
[3]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Assumes Administrative Expenses in 2023 are funded with bond proceeds.
[4] Rounded.
[5]The parcels within the PID, as identified on Denton CAD, include 38646, 986670, 958385, 986672, 683675, 986673, 96674, 584981, and 986675.

Appendix G-3
Assessment Roll by Lot Type

Parcel	**Lot Type 2 (50 Ft)[5]**
Equivalent Units	**$28,199.50**
Assessment	**0.82**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Capitalized Interest	Total Annual Installment
9/1/2023	$0	$1,369	$0	$0	($1,369)	$0
9/1/2024	$391	$1,621	$106	$141	$0	$2,259
9/1/2025	$413	$1,599	$108	$139	$0	$2,260
9/1/2026	$438	$1,575	$110	$137	$0	$2,260
9/1/2027	$462	$1,550	$112	$135	$0	$2,259
9/1/2028	$490	$1,523	$115	$132	$0	$2,260
9/1/2029	$517	$1,495	$117	$130	$0	$2,260
9/1/2030	$548	$1,466	$119	$127	$0	$2,261
9/1/2031	$580	$1,434	$122	$125	$0	$2,260
9/1/2032	$614	$1,401	$124	$122	$0	$2,261
9/1/2033	$649	$1,365	$127	$119	$0	$2,259
9/1/2034	$687	$1,328	$129	$115	$0	$2,259
9/1/2035	$728	$1,289	$132	$112	$0	$2,261
9/1/2036	$772	$1,247	$134	$108	$0	$2,261
9/1/2037	$817	$1,202	$137	$105	$0	$2,260
9/1/2038	$865	$1,155	$140	$100	$0	$2,261
9/1/2039	$915	$1,106	$142	$96	$0	$2,260
9/1/2040	$971	$1,053	$145	$92	$0	$2,261
9/1/2041	$1,028	$997	$148	$87	$0	$2,260
9/1/2042	$1,090	$938	$151	$82	$0	$2,261
9/1/2043	$1,154	$875	$154	$76	$0	$2,260
9/1/2044	$1,223	$809	$157	$70	$0	$2,260
9/1/2045	$1,298	$739	$160	$64	$0	$2,261
9/1/2046	$1,375	$664	$164	$58	$0	$2,261
9/1/2047	$1,458	$585	$167	$51	$0	$2,261
9/1/2048	$1,545	$501	$170	$44	$0	$2,260
9/1/2049	$1,638	$412	$174	$36	$0	$2,260
9/1/2050	$1,737	$318	$177	$28	$0	$2,260
9/1/2051	$1,842	$218	$181	$19	$0	$2,261
9/1/2052	$1,955	$112	$184	$10	$0	$2,261
Total[4]	**$28,200**	**$31,950**	**$4,107**	**$2,659**	**($1,369)**	**$65,547**

[1]The 9/30/20XX dates represent the fiscal year end for the Series 2022 PID Bonds.
[2]Annual Installments are calculated using an estimated interest rate of 5.75% and will be updated with the actual interest rate on the Series 2022 PID Bonds at final pricing. Each value is rounded to the nearest whole number.
[3]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year. Assumes Administrative Expenses in 2023 are funded with bond proceeds.
[4] Rounded.
[5]The parcels within the PID, as identified on Denton CAD, include 38646, 986670, 958385, 986672, 683675, 986673, 96674, 584981, and 986675.

Date:	11/01/2022
Agenda Item #:	5. B.
Department:	Administrative Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Present, Discuss, and Consider Action on **Ordinance No. 1688 Approving and Authorizing the Issuance and Sale of the Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project); and Approving and Authorizing Related Agreements.**

DESCRIPTION:

The Town is authorized by the PID Act to issue its revenue bonds payable from the Assessments (the "Bonds") and other revenues received for the purposes of (i) paying a portion of the Actual Costs of the Authorized Improvements of Valencia Public Improvement District No. 2, (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 payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance of the Bonds.

The Town Council will determine if it is in the best interests of the Town to issue its bonds to be designated "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)(the "Bonds"), such series to be payable from and secured by the Trust Estate, defined in the Indenture.

The Town Council hereby finds and determines to (i) approve the issuance of the Bonds to finance a portion of the actual costs of the Authorized Improvements as identified in the Service and Assessment Plan, (ii) approve the form, terms and provisions on an indenture securing the Bonds and authorized hereby, (iii) approve the form terms and provisions of a Bond Purchase Agreement between the Town of Little Elm and the purchaser of the Bonds, (iv) approve a preliminary Limited Offering Memorandum, (v) approve the form, terms and provisions of a Continuing Disclosure Agreement, (vi) approve the form, terms and provisions of a Construction, Funding, and Acquisition Agreement, (vii) approve the form, terms and provisions of a Landowner Agreement.

BUDGET IMPACT:

The Town's budget is not impacted with the issuance of said Bonds. These Bonds will be assessed to the homeowners in said District.

RECOMMENDED ACTION:

Staff recommends approval of Ordinance No. 1688 which includes the following documents:

- Indenture of Trust
- Bond Purchase Agreement
- Continuing Disclosure Agreement
- Construction, Funding and Acquisition Agreement
- Valencia on the Lake 2B2 and 4, LLC Landowner Agreement

Attachments

Ordinance No. 1688

ORDINANCE NO. 1688

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE TOWN OF LITTLE ELM, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT); AND APPROVING AND AUTHORIZING RELATED AGREEMENTS.

WHEREAS, the Town of Little Elm, Texas (the "Town"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (the "PID Act"), has previously established the "Valencia Public Improvement District No. 2" (the "District"), pursuant to Resolution No. 0816202201 adopted by the Town Council of the Town (the "Town Council") on August 16, 2022; and

WHEREAS, pursuant to the PID Act, the Town Council published notice of and convened a public hearing on November 1, 2022 regarding the levy of special assessments against benefitted property located within the District and, after hearing testimony at such public hearing, the Town Council closed the public hearing and adopted Ordinance No. 1687 (the "Assessment Ordinance") on November 1, 2022; and

WHEREAS, in the Assessment Ordinance, the Town Council approved and accepted the Valencia Public Improvement District No. 2 Service and Assessment Plan (the "Service and Assessment Plan"), relating to the District and levied special assessments (the "Assessments") against the Assessed Property (as defined in the Service and Assessment Plan), as shown on the assessment roll that was attached to the Service and Assessment Plan as Appendix G (the "Assessment Roll"); and

WHEREAS, capitalized terms used in this Ordinance and not otherwise defined herein shall have the meanings assigned to them in the Service and Assessment Plan; and

WHEREAS, the Town is authorized by the PID Act to issue its revenue bonds payable from the Assessments (the "Bonds") and other revenues received for the purposes of (i) paying a portion of the Actual Costs of the Authorized Improvements, (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 payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance of the Bonds; and

WHEREAS, the Town Council hereby finds and determines that it is in the best interests of the Town to issue its bonds to be designated "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)" (the "Bonds"), such series to be payable from and secured by the Trust Estate (as defined in the Indenture); and

WHEREAS, the Town Council hereby finds and determines to (i) approve the issuance of the Bonds to finance a portion of the Actual Costs of the Authorized Improvements, as identified in the Service and Assessment Plan, (ii) approve the form, terms, and provisions of an Indenture (defined below) securing the Bonds authorized hereby, (iii) approve the form, terms and provisions of a Bond Purchase Agreement (defined below) between the Town and the purchaser of the Bonds, (iv) approve a Preliminary Limited Offering Memorandum (defined below) and a Limited Offering Memorandum (defined below), (v) approve the form, terms and provisions of a Continuing Disclosure Agreement (defined below), (vi) approve the form, terms and provisions of

a Construction, Funding, and Acquisition Agreement (defined below), and (vii) approve the form, terms and provisions of a Landowner Agreement (defined below); and

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

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

SECTION 1. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of $_,____,____ for the purpose of providing funds for (i) paying a portion of the Actual Costs of the Authorized Improvements, (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 payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying 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 November 1, 2022, between the Town and Wilmington Trust, National Association, as trustee (the "Trustee"), which Indenture is hereby approved in substantially the form attached hereto as **Exhibit A,** which is incorporated herein as a part hereof for all purposes, with such changes or additions thereto as may be approved by the Mayor or Mayor Pro Tem of the Town (upon the advice of the Town Manager and the Town's advisors) as evidenced by the execution and delivery thereof. 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 and such officials are hereby authorized to deliver the Indenture.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture with such insertions, omissions and modifications as may be required to conform the form of bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate pledged to such series, and shall never be payable from ad valorem taxes.

SECTION 2. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") under that certain Bond Purchase Agreement (the "Bond Purchase Agreement"), dated the date hereof, between the Town and the Underwriter, substantially in the form attached hereto as **Exhibit B** which is incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interests of the Town at the price and on the terms and provisions set forth in the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Town Manager and the Town's advisors, such approval to be evidenced by the execution and delivery of the Bond Purchase Agreement by the Mayor or Mayor Pro Tem of the Town. The Mayor or Mayor Pro Tem of the Town is hereby authorized and directed to execute and deliver the Bond Purchase Agreement.

SECTION 3. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The form and substance of the Preliminary Limited Offering Memorandum for the Bonds (the "Preliminary Limited Offering Memorandum") and any addenda, supplement or amendment thereto and the final Limited Offering Memorandum (the "Limited Offering Memorandum") are hereby in all respects approved and adopted. The Preliminary Limited Offering Memorandum and the Limited Offering Memorandum as thus approved and delivered, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the 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 and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed and the Preliminary Limited Offering Memorandum is hereby deemed "final" as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor or Mayor Pro Tem, this Town Council, including the Mayor and Mayor Pro Tem, are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to the Development (as described in the Limited Offering Memorandum), the Developer (as defined in the Limited Offering Memorandum), the Master Developer (as defined in the Limited Offering Memorandum)or its financial ability, or regarding any builders or landowners, or the appraisal of the property in the District.

SECTION 4. Continuing Disclosure Agreement. That certain "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project) Continuing Disclosure Agreement of the Issuer" (the "Continuing Disclosure Agreement") by and among the Town, MuniCap, Inc., as Administrator, and MuniCap, Inc., as dissemination agent, is hereby authorized and approved in substantially the form attached hereto as **Exhibit C** which is incorporated herein as a part hereof for all purposes and the Mayor and Mayor Pro Tem of the Town is authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and as approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 5. Construction, Funding, and Acquisition Agreement. That certain "Valencia Public Improvement District No. 2 Construction, Funding, and Acquisition Agreement" (the "Construction, Funding, and Acquisition Agreement") between the Town and Valencia on the Lake 2B2 and 4, LLC, is hereby authorized and approved in substantially the form attached hereto as **Exhibit D** which is incorporated herein as a part hereof for all purposes and the Town Manager, Mayor, and Mayor Pro Tem of the Town is authorized and directed to execute and deliver such Construction, Funding, and Acquisition Agreement with such changes as may be required to carry out the purpose of this Ordinance and as approved by the Town Manager, Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. Landowner Agreement. That certain "Valencia Public Improvement District No. 2 Landowner Agreement" (the "Landowner Agreement") between the Town and Valencia on the Lake 2B2 and 4, LLC, is hereby authorized and approved in substantially the form attached hereto as **Exhibit E** which is incorporated herein as a part hereof for all purposes and the Town Manager, Mayor, and Mayor Pro Tem of the Town is authorized and directed to execute and deliver such Landowner Agreement with such changes as may be required to carry out the

purpose of this Ordinance and as approved by the Town Manager, Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 7. Additional Actions. The Mayor, the Mayor Pro Tem, the Town Manager, the Deputy Town Manager, the Chief Financial Officer of the Town, and the Town Secretary are each hereby authorized and directed to take any and all actions on behalf of the Town necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the Town Manager, the Deputy Town Manager, the Chief Financial Officer of the Town, and the Town Secretary are each hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance or any other certificates, agreements, or other documents subsequent to the delivery of the Bonds which may be necessary or appropriate to carry out or fulfill the purpose and intent of the Service and Assessment Plan and the acquisition and construction of the Authorized Improvements.

SECTION 8. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

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

SECTION 10. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 11. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 12. Incorporation of Findings and Determinations. The findings and determinations of the Town Council contained in the preamble of this Ordinance are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

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

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED, this the 1st day of November, 2022.

TOWN OF LITTLE ELM, TEXAS

_____
Curtis J. Cornelious, Mayor

ATTEST:

_____
Caitlan Biggs, Town Secretary

_____
Matt Mueller, Town Manager

(Town Seal)

APPROVED AS TO FORM:

_____
Robert Brown, Town Attorney

EXHIBIT A

INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

TOWN OF LITTLE ELM, TEXAS

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

DATED AS OF NOVEMBER 1, 2022

SECURING

$_____
TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of November 1, 2022 is by and between the TOWN OF LITTLE ELM, TEXAS (the "Town"), and WILMINGTON TRUST, NATIONAL ASSOCIATION, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the Town Secretary of the Town (the "Town Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located within the corporate limits of the Town to be known as the Valencia Public Improvement District No. 2 (the "District"); and

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

WHEREAS, on August 16, 2022, after due notice, the Town Council of the Town (the "Town Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on August 16, 2022, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 0816202201, adopted by a majority of the members of the Town Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on August 19, 2022, the Town filed a copy of Resolution No. 0816202201 with the county clerk of each county in which all or a part of the District is located in accordance with the provisions of the PID Act; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the Town Secretary within 20 days after August 16, 2022, and

WHEREAS, on September 6, 2022 the Town Council by Resolution No. 0906202201 made findings and determinations relating to the Actual Costs of certain Authorized Improvements allocable to the property within the District, received and accepted a preliminary Service and Assessment Plan, including a proposed assessment roll for the District, called a public hearing for October 18, 2022, and directed Town staff to: (i) file said proposed assessment roll with the Town Secretary and make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice of the October 18, 2022 hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on September 17, 2022, the Town Council, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Denton Record-Chronicle*, a newspaper of general circulation in the Town, to consider the proposed "Assessment Roll" and the "Valencia Public Improvement District No. 2 Service and Assessment Plan" (as updated,

amended, or restated, the “Service and Assessment Plan”), and the levy of the “Assessments” on property in the District; and

WHEREAS, the Town Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Assessment Roll, and the Service and Assessment Plan and the levy of the Assessments on property in the District to the last known address of the owner of the property liable for the Assessments; and

WHEREAS, the Town Council opened and convened the hearing on October 18, 2022 and then the Town Council recessed such public hearing until November 1, 2022; and

WHEREAS, on November 1, 2022, the Town Council convened the public hearing with respect to the Assessments, at which time, all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Assessment Roll and Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the Authorized Improvements (as defined herein), the purposes of the Assessments, the special benefits of the Authorized Improvements, and the penalties and interest on Annual Installments (as defined herein) and on delinquent Annual Installments of the Assessments, and there were no written protests, objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs of the Authorized Improvements, the Assessment Roll, and the levy of the Assessments; and

WHEREAS, the Town Council closed the hearing with respect to the Assessments, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the Town, the Town Council approved Ordinance No. 1687 (the "Assessment Ordinance"), which levied the Assessments and approved and accepted the Service and Assessment Plan as the service and assessment plan in conformity with the requirements of the PID Act and the Town Council found and determined that the Assessments should be levied as provided in the Service and Assessment Plan and the Assessment Roll; and

WHEREAS, the Town Secretary will file a copy of the Assessment Ordinance with the county clerk of each county in which all or a part of the District is located not later than the seventh day after the Town approved the Assessment Ordinance in accordance with the provisions of the PID Act; and

WHEREAS, the Town Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Authorized Improvements, (ii) paying a portion of the interest on the Bonds (as defined herein) 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 and administration of the District, and (v) paying costs of issuance of the Bonds; and

WHEREAS, the Town Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled “Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)” (the “Bonds”), such Bonds being payable solely from the Trust Estate (defined below) and for the purposes set forth in the preamble of this Indenture; and

WHEREAS, prior to the issuance of the Bonds, evidence satisfactory to the Town and its advisors has been presented that the requirements of Section 13.2(e) of the indenture authorizing the Major Improvement Area Bonds have been satisfied and that the Bonds may be issued as additional obligations in accordance with such indenture; 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, and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness related thereto or other rights of the 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;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, that if and to the extent any Assessments have been prepaid, the lien on real property associated with such Assessment prepayment shall be released and any rights of the Trustee and the Owners as provided in this Indenture to request the Town proceed with foreclosure procedures for the purpose of protecting and enforcing the rights of the Owners with respect to the Assessments levied against such property shall terminate;

PROVIDED, FURTHER, HOWEVER, if the Town or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price (as defined herein) of and the interest on all the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as

hereinafter expressed, and the 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” means any of the accounts established pursuant to Section 6.1 of this Indenture.

"Actual Costs" means, with respect to the Authorized Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the Town. Actual Costs may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction, and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes, (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders, and material men in connection with the acquisition, construction or implementation of such Authorized Improvements, (f) all related permitting, zoning, and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, Town permit fees, and development fees), insurance premiums, and miscellaneous expenses.

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

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

“Additional Interest Reserve Account” means the reserve account administered by the Town and segregated from other funds of the Town in accordance with the provisions of Section 6.7 of this Indenture.

“Additional Interest Reserve Requirement” means an amount equal to 5.50% of the principal amount of the Outstanding Bonds to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account.

“Additional Obligations” means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary notes or time warrants hereafter issued or incurred and secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of: (i) creating and organizing the District, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the District, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrative Fund” means that Fund established by Section 6.1 and administered pursuant to Section 6.9 hereof.

“Administrator” means an employee of the Town or third-party designee of the Town who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the Town related to the duties and responsibilities of the administration of the District. The initial Administrator is MuniCap, Inc.

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

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Assessments (including both principal of and interest on the Assessments) as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix G as it relates to the Authorized Improvements; which annual payment includes Administrative Expenses and the Additional Interest collected on each annual payment of the Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

"Annual Service Plan Update" means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Applicable Laws” means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the Town and its powers, securities, operations, and procedures are governed or from which its powers may be derived.

“Assessed Parcel” means each respective parcel of land located within the District against which an Assessment has been levied in accordance with the Assessment Ordinance in accordance with the Service and Assessment Plan.

“Assessed Property” means, collectively, all Assessed Parcels.

“Assessment Ordinance” means, Ordinance No. 1687 adopted by the Town Council on November 1, 2022 that levied the Assessments on the Assessed Property.

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

"Assessment Revenue" means monies collected by or on behalf of the Town from any one or more of the following: (i) an Assessment levied against the Assessed Property, or Annual Installment payment thereof, including any interest on such Assessment, or Annual Installment thereof, during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

“Assessment Roll” means the Assessment Roll attached as Appendix G to the Service and Assessment Plan or any other assessment roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessments against each Assessed Parcel related to the Bonds and the Authorized Improvements, as updated, modified, or amended from time to time, in accordance with the terms of the Service and Assessment Plan and the PID Act.

“Authorized Denomination” means $100,000 and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond is less than $100,000 then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond.

"Authorized Improvements" means collectively, the Authorized Improvements to be constructed within the District, as described in Section III of the Service and Assessment Plan.

“Authorized Improvements Account” means the Account of such name established pursuant to Section 6.1.

“Bond” means any of the Bonds.

“Bond Counsel” means Norton Rose Fulbright US LLP or any other attorney or firm of attorneys designated by the Town that is nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Date” means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

“Bond Fund” means the Fund of such name established pursuant to Section 6.1 and administered as provided in Section 6.4.

“Bond Ordinance” means Ordinance No. 1688 adopted by the Town Council on November 1, 2022 authorizing the issuance of the Bonds pursuant to this Indenture.

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

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

"Bonds" means the Town's bonds authorized to be issued by Section 3.1 of this Indenture entitled "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)".

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

"Capitalized Interest Account" means the Account of such name established pursuant to Section 6.1.

"Certification for Payment" means a certificate substantially in the form of Exhibit B attached to the Construction, Funding, and Acquisition Agreement and/or otherwise approved by the Developer and a Town Representative executed by a Person approved by a Town Representative, delivered to the Town Representative and the Trustee specifying the amount of work performed related to the Authorized Improvements and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in the proper account of the Project Fund, as further described in the Construction, Funding, and Acquisition Agreement and Section 6.5 herein.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

"Construction, Funding and Acquisition Agreement" means the "Valencia Public Improvement District No. 2 Construction, Funding and Acquisition Agreement" by and between the Town and the Developer dated as of November 1, 2022 which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within the District, the issuance of bonds, and other matters related thereto.

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

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

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

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

"Developer" means Valencia on the Lake 2B2 & 4, LLC, a Texas limited liability company, and its successors and assigns.

“District Administration Account” means the Account of such name established pursuant to Section 6.1.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Foreclosure Proceeds” means the proceeds, including interest and penalty interest, received by the Town from the enforcement of the Assessments against any Assessed Parcel or Assessed Parcels, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

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

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

“Independent Financial Consultant” means any consultant or firm of such consultants appointed by the 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 Bond” means the Initial Bond as set forth in Exhibit A to this Indenture.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on September 1 and March 1 of each year, commencing March 1, 2023.

“Investment Securities” means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided further such 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.

“Major Improvement Area Bonds” means the “Town of Little Elm, Texas, Special Assessment Revenue Refunding Bonds, Series 2018 (Valencia Public Improvement District Major Improvement Area Project” authorized pursuant to an indenture of trust between the Town and the Trustee dated as of March 1, 2018.

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

"Minor Amount Redemption" means a redemption, pursuant to Section 4.4 of this Indenture of a principal amount, of Bonds that is less than 10% of the Outstanding principal amount of the Bonds.

"Outstanding" means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.10 herein.

"Owner" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11 herein.

"Paying Agent/Registrar" means initially the Trustee, or any successor thereto as provided in this Indenture.

"Person" or "Persons" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"PID Act" means Texas Local Government Code, Chapter 372, as amended.

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

"Pledged Revenue Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.3 herein.

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Administrative Expenses and (ii) any additional revenues that the Town may pledge to the payment of Bonds.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof.

"Principal and Interest Account" means the Account of such name established pursuant to Section 6.1.

"Project Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.5 herein.

"Purchaser" means the initial purchaser of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Rebate Fund" means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.8 herein.

"Record Date" means the close of business on the fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

“Redemption Fund” means that fund of such name established pursuant to Section 6.1 and administered pursuant to Section 6.6 herein.

“Redemption Price” means, when used with respect to any Bond or portion thereof subject to optional redemption pursuant to the provisions hereof, the applicable redemption price shown in Article IV of this Indenture.

"Refunding Bonds" means bonds issued pursuant to the PID Act and/or Chapter 1207 of the Texas Government Code or any other applicable law of the State of Texas (each as amended) to refund all or any portion of the then-Outstanding Bonds.

“Register” means the register specified in Article III of this Indenture.

“Reserve Account” means the Account of such name established pursuant to Section 6.1.

“Reserve Account Requirement” means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date, the Reserve Account Requirement is $_____ which is an amount equal to [Maximum Annual Debt Service on the Bonds as of the Closing Date].

“Reserve Fund” means that fund of such name established pursuant to Section 6.1 and administered in Section 6.7 herein.

“Service and Assessment Plan” means the “Valencia Public Improvement District No. 2, Service and Assessment Plan”, dated November 1, 2022, including the Assessment Roll, as amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as an exhibit to the Assessment Ordinance.

“Sinking Fund Installment” means the amount of money to redeem or pay at maturity the portion of the principal of Bonds payable from such installments at the times and in the amounts provided in Section 4.2 herein.

“Stated Maturity” means the date the Bonds, or any portion of the Bonds, as applicable, are scheduled to mature without regard to any redemption or prepayment.

“Substantial Amount Redemption” means a redemption, pursuant to Section 4.4 of this Indenture, of a principal amount of Bonds that is greater than or equal to 10% of the Outstanding principal amount of the Bonds.

“Supplemental Indenture” means an indenture which has been duly executed by the Trustee and the 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.

“Tax Certificate” means the Certificate as to Tax Exemption delivered by the Town on the Closing Date for the Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the interest on such Bonds to be included in the gross income of the Owners thereof for Federal income tax purposes.

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

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

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

"Trustee" means Wilmington Trust, National Association, Dallas, Texas and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

Section 1.2. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

The Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate,

the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the Town under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the Town under this Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the 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 Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds are special and limited obligations of the 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 of the Town. 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 or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the 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 of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $_____ for the purpose of (i) paying a portion of the Actual Costs of the Authorized Improvements, (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 payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance of the Bonds.

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

(a) The Bonds shall be dated November 1, 2022 (the "Bond Date") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on September 1 and March 1 of each year, commencing March 1, 2023, computed on the basis of a 360-day year of twelve 30-day months.

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

Year	Principal Amount($)	Interest Rate (%)

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the 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 executed Assessment Ordinance;

(b) a copy of the executed Bond Ordinance;

(c) a copy of the executed Construction, Funding, and Acquisition Agreement;

(d) a copy of this Indenture executed by the Trustee and the Town; and

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

Section 3.4. Medium, Method and Place of Payment.

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

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from or on behalf of the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

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

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the 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 for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the Town by the Mayor or Mayor Pro Tem 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 hold such office before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his or her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the Town, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the Town Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Ownership.

(a) The 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 relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the Town nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the 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, upon written instruction, file and maintain a copy of the Register with the Town, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged for other Bonds 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 Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the 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 45 days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond redeemed in part.

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and

delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the Town may execute and, upon the Town's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the Town executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The Town, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in an Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Town or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the Town harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the 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.

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.

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 relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the 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 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the 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 are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the Town in part at the price of par plus accrued and unpaid interest to the redemption date (the "Redemption Price") from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

(b) At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select a principal amount of Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the Town, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the Town at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The Town reserves the right and option to redeem Bonds maturing on or after September 1, 20__, before their respective scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this Indenture to the contrary, the Town reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part and in an amount and on a date specified in a Town Certificate, at the Redemption Price of 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of this Indenture) or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of this Indenture or any other transfers to the Redemption Fund pursuant to the terms of this Indenture. The Town will provide the Trustee a Town Certificate directing the Bonds to be redeemed pursuant to this Section 4.4, in accordance with the provisions of Section 4.5 hereof.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral multiple thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

(b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee may select Bonds in any method that results in a random selection.

(c) In selecting the Bonds to be redeemed pursuant to Section 4.3, the Trustee may rely on the directions provided in a Town Certificate.

(d) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds to be redeemed shall be selected by the Town in the following manner:

(i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds of all maturities; and

(ii) with respect to a Minor Amount Redemption, the Outstanding Bonds or Bonds of all maturities, as applicable, shall be redeemed in inverse order of maturity.

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

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry-only form and held by DTC as security depository, references to Owner in this Indenture means Cede & Co., as nominee for DTC.

(b) The notice shall state the redemption date, the Redemption Price or the amount of principal and accrued and unpaid interest due at such redemption, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The 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 on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the principal or Redemption Price of and interest amount due on the Bonds to be redeemed before giving of a notice of redemption, the notice may state the Town may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the Town shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the Town and shall use such funds solely for the purpose of paying the principal or Redemption Price of and interest on such Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the principal or Redemption Price of and interest on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A to this Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the 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 of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2. CUSIP Registration.

The Town may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and authorizes 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 Trustee, nor the

attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the Town nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the 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 Account is hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account.

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

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

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

(A) Authorized Improvements Account; and

(B) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

(v) The following Account is hereby created and established under the Administrative Fund:

(A) District Administration Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the 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.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Capitalized Interest Account of the Bond Fund: $_____;

(ii) to the Reserve Account of the Reserve Fund: $_____;

(iii) to the Authorized Improvements Account of the Project Fund: $_____;

(iv) to the Costs of Issuance Account of the Project Fund: $_____; and

(v) to the District Administration Account of the Administrative Fund: $_____.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 15 of each year while the Bonds are Outstanding and beginning February 15, 2023 the Town shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited into the Pledged Revenue Fund, the Town shall deposit or cause to be deposited Pledged Revenues as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due in such calendar year, (ii) second, if necessary, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to pay Actual Costs of the Authorized Improvements, and (v) fifth, to pay other costs permitted by the PID Act.

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

and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first, to the payment of interest and second, to the payment of principal (including any Sinking Fund Installments) on the Bonds, as described in Section 11.4(a) hereof.

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Parcel(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in an account of the Reserve Fund, the Town may direct the Trustee by Town Certificate, to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

(g) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the Town pursuant to a Town Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to this Indenture.

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account, as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

Date	**Amount ($)**

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Authorized Improvements Account of the Project Fund, pursuant to directions provided in a Town Certificate, or, if the Authorized Improvements Account of the Project Fund has been closed as provided in Section 6.5(e) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

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

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more Town Certificates. Disbursements from the Authorized Improvements Account of the Project Fund to pay Actual Costs of the Authorized Improvements shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the Town or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Accounts of the Project Fund shall be pursuant to and in accordance with the disbursement procedures described in the Construction, Funding and Acquisition Agreement or as provided in such written direction from the Town. Such provisions and procedures related to such disbursement contained in the Construction, Funding and Acquisition Agreement, and no other provisions of the Construction, Funding and Acquisition Agreement, are herein incorporated by reference and deemed set forth herein in full, provided that the Trustee shall be permitted to rely fully on any Town Certificate or other written direction received pursuant to this section of the Indenture without investigation.

(c) If a Town Representative determines in his or her sole discretion that amounts then on deposit in the Authorized Improvements Account are not expected to be expended for the purposes of the Authorized Improvements Account, due to the abandonment, or constructive abandonment, of the Authorized Improvements, as the case may be, such that, in the opinion of the Town Representative, it is unlikely that the amounts in the Authorized Improvements Account, will ever be expended for the purposes of such Account, the Town Representative shall file a Town Certificate with the Trustee which identifies the amounts then on deposit in the Authorized Improvements Account that are not expected to be used for purposes of such Account. If such Town Certificate is so filed, the amounts on deposit in the Authorized Improvements Account, shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

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

(e) Upon the filing of a Town Certificate stating that all Authorized Improvements have been completed and that all Actual Costs of the Authorized Improvements have been paid, or that any such Actual Costs of the Authorized Improvements are not required to be paid from the Authorized Improvements Account of the Project Fund pursuant to a Certification for Payment or written direction from the Town or its designee, the Trustee (i) shall transfer the amount, if any,

remaining within the Authorized Improvements Account of the Project Fund to the Bond Fund, and (ii) shall close the Authorized Improvements Account of the Project Fund. If the Authorized Improvements Account of the Project Fund have been closed as described above and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(f), the Project Fund shall be closed.

(f) Not later than 6 months following the Closing Date, or upon an earlier determination by the Town Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account of the Project Fund and used to pay the Actual Costs of the respective Authorized Improvements, or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the Town in a Town Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

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

Section 6.7. Reserve Fund.

(a) The Town agrees with the Owners of the Bonds to accumulate from the deposits described in Section 6.3(a) hereof, and when accumulated, maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement except to the extent such deficiency is due to the application of Section 6.7(d) hereof. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2024, an amount equal to the Additional Interest collected, if any, until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the Town, in writing, of the amount of such shortfall, and the Town shall resume collecting the Additional Interest and shall file a Town Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the Town shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished to the Additional Interest Reserve Requirement. If, after such deposits, there is

surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the Town of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update unless and until it receives a Town Certificate directing that a different amount be used.

(c) Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the Town, specifying the amount withdrawn and the source of said funds.

(d) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the Town and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a Town Certificate to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds to be redeemed, as identified in a Town Certificate as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a Town Representative, the amount 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 debt service on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty days of such notice to the Town Representative, the Trustee receives a Town Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to an Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iii) for such other use specified in such Town Certificate if the Town receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first, from the Additional Interest Reserve Account of the Reserve Fund to the Bond Fund and second, from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(g) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Account withdrawal pursuant to Section 6.7(f) hereof, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount and Redemption Price (if applicable) of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Outstanding Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Outstanding Bonds as of such Interest Payment Date.

Section 6.8. Rebate Fund; Rebate Amount.

(a) There is hereby established a special fund of the Town to be designated "Town of Little Elm, Texas, Rebate Fund" (the "Rebate Fund") to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts relating to the Bonds that are due the United States Government in accordance with the Code.

(b) In order to assure that Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) and shall not be liable or responsible if it follows the instructions of the Town and shall not be required to take any action under this Section and Section 7.5(h) in the absence of written instructions from the Town.

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

Section 6.9. Administrative Fund.

(a) The Town shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund the amounts collected each year to pay Administrative Expenses and Delinquent Collection Costs.

(b) Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered hereunder and used as directed by a Town Certificate solely for the purposes set forth in the Service and Assessment Plan.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee, as directed by the Town pursuant to a Town Certificate, filed with the

Trustee at least two days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds, unless and until the Town receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. 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 to invest and re-invest cash balances in Wilmington U.S. Government Money Market Fund – Institutional Share Class (CUSIP 97181C605); provided, however, that money required to be expended from any Fund or Account will be available at the proper time or times.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in a Town Certificate. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments. The Parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the Town and the Administrator monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

(f) The Trustee may conclusively rely on Town Certificates pursuant to Section 6.10(a) that such an investment will comply with the Town's investment policy and with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

Section 6.11. Security of Funds.

All Funds or Accounts heretofore created, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds or Accounts shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The Town hereby confirms, covenants, and agrees that the Assessments to be collected from the Assessed Property, is reflected in the Service and Assessment Plan (as it may be updated from time to time) and, in accordance with the Assessment Ordinance, it has levied the Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding and/or amounts are due to the Developer to pay it for funds it has contributed to pay Actual Costs of the Authorized Improvements, the Town covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

(b) The 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 Assessment or the corresponding Assessed Parcel. Furthermore, nothing shall obligate the Town, the Town Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the Town and its appropriate collections enforcement designees.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds issued to refund all or a portion of the Bonds, or liens created in connection with indebtedness issued in compliance with Section 13.2 hereof, the Town shall not create and, to the extent Pledged Revenues are timely received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture other than the pledge created for the security of the Bonds.

(b) So long as Bonds are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the Town shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture.

Section 7.4. Records, Accounts, Accounting Reports.

The Town hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to pay it for funds it has contributed to pay Actual Costs of the Authorized Improvements remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and Owner(s) 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 30 days after the Town receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

> "*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.
>
> *"Code"* means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.
>
> *"Computation Date"* has the meaning set forth in Section 1.148-1(b) of the Regulations.
>
> *"Gross Proceeds"* means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.
>
> *"Investment"* has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Regulations" means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Town shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Town receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Town shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Town shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Town or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

(i) Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the Town shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The Town covenants and agrees that the levied Assessments will meet the requirements of the "tax assessment loan exception" within the meaning of Section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Town shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the Town shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Town shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The Town shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Town may commingle Gross Proceeds of the Bonds with other money of the Town, provided that the Town separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the Town shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The Town shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Town shall, pursuant to a Town Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such Town Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The Town shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Town shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The Town hereby directs and authorizes the Mayor, Mayor Pro Tem, Town Manager, Deputy Town Manager, Chief Financial Officer, or Town Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII

LIABILITY OF TOWN

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.

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.

No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "Bond Documents"), shall require the Town to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues and the Administrative Expenses) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the Town there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the Town or any of its officers, officials, agents, employees, or any person designated by the Town Council to act on behalf of the Town, 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 the Pledged Revenues, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Administrative Expenses on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the Town or any of its officers, officials, agents, employees, or any person designated by the Town Council to act on behalf of the Town to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The 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 independent third party 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 seem reasonable.

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. Trustee as Paying Agent/Registrar.

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

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law and the provisions of this Indenture, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments, or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may, to the extent permitted pursuant to the provisions of this Indenture, make transfers from the District Administration Account of the Administrative Fund, and to the extent moneys in the District Administration Account of the Administrative Fund are insufficient, from the Pledged Revenue Fund, to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The Trustee accepts the trusts imposed upon it by this Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Owners agree.

(a) Prior to the occurrence of an Event of Default of which the Trustee has been notified, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(i) the Trustee undertakes to perform only those duties and obligations which are set forth specifically in this Indenture, and no duties or obligations shall be implied to the Trustee, these duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants shall be read into this Indenture against the Trustee; and

(ii) the Trustee may request and rely conclusively, as to the due execution, the truth of the statements, and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance therewith; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified in writing, or is deemed to have notice), the Trustee shall exercise those rights and powers vested in it by this Indenture and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this subparagraph shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(1) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (a)(2) of this Section;

(2) the Trustee shall not be liable for any actions taken, or error of judgment, made in good faith by any one of its officers, employees or agents unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the controlling Owners 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; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

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

the Code. The Trustee has the right to act through agents and attorneys and shall have no liability for the acts or omissions of any of the agents and attorneys appointed by it with due care.

(e) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

(f) 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 such losses, damages, or expenses which have been fully adjudicated by a court of competent jurisdiction to have directly resulted from the Trustee's own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, punitive, special or consequential loss or damage whatsoever (including, but not limited to, loss of profit) in connection with or arising from this Indenture, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee will not be liable with respect to any action taken or omitted to be taken 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.

(g) 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.

(h) Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for:

(1) the validity, priority, recording, re-recording, filing or re-filing of this Indenture or any Supplemental Indenture,

(2) any instrument or document of further assurance or collateral assignment,

(3) the filing, execution, delivery, recording, or authorization of any financing statements, amendments thereto or continuation statements,

(4) insurance of the Authorized Improvements or collection of insurance money,

(5) the validity of the execution by the Town of this Indenture, any Supplemental Indenture or instruments or documents of further assurance, or

(6) the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(i) The Trustee shall not be accountable for the application by any Person of the proceeds of any Bonds authenticated or delivered hereunder; provided the Trustee follows the instructions provided by the Town with respect to the use of the proceeds of the Bonds.

(j) The Trustee may request, conclusively rely on and shall be protected in acting upon any resolution, statement, instrument, opinion, report, notice, request, direction, consent,

certificate, order, judgment, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, not only as to due execution, validity, and effectiveness, but also as to the truth and accuracy of any information contained therein. Any action taken by the Trustee pursuant to this Indenture upon the direction, request, authority or consent of any Person who is the Owner of any Bonds at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Owners of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(k) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any events or information, default or Event of Default, except Events of Default described in Section 11.1(a)(1), unless the Trustee has actual knowledge thereof or 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 66-2/3% of the aggregate outstanding 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, except as noted above.

(l) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(m) Any resolution by the Town, and any opinions, certificates and other instruments and documents for which provision is made in this Indenture, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions or inactions taken hereunder.

(n) The Trustee shall be entitled to file proofs of claim in bankruptcy at the direction of no less than 66-2/3% of the Owners. Ordinary trustee and paying agent/registrar fees and expenses and extraordinary fees and expenses of the Trustee and the Paying Agent/Registrar incurred hereunder are intended to constitute administrative expenses in bankruptcy.

(o) 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 for trustee and paying agent/registrar services, subject to the limitations set forth herein, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(p) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(q) 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, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(r) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct.

(s) The Trustee shall not be responsible or liable for the environmental condition or any contamination of the Authorized Improvements or any real property or improvements related thereto or for any diminution in value of the same as a result of any contamination by any hazardous substance, hazardous material, pollutant or contaminant. The Trustee shall not be liable for any claims by or on behalf of the Owners or any other person or entity arising from contamination by any hazardous substance, hazardous material, pollutant or contaminant, and shall have no duty or obligation to assess the environmental condition of the Authorized Improvements or any real property or improvements related thereto 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.

(t) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Town, or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(u) In the event that any assets held hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting such assets, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(v) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

The Trustee may request and conclusively rely and shall be protected in acting upon any resolution, instrument, opinion, report, order, notice, judgment, 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 for any action take or omitted to be taken upon the written opinion or advice of any counsel, architect, engineer, insurance consultant, management consultant, accountant, or other professional retained or consulted by the Trustee reasonably believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3 hereof, the Trustee may consult with counsel, selected by the Trustee with due care, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of, and the Trustee shall not be liable for, any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a Town Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such Town Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the Town to the Trustee shall be sufficiently executed if executed in the name of the Town by the Town Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13 herein.

Section 9.6. Compensation.

The Town hereby agrees to compensate the Trustee, from the amount collected each year for Administrative Expenses and in the manner set forth in this section, for the Trustee's services as Trustee and as Paying Agent/Registrar; provided, however, notwithstanding anything herein to the contrary, the aggregate value of this Indenture shall not exceed the dollar limitation set forth in Section 2274.002(a)(2) of the Texas Government Code, as amended. The Trustee hereby agrees that the fees it is to be paid for the current fiscal year will not cause the aggregate compensation received by the Trustee pursuant to the terms of this Indenture to exceed the limitation set forth in Section 2274.002(a)(2).

Unless otherwise provided by contract with the Trustee and subject to the limitations set forth above, the Trustee shall transfer from the District Administration Account of the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the

amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the Town shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund, subject to the limitations set forth herein.

In the event that the Trustee renders any service not contemplated in this Indenture, or if any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall, subject to the limitations set forth herein, be compensated from any and all funds at any time held by it for such extraordinary services and any services or work performed by Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event.

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 or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Owners of a majority in aggregate outstanding principal amount of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the Town and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time on 30 days' advance written notice to the Trustee by (i) the Owners of at least a majority of the aggregate Outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the Town, or (ii) the Town, so long as the Town is not in default under this Indenture. Copies of each such instrument shall be delivered by the Town to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Town or the Owners of not less than 10% of the aggregate Outstanding principal of the Bonds.

Section 9.10. Successor Trustee.

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the Town.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the Town shall forthwith (and in no event in excess of 30 days after such vacancy occurs) appoint a Trustee to act hereunder. Copies of any instrument of the Town providing for any such appointment shall be delivered by the Town to the Trustee so appointed. The Town shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the Town immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the Town shall be responsible for the costs of such appointment process.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture and Applicable Laws.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

(g) Trustee shall not be responsible for or liable for the acts or omissions of any successor trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor trustee.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the Town an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the Town or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing, including any supplement or amendment to this Indenture, 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 converted or 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 and will have and succeed to the rights, powers, duties, immunities and privileges as predecessor, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee to File Continuation Statements.

If necessary, the Trustee may file or cause to be filed, such continuation statements as are delivered to the Trustee by the Town, or on behalf of the Town, and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the “UCC”), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

Section 9.14. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Permissive rights of the Trustee are not to be construed as duties.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

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 at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the 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 any portion of the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by both Applicable Laws and this Indenture), or reduce the percentage of Owner of Bonds required for the amendment of this Indenture, as provided herein. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

This Indenture and the rights and obligations of the 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 any one or more of the following purposes:

(i) to add to the covenants and agreements of the Town in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the Town;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the Town and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to provide for the issuance of Refunding Bonds as set forth in Section 13.2 herein;

(v) to appoint or accept a successor trustee in accordance with the provisions of Section 9.10 hereof; provided, however, in no event shall this provision limit the Owners ability to appoint a successor trustee pursuant to Section 9.10(b) hereof; and

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

Any modification or amendment made pursuant to this paragraph shall not be subject to the notice procedures specified in Section 10.3 below.

Notwithstanding the above, no Supplemental Indenture under this Section shall be effective unless the Town first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment or supplement (i) is permitted under Applicable Laws and the provisions of this Indenture in effect after taking into account the proposed amendment or supplement; (ii) will not adversely affect the interests of the Owners in any material respect; provided however, that an appointment of a successor trustee in accordance with the provisions hereof is deemed to not be a material adverse effect for purposes of such opinion; and (iii) will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation.

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 reasonable rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

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 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture, and a notice shall have been mailed as hereinafter in this Section provided and the Town or Bond Counsel, acting on the Town's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the 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 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 forty-five day period; provided, however, that the Trustee during such forty-five day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture, as it may deem expedient; provided, further, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inaction.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the 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 10.5. 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 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default

Subject to the second and third sentences of Section 10.1 hereof, with the written consent of at least fifty-one (51%) of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the Town and certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners. For the avoidance of doubt, any waiver given pursuant to this Section shall be subject to Section 11.5 hereof.

Section 10.8. Execution of Supplemental Indenture.

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

and delivered to the Trustee and the 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 and immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

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

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

(ii) The failure of the Town to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the Town to make the payments; and

(iv) Default in the performance or observance of any covenant, agreement or obligation of the Town under this Indenture and the continuation thereof for a period of 90 days after written notice to the Town by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

(b) Nothing in Section 11.1(a) will be an Event of Default if action necessary to prevent the same would be a violation of any applicable state law or court order.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of at least 25% of the aggregate outstanding principal of the Bonds then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by this Indenture or 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 of default.

(b) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the Town shall determine, in its absolute discretion, and shall instruct the Trustee by Town Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the Town shall fail to deliver to the Trustee such Town Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the Town by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the 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 reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for 90 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least 51% of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, 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 shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the Town, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

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

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the Town, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

> FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and
>
> SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within 10 days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the Town to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

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

Section 11.6. Evidence of Ownership of Bonds.

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

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

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

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds 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 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first-class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the 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.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate outstanding principal of the Bonds shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(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 Trust Estate in the manner and to the extent provided in this Indenture, and that the Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The Town shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The Town will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) 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.

Section 12.2. Accounts, Periodic Reports and Certificates.

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

Section 12.3. General.

The 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. Additional Obligations and Other Liens.

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

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the 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 or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) Additionally, the Town has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds.

(d) Notwithstanding anything to the contrary herein, no Refunding Bonds, Additional Obligations, or subordinate obligations described by Section 13.2(c) may be issued by the Town unless: (1) the principal (including sinking fund installments) of such Refunding Bonds, Additional Obligations or subordinate obligations are scheduled to mature on September 1 of the years in which principal is scheduled to mature, and (2) the interest on such Refunding Bonds, Additional Obligations, or subordinate obligations must be scheduled to be paid on March 1 and/or September 1 of the years in which interest is scheduled to be paid.

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 dealing, business and affairs of the Town, which relate to the Pledged Revenues, the Pledged Funds, the Trust Estate 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 the same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the 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 the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the Town.

Section 14.3. Bonds Deemed Paid.

All Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice

of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the Town verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then publishing a rating on the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the 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.

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. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

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.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Town or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, employee of the Town, nor any person designated by the Town Council to act on behalf 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 in this Indenture, all notices or other instruments required or permitted under this Indenture, including any Town Certificate, shall be in writing and shall be telexed, cabled, delivered by hand, mailed by first-class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the Town:	Town of Little Elm, Texas 100 West Eldorado Parkway Little Elm, Texas 75068 Attention: Chief Financial Officer
If to the Trustee or the Paying Agent/Registrar:	Wilmington Trust, National Association Attention: Dayna Smith 15950 N. Dallas Parkway, Suite 550 Dallas, Texas 75248

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

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

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Town shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Town whenever a person is to be added or deleted from the listing. If the Town elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Town understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Town shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the Town and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Town. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Town agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Town; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The 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 any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas. With respect to this Indenture and any conflicts arising therefrom, the parties hereby (i) irrevocably submit to the

exclusive jurisdiction of any federal district or state district court with jurisdiction in Denton County, Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Indenture.

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. The City and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. No Boycott of Israel.

The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Indenture is a contract for goods or services, will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the Town to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. As used in this Section, the Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 15.11. Iran, Sudan, and Foreign Terrorist Organizations.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to enable the Town to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Trustee understands 'affiliate' to mean an entity

that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

[Remainder of Page Intentionally Left Blank]

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

TOWN OF LITTLE ELM, TEXAS

By: _____
Mayor

Attest:

_____
Town Secretary

[TOWN SEAL]

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE 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. _____

REGISTERED
$_____

United States of America
State of Texas

TOWN OF LITTLE ELM, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 1, 20___	_____	_____

The Town of Little Elm, 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 September 1 and March 1 of each year, commencing, March 1, 2023, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Wilmington, Delaware (the "Designated Payment/Transfer Office"), of Wilmington Trust, National Association, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor

trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the Town having the designation specified in its title (herein referred to as the "Bonds"), dated November 1, 2022 and issued in the aggregate principal amount of $_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of November 1, 2022 (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 a portion of the Actual Costs of the Authorized Improvements, (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 payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance of the Bonds.

The Bonds are limited obligations of the Town payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the 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.

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 Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of $100,000 and any multiple of $1,000 in excess thereof.

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the Town in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Redemption Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__*	

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	

September 1, 20__*

* maturity

At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption, pursuant to the provisions of the Indenture, a principal amount of Bonds of such maturity equal to the Sinking Fund Installments of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the Town, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the Town at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Town reserves the right and option to redeem Bonds maturing on or after September 1, 20__, before their respective scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, at the Redemption Price.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

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

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the redemption price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the Town may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the Town shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the 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 as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the Town nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

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.

The Town has reserved the right to issue Additional Obligations on the terms and conditions specified in the Indenture.

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

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the 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.

_____
Mayor, Town of Little Elm, Texas

_____
Town Secretary, Town of Little Elm, Texas

[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.

WILMINGTON TRUST,
NATIONAL ASSOCIATION,
Dallas, Texas, as Trustee

DATED: _____

By:_____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

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

_____

_____

_____

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

Date: _____ _____

Signature Guaranteed By:

_____

_____

Authorized Signatory

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

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

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

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

Year	Principal Amount ($)	Interest Rate (%)"

(Information to be inserted from Section 3.2(c) hereof); and

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

EXHIBIT B

BOND PURCHASE AGREEMENT

$[PAR AMOUNT]
TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

BOND PURCHASE AGREEMENT

November 1, 2022

Town of Little Elm
100 W. Eldorado Parkway
Little Elm, Texas 75068

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the "Underwriter"), offers to enter into this Bond Purchase Agreement (this "Agreement") with the Town of Little Elm, 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 Wilmington Trust, 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 $[PAR AMOUNT] aggregate principal amount of the "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)" (the "Bonds"), at a purchase price of $_____ (representing the aggregate principal amount of the Bonds plus a reoffering premium of $_____ and 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 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 November 1, 2022 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 November 22, 2022 (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 November 1, 2022 (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 November 1, 2022, 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 special assessments (the "Assessments") levied on the assessable parcels within the Valencia Public Improvement District (the "District"). The District was established by a resolution enacted by the Town Council on August 16, 2022 (the "Creation Resolution") in accordance with the Act. A Service and Assessment Plan (the "Service and Assessment Plan") which sets forth the costs of the Authorized Improvements and the method of payment of the Assessments levied against assessable property located within the District, was approved pursuant to an assessment ordinance adopted by the Town Council on November 1, 2022 (the "Assessment Ordinance" and, together with the Creation Resolution, the Indenture and the Bond Ordinance, the "Authorizing Documents"). The Bonds shall be further secured by certain applicable funds and accounts created under the Indenture.

The Bonds shall be as described in Schedule I, the Indenture, and the Limited Offering Memorandum (defined herein). The proceeds of the Bonds shall be used for (i) paying a portion of 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 the Reserve Account of the Reserve Fund, (iv) paying District formation and administration costs and (v) paying the cost of issuance of the Bonds.

3. Limited Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 11 hereof. On or before the third (3rd) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel the Issue Price Certificate (defined herein), 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 September 27, 2022 (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 reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Limited Offering Memorandum.

(b) Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the offering, sale, and distribution of the Bonds. The 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 reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

(d) Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the 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 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 — The District, Development Plan and Status of Development," and "— Financing of Development in

District," "BOOK-ENTRY ONLY SYSTEM," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "DEVELOPMENT CONSULTANT," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development), "THE ADMINISTRATOR," "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE – The Developer", "UNDERWRITING" and "INFORMATION RELATING TO THE TRUSTEE" (collectively, the "Non-Town Disclosures"). If such notification shall be subsequent to the Closing Date, 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 reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

(e) Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access ("EMMA") system within one business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the 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) the "Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and Valencia on the Lake, L.P., a Texas limited partnership (the "Developer")

effective as of November 5, 2013; as amended by that "First Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of September 16, 2014; as amended by that "Second Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of June 2, 2015; as amended by that "Third Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of February 16, 2016; as amended by that "Fourth Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of August 2, 2016; as amended by that "Fifth Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of August 15, 2017; as amended by that "Sixth Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of February 2, 2021, and as may be further amended; as amended by that "Seventh Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of September 6, 2022, and as may be further amended (collectively, the "Development Agreement");

(4) the "Continuing Disclosure Agreement of the Issuer" with respect to the Bonds, dated as of November 1, 2022 (the "Town Continuing Disclosure Agreement"), executed and delivered by the Town, MuniCap, Inc., as Administrator and MuniCap, Inc., as Dissemination Agent; and

(5) the "Landowner Agreement" effective as of November 1, 2022, executed by the Town and Valencia on the Lake 2B2 and 4, LLC, a Texas limited liability company (the "Developer") (the "Landowner Agreement");

(6) the "Valencia Public Improvement District No. 2 Construction, Funding and Acquisition Agreement" effective as of November 1, 2022, executed by the Town and the Developer (the "CFA Agreement"); and

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

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Development Agreement, (4) the Town Continuing Disclosure Agreement, (5) the Landowner Agreement, (6) the CFA Agreement, (7) the Limited Offering Memorandum, and (8) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (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 governmental 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 its knowledge, the Town is not, and as of the Closing Date the Town will not be, in breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the Town is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the Town's ability to perform its obligations under the Bonds or the Town Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the Town Documents and compliance by the Town with obligations on its part

to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Town (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be permitted by the Town Documents.

(e) No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the Town with respect to which the Town has been served with process, nor to the knowledge of the Town is any Action threatened against the Town, in which any such Action (i) in any way questions the existence of the Town or the rights of the members of the Town Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the 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 proceeds of the levy of the Assessments received by the Town, 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 Roll (as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for State, county, school district, or municipality ad valorem taxes.

(h) Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the 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 the Non-Town Disclosures.

(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 25th day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Town makes no representations with respect to the Non-Town Disclosures and further provided, however, that if the Town notifies the Underwriter of any fact or event as required by Section 4(b) 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 (b) 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 disclosed 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 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 SAMCO Capital Markets, 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 and Closing Certificate. 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 in the form of Appendix E hereto.

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 Norton Rose Fulbright US LLP ("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 in the Developer Letter of Representations and the performance by the Town of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Agreement 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 ("Underwriter's Counsel"), 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 Boghetich Law, PLLC ("Developer's Counsel"), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the Development Agreement, the Landowner Agreement, the CFA Agreement, the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of November 1, 2022, executed and delivered by the Developer, MuniCap, Inc. as Administrator, and MuniCap, Inc., as dissemination agent (the "Continuing Disclosure Agreement of the Developer," and together with the Developer Letter of Representations, the Development Agreement, the CFA Agreement, and the Landowner Agreement, the "Developer Documents"); 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 or Underwriter's Counsel shall have received each of the documents required under Section 9 below.

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

(i) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the

United States shall be rendered or a ruling, regulation, or order (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 sale and delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(ii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or no action letter 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, 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

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

(iv) there shall have occurred any outbreak of hostilities (including, without limitation, an act of terrorism) or other national or international calamity or crisis, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner contemplated by the Limited Offering Memorandum; or

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

(vi) any state blue sky or securities commission or other governmental agency or body in any state in which more than 10% of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the

offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(vii) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Town, its property, income, securities (or interest thereon), or the validity or enforceability of the Assessments to pay principal of and interest on the Bonds; or

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

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

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

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

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

(xiii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the 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

(xiv) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein

provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

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

9. Closing Documents. At or prior to the Closing, the Underwriter's Counsel 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 statements and information describing the Bonds and appearing in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds" and "Prior Bonds Issued to Finance Improvements in the Development" "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" "Estimated Lien to Value Analysis in the District" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE — The Town", "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance 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 Landowner Agreement, the CFA Agreement, the Town Continuing Disclosure Agreement and the Bond Purchase 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, Underwriter's Counsel, 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. A certificate of the Developer dated as of the Closing Date, signed by an authorized officer of the 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 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

person, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the 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 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's Certificate. A certificate of the Trustee, dated the date of Closing, in form and substance acceptable to counsel for the Underwriter to the following effect:

(i) The Trustee is duly organized and validly existing as a national banking association organized under the laws of the United States of America, having the full power and authority, including trust powers, to accept and perform its duties under the Indenture; and

(ii) No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture;

(h) Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Winstead PC, Underwriter's Counsel, 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 on (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 the that 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 Underwriter's Counsel 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 Limited Offering Memorandum as Appendix D-1 and Appendix D-2.

(o) Letter of Representation of Administrator. Letter of Representation of the Administrator, substantially in the form of Appendix F hereto, addressed to the Town, Bond Counsel, the Underwriter, Underwriter's Counsel, and the Trustee, or in form otherwise agreed upon by the Underwriter.

(p) Letter of Representation of Development Consultant. Letter of Representation of the Development Consultant, substantially in the form of Appendix G hereto, addressed to the Town, Bond Counsel, the Underwriter, counsel to the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

(q) Evidence of Filing of Creation Resolution, Assessment Ordinance, and Landowner Agreement. Evidence that (i) the Creation Resolution, including legal description of the District by metes and bounds, (ii) the Assessment Ordinance, including the Assessment Roll 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 been filed of record in the real property records of Denton County, Texas.

(r) Rule 15c2-12 Certification. A resolution or certificate of the Town (which may be included in the Bond Ordinance) 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.

(s) Lender Consent Certificate. Lender Consent Certificate of Valcap I, LLC and any other lienholder on land in the District, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of its lien to the lien created by the Assessments in a form acceptable to the Underwriter.

(t) 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.

(u) BLOR. A copy of the Blanket Letter of Representation to DTC relating to the Bonds and signed by the Town.

(v) 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 Closing Date of the purchase price set forth in Section 1 hereof, and the opinion of Bond Counsel described in Section 9(a) hereof.

11. Establishment of Issue Price.

(a) The Underwriter agrees to assist the 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 or Bond Counsel.

(b) The Underwriter confirms that it has offered all the Bonds of each maturity to the public on or before the date of this Agreement at the respective offering price (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. 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 each third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each

dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and (C) acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public. The 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires and (ii) in the event that the Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The 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 third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the 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) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits

interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

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

12. Consequences of Termination. If the 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, the Trustee, the Underwriter, and Underwriter's Counsel 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 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 Bonds and (ii) 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 agrees 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 Little Elm, Texas, 100

W. Eldorado Parkway, Little Elm, Texas 75068, Attention: Town Manager. Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: 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. 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 hereby verifies that the Underwriter and its parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Contract is a contract for goods or services, will not boycott Israel during the term of this Contract. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal Law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

24. Iran, Sudan and Foreign Terrorist Organizations. The Underwriter hereby represents that neither the Underwriter nor any of its parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law and excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

25. Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code,as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies"

shall mean, without an ordinary business purpose, 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 with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

26. Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, "SB 19"), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, discriminate against a firearm entity or firearm trade association" (A) means, with respect to the entity or association, to (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and (B) does not include: (i)the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association, "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm

magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and "firearm trade association" means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The Underwriter understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

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 LITTLE ELM, TEXAS

By: _____
Mayor

SCHEDULE I

$[PAR AMOUNT]
TOWN OF LITTLE ELM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

Interest Accrues From: Date of Delivery

$_____ ___% Term Bonds, Due September 1, 20__, Priced to Yield _____% [(a), (c)]

$_____ ___% Term Bonds, Due September 1, 20__, Priced to Yield _____% [(a), (c)]

$_____ ___% Term Bonds, Due September 1, 20__, Priced to Yield _____% [(a), (b), (c)]

$_____ ___% Term Bonds, Due September 1, 20__, Priced to Yield _____% [(a), (b), (c)]

(a) The initial prices or yields of the Bonds are furnished by the Underwriter, have been determined in accordance with the "10% test", and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.

(b) The Bonds maturing on or after September 1, 20__ are subject to redemption, in whole or in part, prior to stated maturity, at the option of the Town, on any date on or after September 1, 20__, at the price of par plus accrued interest to the date of redemption, as set forth in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS — Redemption Provisions."

(c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Bonds are subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedule.

$_____ Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment
September 1, 20__	$
September 1, 20__	
September 1, 20__†	

$_____ Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment
September 1, 20__	$
September 1, 20__	
September 1, 20__†	

† Final Maturity

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

$[PAR AMOUNT]
TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

DEVELOPER LETTER OF REPRESENTATIONS

November 1, 2022

Town of Little Elm, Texas
100 W. Eldorado Parkway
Little Elm, Texas 75068

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the Town of Little Elm, 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 $[PAR AMOUNT] "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)" (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, Valencia on the Lake 2B2 and 4, LLC, a Texas limited liability company (the "Developer"), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Preliminary Limited Offering Memorandum or 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 Preliminary Limited Offering Memorandum or 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 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 or 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 Preliminary Limited Offering Memorandum or 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 or caused the execution of 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 Continuing Disclosure Agreement of the Developer; and

(c) that certain 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 the Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer is a party.

(d) No Litigation. Other than as described in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Development in accordance with the description thereof in the Preliminary Limited Offering Memorandum or the 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 or the Limited Offering Memorandum was, and is, as of this date, and will be as of the date of the Limited Offering Memorandum, 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 — The District, Development Plan and Status of Development," and "— Financing of Development in the District," "THE AUTHORIZED IMPROVEMENTS" "THE DEVELOPMENT," "THE DEVELOPER" "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 or the Limited Offering Memorandum.

(g) Events of Default. No "Event of Default" or "event of default" by the Developer under any of Developer Documents, any documents to which the Developer is a party described in the Preliminary Limited Offering Memorandum or the 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 Developer 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 or the Limited Offering Memorandum under the captions "PLAN OF FINANCE — The District, Development Plan and Status of Development," and "— Financing of Development in the District," "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" 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.

[*Signature pages to follow*]

DEVELOPER:

VALENCIA ON THE LAKE 2B2 and 4, LLC,
a Texas limited liability company
(as Developer)

By: Valencia on the Lake, L.P.,
a Texas limited partnership
Its Manager

By: Valencia on the Lake GP, LLC,
a Texas limited liability company
Its General Partner

By: _____
Name: Mehrdad Moayedi
Its Manager

APPENDIX B

$[PAR AMOUNT]
TOWN OF LITTLE ELM, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of FMSbonds, Inc. ("FMS"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") of the Town of Plano, Texas (the "Issuer").

1. ***Sale of the General Rule Maturities***. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities***.

(a) FMS offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, FMS agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which FMS sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, limited liability company, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is November 1, 2022.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents FMS's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Tax Exemption with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

EXECUTED and DELIVERED this _____, 2022.

FMSBONDS, INC.

By: _____

Name: _____

Title: _____

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING MATURITIES

(*Attached*)

SCHEDULE B

PRICING WIRE OR EQUIVALENT WRITTEN COMMUNICATION

(*Attached*)

APPENDIX C

[LETTERHEAD OF BROWN & HOFMEISTER, L.L.P.]

November 22, 2022

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

Winstead PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201

Town of Little Elm
Attn: Town Manager
100 W. Eldorado Parkway
Little Elm, Texas 75068

$[PAR AMOUNT]
TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

Ladies and Gentlemen:

I am the Town Attorney of the Town of Little Elm, Texas (the "Town") and render this opinion in connection with the issuance and sale of $[PAR AMOUNT] "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Improvement District No. 2 Project)" (the "Bonds"), by the Town, a political subdivision of the State of Texas (the "State").

The Bonds are authorized pursuant to Ordinance No. ____ enacted by the Town Council of the Town (the "Town Council") on November 1, 2022 (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 November 1, 2022 (the "Indenture") by and between the Town and Wilmington Trust, National Association, as trustee (the "Trustee"). The Bonds are being sold to FMSbonds, Inc. pursuant to the Bond Purchase Agreement dated November 1, 2022 between the Town and FMSbonds, Inc. (the "Bond Purchase Agreement"). This opinion is being delivered pursuant to Section 9(c) of the Bond Purchase Agreement. Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, I have reviewed:

(a) Resolution No. 0816202201 (the "Creation Resolution"), enacted by the Town Council on August 16, 2022;

(b) (i) Ordinance No. _____ approved by the Town Council on November 1, 2022, and the Service and Assessment Plan (the "Service and Assessment Plan") attached as an exhibit thereto (the "Assessment Ordinance");

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Bond Purchase Agreement;

(f) That certain "Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and Valencia on the Lake, L.P., a Texas limited partnership (the "Developer") effective as of November 5, 2013; as amended by that "First Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of September 16, 2014; as amended by that "Second Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of June 2, 2015; as amended by that "Third Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of February 16, 2016; as amended by that "Fourth Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of August 2, 2016; as amended by that "Fifth Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of August 15, 2017; as amended by that "Sixth Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of February 2, 2021; as amended by that "Seventh Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement" between the Town and the Developer, effective as of September 6, 2022, and as may be further amended, (collectively, the "Development Agreement");

(g) That certain Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of November 1, 2022 (the "Town Continuing Disclosure Agreement"), executed and delivered by the Town, MuniCap, Inc., as Administrator, and MuniCap, Inc., as Dissemination Agent;

(h) That certain Landowner Agreement effective as of November 1, 2022 executed by the Town and Valencia on the Lake 2B2 &4, LLC (the "Landowner Agreement");

(i) That certain "Valencia Public Improvement District No. 2 Construction, Funding and Acquisition Agreement" effective as of November 1, 2022, executed by the Town and the Developer (the "CFA Agreement"); and

(j) Such other documents, records, agreements or certificates as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

The Creation Resolution, the Assessment Ordinance, the Indenture and the Bond Ordinance shall hereinafter be collectively referred to as the "Authorizing Documents" and the remaining documents shall hereinafter be collectively referred to as the "Town Documents."

In all such examinations, I 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, I 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, I am of the opinion that:

1. The Town is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Authorizing Documents and the Town Documents. The Town has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Authorizing Documents and the Town Documents and the performance of its obligations thereunder.

2. To the best of my knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the Town: (a) affecting the existence of the Town or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the Assessments pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the Town's performance of the Town Documents, (e) contesting the exclusion of the interest on the Bonds from federal income taxation, or (f) which may result in any material adverse change relating to the financial condition of the Town.

3. The Authorizing Documents were duly enacted by the Town and remain in full force and effect on the date hereof.

4. The Town Documents have been duly authorized, executed and delivered by the Town and are legal, valid and binding obligations of the Town enforceable against the Town in accordance with their respective 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, or (c) the application of State law

relating to action by future councils and relating to governmental immunity applicable to governmental entities.

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 (other than those that have been or will be obtained prior to the delivery of the Bonds, including the opinion of the Texas Attorney General).

7. The Town has duly authorized and delivered the Limited Offering Memorandum.

8. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the final Limited Offering Memorandum (collectively, the "Limited Offering Memorandum"), the statements and information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum with respect to the Town under the captions and subcaptions "ASSESSMENT PROCEDURES – Assessment Methodology" and " – Assessment Amounts," "THE TOWN," "THE DISTRICT," "LEGAL MATTERS – Litigation – The Town," "CONTINUING DISCLOSURE – The Town" and "– The Town's Compliance with Prior Undertakings" and "APPENDIX A" are a fair and accurate summary of the laws and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents, the execution and delivery of the 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 my 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, constitutional provision, court order or consent decree to which the Town is subject.

This opinion letter has been rendered solely for the benefit of the addressees named above in connection with the transactions described therein, and may not be used, circulated, quoted, relied upon or otherwise referred to for any other purpose or by any other person without our prior written consent. This opinion letter does not constitute a warranty or guarantee or an opinion as to matters of fact and should not be construed or relied upon as such. This opinion letter is as of the date hereof only, and I undertake no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein.

Very truly yours,

BROWN & HOFMEISTER, L.L.P.
ATTORNEY FOR THE TOWN

APPENDIX D

[LETTERHEAD OF BOGHETICH LAW]

November 22, 2022

Town of Little Elm, Texas
100 W. Eldorado Parkway
Little Elm, Texas 75068

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

Winstead PC
2728 N. Harwood Street
Dallas, Texas 75201

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201

Town of Little Elm
Attn: Town Attorney
100 W. Eldorado Parkway
Little Elm, Texas 75068

$[PAR AMOUNT]
TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

Ladies & Gentlemen:

We have acted as special counsel to Valencia on the Lake 2B2 and 4, LLC, a Texas limited liability company (the *"Developer")* in connection with the issuance and sale by the Town of Little Elm, Texas (the *"Town"),* of $[PAR AMOUNT] Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project) (the *"Bonds"),* pursuant to the Indenture of Trust dated as of November 1, 2022 (the *"Indenture"),* by and between the Town and Wilmington Trust, 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 "Valencia on the Lake" (the *"Development")* located in the Town.

The Bonds are being sold by FMSbonds, Inc. (the *"Underwriter"),* pursuant to that certain Bond Purchase Agreement dated November 1, 2022 (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 *Development Agreement*;

(2) the *Continuing Disclosure Agreement of the Developer*;

(3) the *Landowner Agreement*;

(4) the *CFA Agreement*; and

(5) the *Developer Letter of Representations*;

(b) General Certificate of the Developer and the Closing Certificate of the Developer, each dated as of the date hereof (together, the "*Developer Certificate")*;

(d) The Preliminary Limited Offering Memorandum, dated September 27, 2022 relating to the issuance of the Bonds (the *"Preliminary Limited Offering Memorandum")*;

(e) The final Limited Offering Memorandum, dated November 1, 2022, relating to the issuance of the Bonds (together with the Preliminary Limited Offering Memorandum, the *"Limited Offering Memorandum")*; and

(f) 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 the 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 Developer is (a) based solely upon the relevant Texas Certificate of Status, a Texas limited liability company duly formed, validly existing under the laws of the State of Texas and qualified to transact business as a Texas limited liability company, and (b) based solely upon the relevant Statement of Franchise Tax Account Status, in good standing under the laws of the State of Texas.

2. Pursuant to the Developer Certificate, the Developer has the limited liability company power and authority under the *Texas Business Organizations Code* and the Developer

Basic Documents to execute, deliver and perform its obligations under the Material Documents to which it is a party. The execution and delivery by the Developer of each Material Document to which it is a party, and the performance by the Developer of its agreements set forth therein, have been duly authorized by all necessary limited liability company action under the laws of the State of Texas, the *Texas Business Organizations Code* and the Developer Basic Documents.

1. The execution and delivery by the Developer of the Material Documents and the performance by the Developer of their 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 their 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 their 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 they are a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Developer, enforceable against the Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Developer of its obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Developer.

4. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the Developer 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 (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the validity or enforceability against it of such Material Documents or the transactions described therein; (iv) the titles of the parties executing the Material Documents; (v) the execution and delivery of the Material Documents on behalf of the Developer; (vi) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vii) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

5. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be

observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, Indenture, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Developer Certificate which violation, breach or default would materially adversely affect the Developer or their 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 — The District, Development Plan and Status of Development," and "— Financing of Development in the District," "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 Certificate, 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,
Boghetich Law, PLLC

By: _____
Name:_____

APPENDIX E

CLOSING CERTIFICATE OF DEVELOPER

Valencia on the Lake 2B2 and 4, 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 Bond Purchase Agreement.

1. The 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 Little Elm, Texas (the "Town") and FMSbonds, Inc. (the "Underwriter") to be used in connection with the offering by the Town of its $[PAR AMOUNT] aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project) (the "Bonds"), pursuant to the Town's Preliminary Limited Offering Memorandum, dated September 27, 2022 and Limited Offering Memorandum dated November 1, 2022 (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. The Developer has executed or caused the execution of, and delivered each of the below listed documents (individually, a "Developer Document" and collectively, the "Developer Documents") in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of Developer, enforceable against Developer in accordance with its terms:

(a) that certain Developer Letter of Representations;

(b) that certain Continuing Disclosure Agreement of the Developer;

(c) that certain CFA Agreement; and

(d) that certain Landowner Agreement.

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 – The District, Development Plan and Status of Development," and "– Financing of Development in the District," "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. 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 the 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. The Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Development.

13. The 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: _____, 2022

DEVELOPER:

VALENCIA ON THE LAKE 2B2 and 4, LLC,
a Texas limited liability company
(as Developer)

By: Valencia on the Lake, L.P.,
a Texas limited partnership
Its Manager

By: Valencia on the Lake GP, LLC,
a Texas limited liability company
Its General Partner

By: _____
Name: Mehrdad Moayedi
Its Manager

APPENDIX F

[LETTERHEAD OF ADMINISTRATOR]

November 22, 2022

Town of Little Elm, Texas
100 W. Eldorado Parkway
Little Elm, Texas 75068

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

Winstead PC
2728 N. Harwood Street
Dallas, Texas 75201

Re: Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project) (the "Bonds")

Ladies and Gentlemen:

The undersigned, an authorized representative of MuniCap, Inc. ("MuniCap"), consultant in connection with the creation by the Town of Little Elm, Texas (the "Town"), of the Valencia Public Improvement District (the "District"), does hereby represent the following:

1. MuniCap has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated on or about September 27, 2022 and the Limited Offering Memorandum for the Bonds, dated on or about November 1, 2022 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the Town, as described above. The information I provided for the Limited Offering Memorandum is located (a) under the captions "ASSESSMENT PROCEDURES — Assessment Methodology" and "— Assessment Amounts", "ASSESSMENT COLLECTION AND TIRZ COLLECTION DATA IN VALENCIA PID NO.1 AND THE DISTRICT" and "THE ADMINISTRATOR," and (b) in the Service and Assessment Plan (the "SAP") for the Town located in APPENDIX B to the Limited Offering Memorandum.

2. To our professional knowledge and belief, the portions of the Limited Offering Memorandum described above do not contain an untrue statement of a material fact as to the information and data set forth therein, and 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. We agree to the inclusion of the SAP in the Limited Offering Memorandum and to the use of our name in the Limited Offering Memorandum for the Bonds.

4. We agree that, to the best of our ability, we will inform you immediately should we learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about November 22, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

5. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representation.

Sincerely yours,

MUNICAP, INC.

By: _____

Its: _____

APPENDIX G

[LETTERHEAD OF DEVELOPMENT CONSULTANT]

November 22, 2022

Town of Little Elm, Texas
100 W. Eldorado Parkway
Little Elm, Texas 75068

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

Winstead PC
2728 N. Harwood Street
Dallas, Texas 75201

Re: Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project) (the "Bonds")

Ladies and Gentlemen:

The undersigned, _____, of Scarborough Management, LLC, consultant in connection with the issuance of the above-captioned Bonds relating to the Valencia Public Improvement District (the "District") issued by the Town of Little Elm, Texas (the "Town"), does hereby represent the following:

1. On behalf of Scarborough Management, LLC, I have supplied certain information contained in the Preliminary Limited Offering Memorandum, dated September 27, 2022, (the "Preliminary Limited Offering Memorandum"), and the final Limited Offering Memorandum, dated on or about November 1, 2022 (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 under the caption "THE DEVELOPMENT CONSULTANT."

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

3. I agree to 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 November 22, 2022) 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,

SCARBOROUGH MANAGEMENT, LLC

By: _____
Its: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of November 1, 2022 (this "Disclosure Agreement") is executed and delivered by and between the Town of Little Elm, Texas (the "Issuer"), MuniCap, Inc. (the "Administrator"), and MuniCap, Inc. (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)" (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, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this 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 November 1, 2022, 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 MuniCap, Inc., or 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 have the meaning assigned to such term in Section 2 of 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" 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 mean the "Assessments" as defined 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 Valencia on the Lake 2B2 & 4, LLC, a Texas limited liability company, and its successors and assigns, including any Affiliate.

"Disclosure Agreement of the Developer" shall mean the Continuing Disclosure Agreement of the Developer, dated as of November 1, 2022 executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the Chief Financial Officer 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 MuniCap, Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Valencia Public Improvement District.

"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(s)" shall mean the registered owner(s) of any Bonds, as shown on the register maintained by the Trustee.

"Participating Underwriter" means 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 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 Wilmington Trust, 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 format required by the MSRB, commencing with the Fiscal Year ended September 30, 2022, 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 Financial Information, 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 such date; provided further, however, that the Annual Issuer Report 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, 2022. The Issuer will provide the audited financial statements as provided herein; 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 pursuant to written direction to:

(1) 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 Section 4;

(2) 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;

(3) file audited financial statements of the Issuer pursuant to Section 4(b) herein; and

(4) 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 in the District for which a certificate of occupancy has been issued during such Fiscal Year; and

(B) the aggregate number of new homes within the District for which a certificate of occupancy has been issued since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2022.

(vii) Listing of any property or property owners in the District, respectively, representing more than twenty percent (20%) of the levy of the Assessments, the amount of the levy of the Assessments, against such landowners, and the percentage of such the Assessments, relative to the entire levy of the Assessments, all as of the October 1 billing date for the Fiscal Year.

(viii) Collection and delinquent history of the Assessments within the District for the past five Fiscal Years, in the format provided on Exhibit B.

(ix) Total amount of Prepayments collected, as of the March 1 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 the 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 MuniCap, Inc. as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership, or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

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.

The Issuer does not intend for any sale by the Developer of real property within the District to be considered a significant event for the purposes of number (10) above.

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 numbers (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 number (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB; provided, however, the Issuer shall deliver such written notice to the Dissemination Agent within eight (8) business days of the occurrence of such Listed Event in order for the Dissemination Agent to timely file such notice in a timely manner with the MSRB through EMMA. The Dissemination Agent shall file such notice no later than the second Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; 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; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) business day filing requirement.

Additionally, the Dissemination Agent 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 written direction from the Issuer to the Dissemination Agent shall be within eight (8) business days after the occurrence of the Listed Event or failure to file and date of such filing provided by the Issuer shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, within two (2) 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. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than 2 Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8, 10, 13, 14 or 15 of subsection (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.

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB (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 such series of 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. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer. 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 is set forth in Section 2.

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 the Trustee may (and, at the request of any Participating Underwriter or the Owners of more than twenty-five percent (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 the Developer by the Developer, and a default under the Disclosure Agreement of the Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees, and agents, but only with funds to be provided by the Developer or from 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 gross 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 the 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.

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 gross 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.

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 the 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 and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their 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 and the Administrator, but only with funds to be provided from Assessments collected from the property owners in the District, for its fees and expenses for their respective 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 hereby each respectively verify 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 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Dissemination Agent and the Administrator understand "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 22. Iran, Sudan and Foreign Terrorist Organizations. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, the Dissemination Agent and the Administrator, respectively represent that neither the Dissemination Agent, the Administrator , nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/ docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable state or federal law and excludes the Dissemination Agent and/or the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any state or federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent and the Administrator understand "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 23. Form 1295. Submitted by the Administrator herewith is a completed Form 1295 in connection with 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 Administrator. The Administrator 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 consultant is responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Town nor its consultant has verified such information.

Section 24. Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Dissemination Agent and the Administrator hereby verify that they and their

parent companies, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Dissemination Agent and the Administrator understand "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

Section 25. Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, "SB 19"), Texas Government Code, as amended, the Dissemination Agent and the Administrator hereby verifies that they and their parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; and
(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association," "firearm entity," and "firearm trade association" shall have the meanings set forth in Sections 2274.001(3), 2274.001(6), and 2274.001(7), respectively, of the Texas Government Code. The Dissemination Agent and the Administrator understand "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17. C.F.R. § 230.405 and exists to make a profit.

[Signature pages follow]

TOWN OF LITTLE ELM, TEXAS

By: _____
Mayor

DISSEMINATION AGENT:

MUNICAP, INC.

By: _____
Name: _____
Title: _____

ADMINISTRATOR:

MUNICAP, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL ISSUER REPORT

Name of Issuer: Town of Little Elm, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)
Date of Delivery: _____

NOTICE IS HEREBY GIVEN that the Town of Little Elm, Texas, has not provided [an Annual Issuer Report][annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated November 1, 2022, between the Issuer, MuniCap, Inc. as Administrator and MuniCap, Inc., as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report][annual audited financial statements] will be filed by _____.

Dated: _____

MUNICAP, INC., on behalf of the Town of Little Elm, Texas
(as Dissemination Agent)

By: _____
Title: _____

cc: Town of Little Elm, Texas

EXHIBIT B

TOWN OF LITTLE ELM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 PROJECT)

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP NOs.]

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bond Proceed Balance, if any	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Expenses (if any)	_____
TOTAL LIABILITIES	_____

NET POSITION

Assets Less Liabilities	_____
_____	
OUTSTANDING ASSESSMENTS	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

Audited ☐ Unaudited ☐

Section 4(a)(ii)

Debt Service Requirements on the Bonds			
Year Ending (September 30)	Principal	Interest	Total

ITEMS REQUIRED BY SECTIONS 4(a)(iii) – (iv)
[Insert a line item]

Section 4(a)(v)

Aggregate Taxable Assessed Value of the District

The [YEAR] certified total aggregate taxable assessed value for the land in the District is approximately $[AMOUNT] according to the applicable appraisal district(s).

ITEMS REQUIRED BY SECTION 4(a)(vi)(A-B)
[Insert a line item]

Section 4(a)(vii)

Top Assessment Payers in the District [(1)]		
Property Owner	Outstanding Assessments	Percentage of Total Assessments

(1) Does not include those owing less than twenty percent (20%) of total Assessments.

Section 4(a)(viii)

Collection and Delinquent History of Assessments in the District

Collected in Fiscal Year Ending 9/30	Assessment Billed	Parcels Levied	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Assessments Collected[(1)]
20__	$			—	—		$

(1) Collected as of _____, 20__. Includes $_____ attributable to Prepayments.

Section 4(a)(ix)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF MARCH 1 OF THE NEXT SUCCEEDING YEAR

History of Prepayment of Assessments				
Time Period	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
[FISCAL YEAR END]		$		$
[MARCH 1 OF CURRENT YEAR] (1)		$		$

(1) As of _____, 20__.

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF MARCH 1 OF THE NEXT SUCCEEDING YEAR

Section 4(a)(x)

Delinquent Assessments by Fiscal Year					
Time Period	Subject to Foreclosure Proceedings (not instituted)	Subject to Foreclosure Proceedings (not concluded)	Reduced to Judgment (not collected)	Reduced to Judgment (collected)	Result of Foreclosure Sales of Assessed Property (2)
[FISCAL YEAR END]	$	$	$	$	$
[MARCH 1 OF CURRENT YEAR] (1)	$	$	$	$	$

(1) As of _____, 20__.
(2) If Assessed Property represents more than one percent (1%) of total amount of Assessments

ITEMS REQUIRED BY SECTION 4(a)(xi)

[Insert a line item]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES*

Date	**Delinquency Clock (Days)**	**Activity**
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies
		Administrator shall be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. **If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Trustee and Dissemination Agent shall be immediately notified by Administrator** Administrator shall determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September. At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the Town Attorney or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds $10,000 the matter will be referred for commencement of foreclosure.** **If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required**

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

		for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.
March 1	28/29	Trustee pays bond interest payments to bondholders.
		Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
July 1	**150/151**	Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments.
		Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies.
		Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity. If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.
		If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	195/196	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 195/196).

		Foreclosure action to be filed with the court.
		Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders.
		If bondholders and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

EXHIBIT D

CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

THIS VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of November 1, 2022, is by and between the **TOWN OF LITTLE ELM, TEXAS**, a home-rule municipality of the State of Texas (the "Town"), and **VALENCIA ON THE LAKE 2B2 AND 4, LLC**, a Texas limited liability company, (the "Developer").

ARTICLE I
DEFINITIONS

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

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

"Actual Costs" means the costs of the Authorized Improvements actually paid or incurred for construction and installation of the Authorized Improvements in accordance with the Service and Assessment Plan.

"Administrator" means, initially, MuniCap, Inc., or any other individual or entity designated by the Town to administer the District.

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

"Authorized Improvements" means improvements authorized by Section 372.003 of the Act, including and as listed in Section III of the Service and Assessment Plan. An individual Authorized Improvement, including a completed segment, section or part, shall be referred to as an Authorized Improvement.

"Authorized Improvements Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Bond Ordinance" means the ordinance adopted by the Town Council on November 1, 2022, authorizing the issuance of the Bonds pursuant to the Indenture.

"Bonds" means the Town's bonds designated "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2022 (Valencia Public Improvement District No. 2 Project)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Authorized Improvements as shown in Section III of the Service and Assessment Plan.

"Certification for Payment" means a certificate, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Developer, the 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, provided no more frequently than once per month to the Town Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment for Actual Costs of Authorized Improvements under the Indenture.

"Closing Disbursement Request" means the certificate, substantially in the form of **Exhibit A** hereto or otherwise mutually agreed to by the Developer, Administrator, and 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 amounts to be disbursed for the costs related to the creation of the District and the costs of issuance of the Bonds.

"Construction Contracts" means the contracts for the construction of an Authorized Improvement. "Construction Contract" means any one of the Construction Contracts.

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

"Costs of Issuance Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

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

"Development Agreement" means that certain Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement executed by and between the Town and Valencia on the Lake, L.P., effective November 13, 2013, as amended.

"District" shall mean the Valencia Public Improvement District No. 2 created on August 16, 2022.

"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.

"Indenture" means that certain Indenture of Trust between the Town and Wilmington Trust, National Association, as trustee, dated as of November 22, 2022 relating to the Bonds.

"Plans" means the plans, specifications, schedules and related construction contracts for the Authorized Improvements, respectively, approved pursuant to the applicable standards,

ordinances, procedures, policies and directives of the Town, 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 and any funds received from the Developer, 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 Valencia Public Improvement District No. 2 Service and Assessment Plan adopted by Town ordinance on November 1, 2022 by the Town Council, prepared pursuant to the Act.

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

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

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

"Town Manager" means the Town Manager of the Town, or its designee.

"Town Representative" means the Town Manager, or any other official or agent of the Town later authorized by the Town to undertake the action referenced herein.

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 all or a portion of the Authorized Improvements in accordance with the terms and limitations of the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Authorized Improvements are eligible to be financed with proceeds of the Bonds to the extent specified herein.

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

(e) The Developer will undertake, oversee, or ensure the construction and development of the Authorized Improvements for acquisition and acceptance by the Town, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the 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 projects to be financed in part with the proceeds of the Bonds are the Authorized Improvements. The payment of costs from the proceeds of the Bonds for such Authorized Improvements shall be made from the Authorized Improvements Account of the Project Fund established under the Indenture.

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

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

(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 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 Accounts. All disbursements from the Authorized Improvements Account of the Project Fund shall be made by the Town in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement, and the Indenture.

ARTICLE IV
CONSTRUCTION OF THE 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, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ, at all times, adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements to be acquired and accepted by the Town, from the Developer, as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Authorized Improvement and, upon completion, inspection, and acceptance, convey each such Authorized Improvement to the Town, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Authorized Improvements required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the Town 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 may be made available to pay Cost Overruns on any other Authorized Improvement. The Town shall promptly confirm to the Administrator 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 and shall include an update reflecting such change in the subsequent Annual Service Plan Update. 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 the Authorized Improvements. 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, or become available, pursuant to Section 4.04. If any change order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the Town for approval by the Town's engineer prior to execution of the change order.

ARTICLE V
ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or from the Authorized Improvements Account of the Project Fund at closing of the Bonds related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the Town, to be delivered to the Town no less than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive the disbursement for an Authorized Improvement from the Authorized Improvements Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the Town, to be delivered to the Town no later than five (5) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the Town, the Town shall submit a Closing Disbursement Request or a Certification for Payment, as applicable, to the Trustee for disbursement to be made

from the Costs of Issuance Account of the Project Fund or the Authorized Improvements Account of the Project Fund, as applicable.

Section 5.02. Certification for Payment for an Authorized Improvement.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Authorized Improvement until a Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation required by the Town) from the Developer, the Town Inspector 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 Certification for Payment (collectively, the "Developer Compliance Requirements"). The Town Inspector and/or the Town Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the Town Inspector and/or Town Representative in conducting each such review and to provide the Town Inspector and/or Town Representative with such additional information and documentation as is reasonably necessary for the Town Inspector and/or Town Representative to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certification for Payment, the Town Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof, or (ii) in the event the Town Representative disapproves the Certification for Payment, give written notification to the Developer of the Town Representative's disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the Town Representative shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial disapproval.

(c) If the Town Representative disapproves the Certification for Payment, the disapproval must be in writing, stating the reason(s) for disapproval. The disapproval may be appealed to the Town Council by the Developer in writing within thirty (30) days after Developer's receipt of the Town's disapproval pursuant to Section 5.02(b) of this Agreement. Disapproval of the Certification for Payment by the Town Council shall be attempted to be resolved by half-day

mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the Trustee for payment until the dispute is resolved by the Town and the Developer.

(d) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the Trustee shall make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for an Authorized Improvement.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the Authorized Improvements Account of the Project Fund pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Authorized Improvement, unless a Cost Overrun amount has been approved for a particular Authorized Improvement. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the Trustee shall make payment (i) directly to the general contractor or supplier of materials or services, or (ii) jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment, out of available and appropriate funds in the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Authorized Improvement identified in such request for payment being paid, then Trustee shall hold the payment until work with respect to that Authorized Improvement has been completed and accepted by the Town. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the Trustee shall make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, the Trustee will make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the 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, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Authorized Improvement to foreclosure,

forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Authorized Improvement is contested, the Developer shall post or cause delivery of a surety bond in the amount reasonably determined by the Town or the Town may decline to accept the Authorized Improvements until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI
OWNERSHIP AND TRANSFER OF AN AUTHORIZED IMPROVEMENT

Section 6.01. Authorized Improvement to be Owned by the Town – Title Evidence. If required by the Town, the Developer shall furnish to the Town, a preliminary title report for land with respect to an Authorized Improvement 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 clean title or 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 to the Authorized Improvement until the Developer has cured such objections to title to the reasonable satisfaction of the Town.

Section 6.02. Authorized Improvement Constructed on Town Land or Developer Land. If the Authorized Improvement is on land owned by the Town, the Town hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance by the Town) of the Authorized Improvement. If the Authorized Improvement is on land owned by the Developer, the Developer hereby grants to the Town a nonexclusive easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance by the Town) of the Authorized Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the Town title to property and/or easements related to the Authorized Improvement as required by the Development Agreement or as should, in the Town's reasonable 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 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 fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the 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 or the Authorized Improvements.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the costs associated with the Authorized Improvements, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the 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 agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the 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 have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Authorized Improvements to the Town.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the Town

Manager and the Town Representative related to the status of construction of the Authorized Improvements within the District, the anticipated completion dates for future improvements and any other matter that the initial 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 inquires 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, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE TOWN INSPECTOR, THE TOWN, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT

DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE AUTHORIZED IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) 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; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE AUTHORIZED IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE AUTHORIZED IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE AUTHORIZED IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND THE TOWN AGAINST ALL SUCH CLAIMS, AND THE TOWN IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, THE TOWN SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY THE TOWN IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND THE INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY THE INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN TOWN-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, THE INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND DEVELOPER

SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by 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 are or may be increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII
TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the 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 a 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 described in Section 8.02(a) occurs, the Town shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the Town 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 Improvements. 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 to mitigate to the reasonable satisfaction of the Town the grounds for such termination. Such period may be extended, at the sole 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 reasonable 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 an Authorized Improvement only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the 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 Authorized Improvements, provided that the Developer shall receive payment of the Actual Costs of any Authorized Improvements that were 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 Improvements 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 Improvements hereunder, except as otherwise may be provided upon the mutual written consent of the Town and the Developer or as provided for in the Reimbursement Agreement. The Town shall have no obligation to perform any work related to an Authorized Improvement or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the Town or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to fund the Bonds) issued under the Indenture.

Section 8.04. 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 this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) ("Force Majeure"), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the conclusion of the event of Force Majeure.

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 Town Inspector, Town Representative nor any other Town employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The Town Inspector, Town Representative 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 transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the Town:	Attn: Matt Mueller, Town Manager Town of Little Elm, Texas 100 W. Eldorado Parkway Little Elm, Texas 75068
With a copy to:	Attn: Robert Brown Brown & Hofmeister, LLP 740 E. Campbell Rd., Ste. 800 Richardson, Texas 75081
And to:	Attn: Bond Counsel Robert Dransfield Norton Rose Fulbright US LLP 2200 Ross Avenue, Suite 3600 Dallas, Texas 75201
To the Developer:	Attn: Mehrdad Moayedi Valencia on the Lake 2B2 and 4, LLC 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234
With a copy to:	Attn: Travis Boghetich Boghetich Law, PLLC 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The Town shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the 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 Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for the Developer for an Authorized Improvement, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under

such financing and such Person elects to complete the Authorized Improvement. No such assignment shall be made by the Developer or any successor or assignee of the Developer that results in the Town being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the Town. 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. The Town may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the Town's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

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, upon agreement by the parties, this Agreement may be amended, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its

execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years or upon redemption or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement, or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the costs of the Authorized Improvements that have been approved by the Town pursuant to a Certification for Payment prior to the date of default.

Section 9.14 No Waiver of Powers or Immunity. The Town does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. No Boycott Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 9.16. Not a Listed Company. The Developer 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 enable the Town to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime

relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 9.17. Verification Regarding Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, 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 with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 9.18. Verification Regarding Discrimination Against Firearm Entity or Trade Association.

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii)

refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

Section 9.19. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer'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 Developer, 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 Developer 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 Developer; and, neither the Town nor its consultants have verified such information.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of November 1, 2022.

TOWN OF LITTLE ELM, TEXAS

By: _____
Name: Curtis J. Cornelious
Title: Mayor

ATTEST:

_____
Name: Caitlan Biggs
Title: Town Secretary

(Town Seal)

APPROVED AS TO FORM:

_____
Robert Brown, Attorney for the Town

DEVELOPER:

Valencia on the Lake 2B2 and 4, LLC
a Texas limited liability company

By: Valencia on the Lake, L.P.,
a Texas limited partnership
Its Manager

By: Valencia on the Lake GP, LLC,
a Texas limited liability company
Its General Partner

By:_____
Name: Mehrdad Moayedi
Its: Manager

Exhibit A

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for Valencia on the Lake 2B2 and 4, LLC, (the "Developer") and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Authorized Improvements Account of the Project Fund] (as defined in the Valencia Public Improvement District No. 2 Construction, Funding, and Acquisition Agreement) from Wilmington Trust, National Association, (the "Trustee") in the amount of _____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Valencia Public Improvement District No. 2 (the "District"), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

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

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the Town.

3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.

4. The Developer has not received written notice of any uncured default under the Valencia Public Improvement District No. 2 Construction, Funding, and Acquisition Agreement, the Indenture, or the Service and Assessment Plan.

5. All conditions set forth in the Indenture (as defined in the Valencia Public Improvement District No. 2 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.

VALENCIA ON THE LAKE 2B2 AND 4, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY TOWN

The Town is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the Town approves the Closing Disbursement Request and shall include said payments in the Town Certificate submitted to the Trustee directing payments to be made from the Costs of Issuance Account of the Project Fund and/or the Authorized Improvements Account of the Project Fund, as applicable, upon delivery of the Bonds. The Town's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the Town from asserting claims under the Valencia Public Improvement District No. 2 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 an Authorized Improvement.

TOWN OF LITTLE ELM, TEXAS

By: _____

Name: _____
Title: _____
Date: _____

Exhibit B

CERTIFICATION FOR PAYMENT FORM – AUTHORIZED IMPROVEMENTS

The undersigned is a lawfully authorized representative for Valencia on the Lake 2B2 and 4, LLC, (the "Developer") and requests payment from the Authorized Improvements Account of the Project Fund from Wilmington Trust, National Association (the "Trustee") in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Authorized Improvements related to the Valencia Public Improvement District No. 2 (the "Authorized Improvements"):

[insert specific Authorized Improvement this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Valencia Public Improvement District No. 2 Construction, Funding, and Acquisition Agreement.

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 Certification for Payment Form on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Authorized Improvement(s) 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 itemized amounts listed for the Authorized Improvement(s) below is a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Authorized Improvement(s) identified above, and such costs are (i) in compliance with the Valencia Public Improvement District No. 2 Construction, Funding and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.

4. The Developer has not received written notice of any uncured default under the Valencia Public Improvement District No. 2 Construction, Funding and Acquisition Agreement, the Indenture, or the Service and Assessment Plan.

5. All conditions set forth in the Indenture (as defined in the Valencia Public Improvement District No. 2 Construction, Funding and Acquisition Agreement) for the payment hereby requested have been satisfied.

6. The work with respect to the Authorized Improvement(s) identified above (or its completed segment, portion or segment) has been completed and the Town has inspected or may begin inspection of the Authorized Improvement(s). If this request for payment

results in ninety percent (90%) or more of the Budgeted Costs for the Authorized Improvement(s) identified above being paid, then the work with respect to the Authorized Improvement(s) have been completed and the Town has inspected AND accepted the Authorized Improvement(s).

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 are as follows:

Payee / Description of Authorized Improvement	**Total Cost of Authorized Improvement**	**Budgeted Cost of Authorized Improvement**	**Amount to be paid from the Project Fund**

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Valencia Public Improvement District No. 2 Construction, Funding and Acquisition Agreement, after receiving this Payment Request, the Town is authorized to inspect the Authorized Improvement (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

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

VALENCIA ON THE LAKE 2B2 AND 4, LLC

By:_____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY TOWN

The Town is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the Town approves the Certification for Payment and shall include said payments in the Town Certificate submitted to the Trustee directing payments to be made from appropriate Project Fund account. The Town's approval of the Certification for Payment shall not have the effect of estopping or preventing the Town from asserting claims under the Valencia Public Improvement District No. 2 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 LITTLE ELM, TEXAS

By: _____

Name: _____
Title: _____
Date: _____

EXHIBIT E

LANDOWNER AGREEMENT

VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2
LANDOWNER AGREEMENT

This **VALENCIA PUBLIC IMPROVEMENT DISTRICT NO. 2 LANDOWNER AGREEMENT** (the "Agreement"), is entered into as of November 1, 2022 between the Town of Little Elm, Texas (the "Town"), a home rule municipality of the State of Texas (the "State"), and Valencia on the Lake 2B2 and 4, LLC, a Texas limited liability company (the "Landowner").

RECITALS:

WHEREAS, Landowner owns the Assessed Property described by a metes and bounds description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the "Landowner's Parcel") which is located (i) within the Valencia Public Improvement District No. 2 (the "District") and (ii) within the corporate limits of the Town; and

WHEREAS, the Town Council has adopted an Assessment Ordinance for the Authorized Improvements (including all exhibits and attachments thereto, the "Assessment Ordinance") and the Service and Assessment Plan included as an **Exhibit A** to the Assessment Ordinance (the "Service and Assessment Plan") and which is incorporated herein for all purposes, and has levied an assessment on each parcel of Assessed Property in the District (as identified in the Service and Assessment Plan**)** that will be pledged as the security for the payment of bonds or other obligations (the "Bonds") to be issued for the purpose of paying the costs of certain Authorized Improvements that will benefit the Assessed Property; and

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

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

DEFINITIONS; APPROVAL OF AGREEMENTS

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

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

I.
AGREEMENTS OF LANDOWNER

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

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel, as shown on **Exhibit I,** and the location and development of the Authorized Improvements on the Landowner's Parcel and on the property within the District;

(ii) the determinations and findings as to the benefits by the Town Council in the Service and Assessment Plan and the Assessment Ordinance;

(iii) the Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. Landowner consents to, agrees to, acknowledges and accepts the following:

(i) each Assessment levied by the Town on the Landowner's Parcel within the District as shown on the assessment roll attached as Appendix G to the Service and Assessment Plan (the "Assessment Roll");

(ii) the Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Assessed Property within the District, as such Assessment is shown on the Assessment Roll;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of the Landowner's Parcel, regardless of whether such landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of a mandatory prepayment event as provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Landowner's Parcel owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Assessment Ordinance;

(v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Landowner's Parcel, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Landowner's Parcel regardless of whether such owner is named;

(vi) the Assessment lien on the Landowner's Parcel is a lien and covenant that runs with the land and is effective from the date of the Assessment Ordinance and continues until the Assessment is paid and may be enforced by the governing body of the Town in the same manner that an ad valorem tax lien against real property may be enforced by the Town;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of the Landowner's Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, including on any lot within the Landowner's Parcel;

(ix) the Annual Installments of the Assessments may be adjusted, decreased and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the annual installments, when due, and without the necessity of further action, assessments or reassessments by the Town, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under Texas law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the Town and as provided in the Service and Assessment Plan, as amended or updated.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Covenants, Conditions and Restrictions attached hereto as **Exhibit II** shall be terms, conditions and provisions running with the Landowner's Parcel and shall be recorded (the contents of which shall be consistent with the Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the Town), in the records of the County Clerk of Denton County, as a lien and encumbrance against such Landowner's Parcel, and Landowner hereby authorizes the Town to so record such documents against the Landowner's Parcel owned by Landowner;

(ii) reference to the Covenants, Conditions and Restrictions attached hereto as **Exhibit II** shall be included on all recordable subdivision plats and such plats shall be recorded in the real property records of Denton County, Texas;

(iii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such Landowner's Parcel subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions; and

(iv) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the Town) any party who purchases the Landowner's Parcel owned by Landowner, or any portion thereof, for the purpose of constructing residential properties that are eligible for "homestead" designations under State law, to comply with, the Homebuyer Education Program

described on **Exhibit III** to this Agreement. Such compliance obligation shall terminate as to each Lot (as defined in the Service and Assessment Plan) if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the Town, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a "Builder") but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner's request and the Town's consent, in the Town's sole and absolute discretion, the Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as **Exhibit II**.

II.
OWNERSHIP AND CONSTRUCTION OF THE AUTHORIZED IMPROVEMENTS

A. Ownership and Transfer of Authorized Improvements. Landowner acknowledges that all of the Authorized Improvements and the land (or easements, as applicable) needed therefor shall be owned by the Town as constructed and/or conveyed to the Town and Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. Grant of Easement and License, Construction of the Authorized Improvements.

(i) Any subsequent owner of the Landowner's Parcel shall, upon the request of the Town or Landowner, grant and convey to the Town or Landowner and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Authorized Improvements on the property within the District, to stage on the property within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Authorized Improvements. Any subsequent owner of the Landowner's Parcel may require that each contractor constructing the Authorized Improvements cause such owner of the Landowner's Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of the Landowner's Parcel. The right to use and enjoy any easement and license provided above shall continue until the construction of the Authorized Improvements is complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner's Parcel in the real property records of Denton County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement, or other agreement, with respect to the Assessments has been satisfied, and that Landowner shall not have any rights or remedies against the Town under the Development Agreement, or under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the Town's levy and collection of the Assessments.

III.
COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner.

Landowner represents and warrants to the Town as follows:

(i) Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the Town and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Landowner is a party, or by which Landowner or the Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the Denton County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Authorized Improvements on those portions of the property within the District which are to be owned by the Town as generally described on the current plats of the property within the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, such Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning the Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the Town and its successors, assigns and agents, pertaining to the installation of the Authorized Improvements.

C. Notices.

Any notice or other communication to be given to the Town or Landowner under this Agreement shall be given by delivering the same in writing to:

To the Town:	Town of Little Elm, Texas Attn: Town Manager 100 West Eldorado Parkway Little Elm, Texas 75068 Telephone: (972) 377-1882
With a copy to:	Town Attorney Attn: Robert Brown Brown & Hofmeister, L.L.P. 740 E. Campbell Road, Suite 800 Richardson, Texas 75081
To the Landowner:	Valencia on the Lake 2B2 and 4, LLC Attn: Mehrdad Moayedi 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234
With a copy to:	Boghetich Law, PLLC Attn: Travis Boghetich 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest.

This Agreement is made solely for the benefit of the Town and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner's Parcel. However, the parties expressly agree and acknowledge that the Town, the Landowner, each current owner of any parcel which constitutes the Landowner's Parcel, and the holders of or trustee for any bonds secured by Assessment revenues of the Town or any part thereof to finance the costs of the Authorized Improvements, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Denton County, Texas.

E. Amendments.

This Agreement may be amended only by written instrument executed by the Town and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Denton County, Texas.

F. Effective Date.

This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the latter of the Town and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels.

Within 10 days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner's Parcel, and whether any party is then in default hereunder.

H. Termination.

This Agreement shall terminate and be of no further force and effect as to the Landowner's Parcel upon payment in full of the Assessment(s) against such Landowner's Parcel.

I. No Boycott of Israel.

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action

made for ordinary business purposes. The Landowner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

J. No Business With Sanctioned Countries.

The Landowner 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 enable the Town to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Landowner and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Landowner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

K. Verification Regarding Energy Company Boycotts.

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, 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 with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Landowner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

L. Verification Regarding Discrimination Against Firearm Entity or Trade Association.

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Landowner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm

entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the Town to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

As used in this Section, the Landowner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Landowner within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

M. Form 1295 Certificate. Landowner represents that it has complied with Texas Government Code, Section 2252.908 and in connection therewith, the Landowner has completed a Texas Ethics Commission Form 1295 Certificate generated by the Texas Ethics Commission's electronic filing system in accordance with the rules promulgated by the Texas Ethics Commission. The Landowner further agrees to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, Section 2252.908 and the rules of the Texas Ethics Commission and provide to the Town at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate. The Parties agree that, except for the information identifying the Town and the contract identification number, the Town is not responsible for the information contained in the Form 1295 completed by the Landowner. The information contained in the Form 1295 completed by the Landowner has been provided solely by the Landowner and the Town has not verified such information.

[Signature pages to follow]

EXECUTED by the Town and Landowner on the respective dates stated below.

Date: November 1, 2022

TOWN OF LITTLE ELM, TEXAS

By: _____
Curtis J. Cornelious, Mayor

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the __ day of _____, 2022 by Curtis J. Cornelious, Mayor of the Town of Little Elm, Texas on behalf of said Town.

_____
Notary Public, State of Texas

(SEAL)

_____
Name printed or typed

Commission Expires:_____

[Signature Page Landowner Agreement]

LANDOWNER

Valencia on the Lake 2B2 and 4, LLC
a Texas limited liability company

By: Valencia on the Lake, L.P.,
a Texas limited partnership
Its Manager

By: Valencia on the Lake GP, LLC,
a Texas limited liability company
Its General Partner

By:_____
Name: Mehrdad Moayedi
Its: Manager

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2022 by Mehrdad Moayedi, Manager of Valencia on the Lake GP, LLC, as General Partner of Valencia on the Lake, L.P., a Texas limited partnership, as manager of Valencia on the Lake 2B2 and 4, LLC, a Texas limited liability company on behalf of said limited liability company.

_____
Notary Public, State of Texas

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

DESCRIPTION

TRACT I – PHASE 2B2:

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE SANTIAGO GUARRARA SURVEY, ABSTRACT NO. 456, ACCORDING TO DEEDS TO VALENCIA ON THE LAKE, L.P., RECORDED IN DOCUMENT NUMBER 2007-8103, OF THE REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS (RPRDCT), AND DOCUMENT NUMBER 2007-41359, RPRDCT, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A UNITED STATES ARMY CORPS OF ENGINEERS (USACOE) MONUMENT MARKED "J-818-1/1" FOUND ON THE CALLED EAST LINE OF SAID SANTIAGO GUARRARA SURVEY, SAID MONUMENT ALSO BEING LOCATED ON THE CALLED "TAKE" LINE OF LAKE LEWISVILLE, AND BEING THE MOST NORTHEASTERLY CORNER OF SAID VALENCIA ON THE LAKE, L.P. TRACT;

THENCE SOUTH 77 DEGREES 57 MINUTES 18 SECONDS WEST, WITH SAID "TAKE" LINE, AND THE NORTHWESTERLY LINE OF THE VALENCIA ON THE LAKE, L.P. TRACT, A DISTANCE OF 438.91 FEET TO A USACOE MONUMENT MARKED "J-812-7" FOUND;

THENCE SOUTH 49 DEGREES 34 MINUTES 24 SECONDS WEST, CONTINUING WITH SAID "TAKE" LINE, AND THE NORTHWESTERLY LINE OF THE VALENCIA ON THE LAKE, L.P. TRACT, A DISTANCE OF 500.01 FEET TO A USACOE MONUMENT MARKED "J-812-6" FOUND;

THENCE SOUTH 28 DEGREES 21 MINUTES 51 SECONDS WEST, CONTINUING WITH SAID "TAKE" LINE, AND THE NORTHWESTERLY LINE OF THE VALENCIA ON THE LAKE, L.P. TRACT, A DISTANCE OF 200.02 FEET TO A 1/2 INCH IRON ROD FOUND;

THENCE SOUTH 44 DEGREES 30 MINUTES 07 SECONDS WEST, CONTINUING WITH SAID "TAKE" LINE, AND THE NORTHWESTERLY LINE OF THE VALENCIA ON THE LAKE, L.P. TRACT, A DISTANCE OF 399.34 FEET TO A USACOE MONUMENT MARKED "J-812-4" FOUND;

THENCE SOUTH 59 DEGREES 24 MINUTES 02 SECONDS WEST, CONTINUING WITH SAID "TAKE" LINE, AND THE NORTHWESTERLY LINE OF THE VALENCIA ON THE LAKE, L.P. TRACT, A DISTANCE OF 168.41 FEET TO A USACOE MONUMENT MARKED "J-812-3" FOUND;

THENCE SOUTH 80 DEGREES 38 MINUTES 17 SECONDS WEST, CONTINUING WITH SAID "TAKE" LINE, AND THE NORTHWESTERLY LINE OF THE VALENCIA ON THE

LAKE, L.P. TRACT, A DISTANCE OF 243.83 FEET TO A USACOE MONUMENT MARKED "J-812-1" FOUND;

THENCE SOUTH 38 DEGREES 33 MINUTES 33 SECONDS WEST, CONTINUING WITH SAID "TAKE" LINE, AND THE NORTHWESTERLY LINE OF THE VALENCIA ON THE LAKE, L.P. TRACT, A DISTANCE OF 717.30 FEET TO THE POINT OF BEGINNING OF HEREIN DESCRIBED TRACT OF LAND;

THENCE LEAVING SAID "TAKE" LINE, AND THE NORTHWESTERLY LINE OF THE VALENCIA ON THE LAKE, L.P. TRACT, AND OVER AND ACROSS SAID VALENCIA ON THE LAKE, L.P. TRACT, THE FOLLOWING COURSES TO POINTS FOR CORNER:

SOUTH 51 DEGREES 26 MINUTES 27 SECONDS EAST, A DISTANCE OF 257.14 FEET, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

NORTHEASTERLY WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 43 DEGREES 47 MINUTES 33 SECONDS, A RADIUS OF 60.00 FEET, A CHORD WHICH BEARS NORTH 55 DEGREES 24 MINUTES 53 SECONDS EAST, A CHORD DISTANCE OF 44.75 FEET, FOR AN ARC DISTANCE OF 45.86 FEET TO THE END OF SAID CURVE;

NORTH 43 DEGREES 45 MINUTES 14 SECONDS WEST, A DISTANCE OF 7.48 FEET;

NORTH 46 DEGREES 14 MINUTES 46 SECONDS WEST, A DISTANCE OF 120.00 FEET;

NORTH 43 DEGREES 45 MINUTES 14 SECONDS EAST, A DISTANCE OF 600.00 FEET;

SOUTH 46 DEGREES 14 MINUTES 46 SECONDS EAST, A DISTANCE OF 120.00 FEET;

SOUTH 43 DEGREES 45 MINUTES 14 SECONDS WEST, A DISTANCE OF 30.00 FEET;

SOUTH 46 DEGREES 14 MINUTES 46 SECONDS EAST, A DISTANCE OF 50.00 FEET;

NORTH 43 DEGREES 45 MINUTES 14 SECONDS EAST, A DISTANCE OF 74.94 FEET;

SOUTH 45 DEGREES 03 MINUTES 06 SECONDS EAST, A DISTANCE OF 390.52 FEET, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

SOUTHWESTERLY WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 00 DEGREES 45 MINUTES 33 SECONDS, A RADIUS OF 2264.00 FEET, A CHORD WHICH BEARS SOUTH 45 DEGREES 19 MINUTES 41 SECONDS WEST, A CHORD DISTANCE OF 30.00, FOR AN ARC DISTANCE OF 30.00 FEET TO THE END OF SAID CURVE;

SOUTH 44 DEGREES 17 MINUTES 32 SECONDS EAST, A DISTANCE OF 50.00 FEET, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

NORTHEASTERLY WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 04 DEGREES 35 MINUTES 30 SECONDS, A RADIUS OF 2314.00 FEET, A CHORD WHICH BEARS NORTH 43 DEGREES 24 MINUTES 43 SECONDS EAST, A CHORD DISTANCE OF 185.39 FEET, FOR AN ARC DISTANCE OF 185.44 FEET TO THE END OF SAID CURVE;

AND SOUTH 49 DEGREES 30 MINUTES 11 SECONDS EAST, A DISTANCE OF 131.01 FEET, SAID POINT BEING A NORTHERLY CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO THE TOWN OF LITTLE ELM (ROCKHILL PARKWAY - CALLED 90 FOOT RIGHT-OF-WAY) RECORDED IN DOCUMENT NO. 2014-31379, RPRDCT, AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

THENCE WITH THE NORTHERLY LINE OF SAID ROCKHILL PARKWAY, THE FOLLOWING COURSES TO POINTS FOR CORNER:

SOUTHWESTERLY WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 15 DEGREES 31 MINUTES 47 SECONDS, A RADIUS OF 2445.00 FEET, A CHORD WHICH BEARS SOUTH 48 DEGREES 50 MINUTES 51 SECONDS WEST, A CHORD DISTANCE OF 660.67 FEET, FOR AN ARC DISTANCE OF 662.70 FEET TO THE END OF SAID CURVE;

NORTH 33 DEGREES 30 MINUTES 17 SECONDS WEST, A DISTANCE OF 20.00 FEET;

SOUTH 57 DEGREES 12 MINUTES 15 SECONDS WEST, A DISTANCE OF 50.00 FEET;

SOUTH 33 DEGREES 30 MINUTES 17 SECONDS EAST, A DISTANCE OF 20.00 FEET, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

SOUTHWESTERLY WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 09 DEGREES 37 MINUTES 40 SECONDS, A RADIUS OF 2445.00 FEET, A CHORD WHICH BEARS SOUTH 62 DEGREES 35 MINUTES 53 SECONDS WEST, A CHORD

DISTANCE OF 410.37 FEET, FOR AN ARC DISTANCE OF 410.85 FEET TO THE END OF SAID CURVE;

SOUTH 67 DEGREES 24 MINUTES 44 SECONDS WEST, A DISTANCE OF 231.77 FEET;

NORTH 22 DEGREES 35 MINUTES 16 SECONDS WEST, A DISTANCE OF 20.00 FEET;

SOUTH 67 DEGREES 24 MINUTES 44 SECONDS WEST, A DISTANCE OF 50.00 FEET;

SOUTH 22 DEGREES 35 MINUTES 16 SECONDS EAST, A DISTANCE OF 20.00 FEET;

SOUTH 67 DEGREES 24 MINUTES 44 SECONDS WEST, A DISTANCE OF 714.21 FEET;

NORTH 22 DEGREES 35 MINUTES 16 SECONDS WEST, A DISTANCE OF 20.00 FEET;

SOUTH 67 DEGREES 24 MINUTES 44 SECONDS WEST, A DISTANCE OF 50.00 FEET;

SOUTH 22 DEGREES 35 MINUTES 16 SECONDS EAST, A DISTANCE OF 20.00 FEET;

SOUTH 67 DEGREES 24 MINUTES 44 SECONDS WEST, A DISTANCE OF 175.52 FEET, SAID POINT BEING THE BEGINNING OF A TANGENT CURVE TO THE LEFT;

AND SOUTHWESTERLY WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 06 DEGREES 08 MINUTES 25 SECONDS, A RADIUS OF 1445.00 FEET, A CHORD WHICH BEARS SOUTH 64 DEGREES 20 MINUTES 31 SECONDS WEST, A CHORD DISTANCE OF 154.79 FEET, FOR AN ARC DISTANCE OF 154.86 FEET TO THE END OF SAID CURVE;

THENCE NORTH 28 DEGREES 43 MINUTES 42 SECONDS WEST, A DISTANCE OF 274.93 FEET, SAID POINT BEING LOCATED ON SAID "TAKE" LINE, FROM WHICH A USACOE MONUMENT MARKED "J-840-1/3" FOUND BEARS SOUTH 31 DEGREES 22 MINUTES 51 SECONDS WEST, A DISTANCE OF 343.86 FEET;

THENCE NORTH 31 DEGREES 22 MINUTES 51 SECONDS EAST, WITH SAID TAKE LINE, A DISTANCE OF 356.43 FEET TO A U.S.A.C.O.E. MONUMENT MARKED “J-840-1/4” FOUND FOR CORNER;

THENCE NORTH 63 DEGREES 24 MINUTES 03 SECONDS EAST, CONTINUING WITH SAID TAKE LINE, A DISTANCE OF 273.15 FEET TO A U.S.A.C.O.E. MONUMENT MARKED "J-840-1" FOUND FOR CORNER;

THENCE SOUTH 89 DEGREES 29 MINUTES 32 SECONDS EAST, CONTINUING WITH SAID TAKE LINE, A DISTANCE OF 230.56 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

THENCE NORTH 38 DEGREES 33 MINUTES 33 SECONDS EAST, CONTINUING WITH SAID TAKE LINE, A DISTANCE OF 642.81 FEET TO THE POINT OF BEGINNING AND CONTAINING 28.868 ACRES OF LAND.

TRACT II – PHASES 4A AND 4B:

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE SANTIAGO GUARRARA SURVEY, ABSTRACT NO. 456, THE TEODORO RODRIGUEZ SURVEY, ABSTRACT NO. 1068, AND THE ALEXANDER COOPER SURVEY, ABSTRACT NO. 250, IN THE TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO VALENCIA ON THE LAKE, L.P. RECORDED IN DOCUMENT NUMBER 2007-8103, AND DOCUMENT NUMBER 2007-41359 OF THE REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS (RPRDCT), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND ON THE SOUTHERLY LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO THE TOWN OF LITTLE ELM (ROCKHILL PARKWAY - CALLED 90 FOOT RIGHT-OF-WAY) RECORDED IN DOCUMENT NUMBER 2014-31379, RPRDCT, AND BEING THE NORTHWEST CORNER OF VALENCIA ON THE LAKE PHASE 1, AN ADDITION TO THE TOWN OF LITTLE ELM, TEXAS ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2015-245 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (PRDCT);

THENCE WITH THE SOUTHWESTERLY LINE OF SAID VALENCIA ON THE LAKE PHASE 1, THE FOLLOWING COURSES TO 5/8-INCH IRON RODS WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER:

SOUTH 22°35'16" EAST, A DISTANCE OF 535.00 FEET;

NORTH 67°24'44" EAST, A DISTANCE OF 200.32 FEET;

SOUTH 22°35'16" EAST, A DISTANCE OF 312.29 FEET;

SOUTH 17°05'19" WEST, A DISTANCE OF 283.91 FEET;

SOUTH 85°49'57" EAST, A DISTANCE OF 23.24 FEET;

SOUTH 60°11'21" EAST, A DISTANCE OF 50.30 FEET;

SOUTH 14°40'15" EAST, A DISTANCE OF 50.96 FEET;

SOUTH 00°02'26" WEST, A DISTANCE OF 39.41 FEET;

SOUTH 83°27'48" EAST, A DISTANCE OF 31.28 FEET;

AND SOUTH 04°48'46" EAST, A DISTANCE OF 195.51 FEET;

THENCE SOUTH 18°25'34" EAST, PASSING AT A DISTANCE OF 51.10 FEET THE SOUTHWEST CORNER OF SAID VALENCIA ON THE LAKE PHASE 1, AND CONTINUING WITH THE WESTERLY LINE OF VALENCIA ON THE LAKE PHASE 2A, AN ADDITION TO THE TOWN OF LITTLE ELM, TEXAS ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2018-62, PRDCT, IN ALL, A TOTAL DISTANCE OF 267.83 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER AT THE SOUTHWEST CORNER OF SAID VALENCIA ON THE LAKE PHASE 2A, AND BEING LOCATED ON THE NORTHERLY "TAKE LINE" OF LAKE LEWISVILLE;

THENCE WITH SAID NORTHERLY "TAKE LINE" OF LAKE LEWISVILLE, THE FOLLOWING COURSES:

SOUTH 62°23'06" WEST, A DISTANCE OF 242.31 FEET TO A U.S.A.C.O.E. FENCE POST MARKED JP-5E FOUND FOR CORNER;

NORTH 30°02'10" WEST, A DISTANCE OF 182.02 FEET TO A U.S.A.C.O.E. FENCE POST MARKED JP-5F FOUND FOR CORNER;

NORTH 77°58'31" WEST, A DISTANCE OF 203.63 FEET TO A U.S.A.C.O.E. FENCE POST MARKED JP-5G FOUND FOR CORNER;

SOUTH 67°53'16" WEST, A DISTANCE OF 253.98 FEET TO A U.S.A.C.O.E. MONUMENT MARKED J-809-2-3 FOUND FOR CORNER;

SOUTH 85°20'52" WEST, A DISTANCE OF 1000.03 FEET TO A U.S.A.C.O.E. MONUMENT MARKED J-809-2-2 FOUND FOR CORNER;

SOUTH 60°04'23" WEST, A DISTANCE OF 742.15 FEET TO A U.S.A.C.O.E. MONUMENT MARKED J-809-2-1 FOUND FOR CORNER;

AND NORTH 88°13'22" WEST, A DISTANCE OF 373.76 FEET TO A U.S.A.C.O.E. MONUMENT (DISTURBED) FOUND FOR CORNER AT THE NORTHEAST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO ROBERT SPARKS, RECORDED IN VOLUME 820, PAGE 541, RPRDCT;

THENCE WITH A NORTHERLY AND WESTERLY LINE OF SAID ROBERT SPARKS TRACT, THE FOLLOWING COURSES:

NORTH 89°11'54" WEST, A DISTANCE OF 526.42 FEET TO A 1/2-INCH IRON ROD FOUND FOR CORNER;

AND SOUTH 25°15'58" WEST, A DISTANCE OF 399.25 FEET TO A POINT FOR CORNER, SAID POINT BEING LOCATED AT THE NORTHWEST CORNER OF THE SHORES AT LAKE LEWISVILLE, AN ADDITION TO DENTON COUNTY, TEXAS ACCORDING TO FINAL PLAT RECORDED IN CABINET L, PAGE 386, PRDCT;

THENCE SOUTH 26°11'52" WEST, WITH THE NORTHWEST LINE OF SAID THE SHORES AT LAKE LEWISVILLE, A DISTANCE OF 679.39 FEET TO A 1/2-INCH IRON ROD WITH CAP FOUND AT THE NORTHERLY CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO JIM GOCKEL AND GENEVA GOCKEL RECORDED IN INSTRUMENT NUMBER 2007-51240, RPRDCT;

THENCE SOUTH 26°30'02" WEST, WITH THE NORTHWEST LINE OF SAID JIM GOCKEL AND GENEVA GOCKEL TRACT, A DISTANCE OF 163.53 FEET TO A 1-INCH IRON ROD FOUND AT THE NORTHEASTERLY CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO CLIFFORD E. BURGENT AND NORMA J. BURGENT RECORDED IN VOLUME 603, PAGE 591, RPRDCT;

THENCE NORTH 53°26'05" WEST, WITH THE NORTHERLY LINE OF SAID CLIFFORD E. BURGENT AND NORMA J. BURGENT TRACT, A DISTANCE OF 613.52 FEET TO A 1-INCH IRON ROD FOUND AT THE MOST NORTHERLY CORNER OF SAID CLIFFORD E. BURGENT AND NORMA J. BURGENT TRACT;

THENCE SOUTH 00°18'45" WEST, WITH THE WEST LINE OF SAID CLIFFORD E. BURGENT AND NORMA J. BURGENT TRACT, A DISTANCE OF 1203.50 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND ON SAID NORTH "TAKE LINE" OF LAKE LEWISVILLE;

THENCE WITH THE NORTH LINE OF SAID "TAKE LINE" OF LAKE LEWISVILLE, THE FOLLOWING COURSES:

SOUTH 88°44'53" WEST, A DISTANCE OF 850.88 FEET TO A U.S.A.C.O.E. MONUMENT MARKED 723-A FOUND FOR CORNER;

SOUTH 01°32'31" WEST, A DISTANCE OF 224.05 FEET TO A 1/2-INCH IRON ROD FOUND FOR CORNER;

SOUTH 41°00'56" WEST, A DISTANCE OF 1035.32 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

SOUTH 31°43'14" EAST, A DISTANCE OF 42.77 FEET TO A U.S.A.C.O.E. MONUMENT MARKED H-725-6 FOUND FOR CORNER;

SOUTH 67°02'07" WEST, A DISTANCE OF 399.58 FEET TO A U.S.A.C.O.E. MONUMENT MARKED H-725-5 FOUND FOR CORNER;

NORTH 03°41'18" EAST, A DISTANCE OF 799.83 FEET TO A U.S.A.C.O.E. MONUMENT MARKED H-725-4 FOUND FOR CORNER;

AND NORTH 54°23'26" WEST, A DISTANCE OF 281.39 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BCG 10194538" SET FOR CORNER;

THENCE NORTH 00°00'03" EAST, LEAVING THE NORTH "TAKE LINE" OF LAKE LEWISVILLE, AND OVER AND ACROSS SAID VALENCIA ON THE LAKE TRACT, A DISTANCE OF 361.61 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "BCG 10194538" SET FOR CORNER ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF ROCKHILL PARKWAY;

THENCE WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF ROCKHILL PARKWAY, THE FOLLOWING COURSES:

SOUTH 89°59'57" EAST, A DISTANCE OF 150.00 FEET TO AN "X" CUT IN CONCRETE FOUND FOR CORNER;

SOUTH 00°00'03" WEST, A DISTANCE OF 20.00 FEET TO A TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

SOUTH 89°59'57" EAST, A DISTANCE OF 50.00 FEET TO A TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 00°00'03" EAST, A DISTANCE OF 20.00 FEET TO AN "X" CUT IN CONCRETE FOUND FOR CORNER;

SOUTH 89°59'57" EAST, A DISTANCE OF 153.66 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER AT THE BEGINNING OF A TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 06°39'57", A RADIUS OF 985.00 FEET, A CHORD WHICH BEARS NORTH 86°40'04" EAST, A DISTANCE OF 114.53 FEET, AND AN ARC LENGTH OF 114.60 FEET TO THE END OF SAID CURVE, AN "X" CUT IN CONCRETE FOUND FOR CORNER;

SOUTH 00°00'03" WEST, A DISTANCE OF 20.76 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

SOUTH 89°59'57" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 00°00'03" EAST, A DISTANCE OF 27.91 FEET TO AN "X" CUT IN CONCRETE FOUND FOR CORNER AT THE BEGINNING OF A TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 60°07'30", A RADIUS OF 985.00 FEET, A CHORD WHICH BEARS NORTH 50°20'02" EAST,

A DISTANCE OF 986.86 FEET, AND AN ARC LENGTH OF 1033.64 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 20°16'17" EAST, A DISTANCE OF 616.39 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER AT THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 42°44'37", A RADIUS OF 1665.00 FEET, A CHORD WHICH BEARS NORTH 41°38'36" EAST, A DISTANCE OF 1213.51 FEET, AND AN ARC LENGTH OF 1242.12 FEET TO THE END OF SAID CURVE, AN "X" CUT IN CONCRETE FOUND FOR CORNER;

SOUTH 26°05'42" EAST, A DISTANCE OF 20.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 63°52'30" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 26°05'42" WEST, A DISTANCE OF 20.00 FEET TO AN "X" CUT IN CONCRETE FOUND FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 18°47'50", A RADIUS OF 1665.00 FEET, A CHORD WHICH BEARS NORTH 74°08'04" EAST, A DISTANCE OF 543.80 FEET, AND AN ARC LENGTH OF 546.25 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 83°31'59" EAST, A DISTANCE OF 302.69 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER AT THE BEGINNING OF A TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 08°12'08", A RADIUS OF 995.00 FEET, A CHORD WHICH BEARS NORTH 79°25'55" EAST, A DISTANCE OF 142.32 FEET, AND AN ARC LENGTH OF 142.44 FEET TO THE END OF SAID CURVE, AN "X" CUT IN CONCRETE FOUND FOR CORNER;

SOUTH 16°06'32" EAST, A DISTANCE OF 20.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 73°53'28" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 16°06'32" WEST, A DISTANCE OF 20.00 FEET TO AN "X" CUT IN CONCRETE FOUND FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 08°16'25", A RADIUS OF 995.00 FEET, A CHORD WHICH BEARS NORTH 68°18'52" EAST, A DISTANCE OF 143.55 FEET, AND AN ARC LENGTH OF 143.68 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 64°10'40" EAST, A DISTANCE OF 689.07 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER AT THE BEGINNING OF A TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 06°36'01", A RADIUS OF 1845.00 FEET, A CHORD WHICH BEARS NORTH 60°52'40" EAST, A DISTANCE OF 212.42 FEET, AND AN ARC LENGTH OF 212.54 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 57°34'39" EAST, A DISTANCE OF 457.24 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER AT THE BEGINNING OF A TANGENT CURVE TO THE LEFT;

AND NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 01°03'34", A RADIUS OF 1045.00 FEET, A CHORD WHICH BEARS NORTH 57°02'52" EAST, A DISTANCE OF 19.32 FEET, AND AN ARC LENGTH OF 19.32 FEET TO THE END OF SAID CURVE, SAME BEING THE MOST WESTERLY CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO THE BOARD OF TRUSTEES OF THE LITTLE ELM INDEPENDENT SCHOOL DISTRICT, RECORDED IN DOCUMENT NUMBER 2018-121058, RPRDCT;

THENCE LEAVING THE SOUTHERLY RIGHT-OF-WAY LINE OF ROCKHILL PARKWAY, AND WITH THE SOUTHWESTERLY AND SOUTHERLY LINES OF SAID BOARD OF TRUSTEES OF THE LITTLE ELM INDEPENDENT SCHOOL DISTRICT TRACT LINE, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

SOUTH 33°28'56" EAST, A DISTANCE OF 30.00 FEET;

SOUTH 42°02'31" EAST, A DISTANCE OF 113.65 FEET, SAID IRON ROD BEING THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

SOUTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 23°28'29", A RADIUS OF 510.00 FEET, A CHORD WHICH BEARS SOUTH 30°18'16" EAST, A DISTANCE OF 207.49 FEET, AND AN ARC LENGTH OF 208.95 FEET TO THE END OF SAID CURVE;

SOUTH 18°34'02" EAST, A DISTANCE OF 165.01 FEET;

NORTH 70°08'57" EAST, A DISTANCE OF 151.64 FEET, SAID IRON ROD BEING THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 15°25'18", A RADIUS OF 375.00 FEET, A CHORD WHICH BEARS NORTH 77°51'36" EAST, A DISTANCE OF 100.63 FEET, AND AN ARC LENGTH OF 100.93 FEET TO THE END OF SAID CURVE;

AND NORTH 85°34'15" EAST, A DISTANCE OF 543.85 FEET;

THENCE WITH THE NORTHEASTERLY LINE OF SAID BOARD OF TRUSTEES OF THE LITTLE ELM INDEPENDENT SCHOOL DISTRICT TRACT LINE, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER;

NORTH 08°47'05" WEST, A DISTANCE OF 58.11 FEET, SAID IRON ROD BEING THE BEGINNING OF A TANGENT CURVE TO THE LEFT;

NORTHWESTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 29°09'23", A RADIUS OF 725.00 FEET, A CHORD WHICH BEARS NORTH 23°21'46" WEST, A DISTANCE OF 364.97 FEET, AND AN ARC LENGTH OF 368.93 FEET TO THE END OF SAID CURVE;

AND NORTH 37°56'28" WEST, A DISTANCE OF 531.27 FEET, SAID IRON ROD BEING LOCATED ON SAID SOUTHERLY RIGHT-OF-WAY LINE OF ROCKHILL PARKWAY, AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

THENCE WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF ROCKHILL PARKWAY, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER:

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 16°24'39", A RADIUS OF 1355.00 FEET, A CHORD WHICH BEARS NORTH 59°12'24" EAST, A DISTANCE OF 386.78 FEET, AND AN ARC LENGTH OF 388.10 FEET TO THE END OF SAID CURVE;

AND NORTH 67°24'45" EAST, A DISTANCE OF 175.53 FEET TO THE POINT OF BEGINNING AND CONTAINING AN AREA OF 139.705 ACRES OF LAND.

TRACT III – PHASE 4C:

BEING THAT CERTAIN TRACT OF LAND SITUATED IN THE ALEXANDER COOPER SURVEY, ABSTRACT NO. 250, IN THE TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS, AND BEING PART OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO VALENCIA ON THE LAKE, L.P. RECORDED IN DOCUMENT NUMBER 2007-8103 AND DOCUMENT NUMBER 2007-41359 OF THE REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS (RPRDCT), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND ON THE NORTHERLY LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO THE TOWN OF LITTLE ELM (ROCKHILL PARKWAY - CALLED 90 FOOT RIGHT-OF-WAY) RECORDED IN DOCUMENT NUMBER 2014-31379, RPRDCT, AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

THENCE WITH SAID NORTHERLY RIGHT-OF-WAY LINE OF ROCKHILL PARKWAY, THE FOLLOWING COURSES TO A 5/8-INCH IRON RODS WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER:

SOUTHWESTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 07°20'23", A RADIUS OF 895.00 FEET, A CHORD WHICH BEARS SOUTH 86°19'51" WEST, A DISTANCE OF 114.57 FEET, AND AN ARC DISTANCE OF 114.65 FEET TO THE END OF SAID CURVE;

AND NORTH 89°59'57" WEST, A DISTANCE OF 265.59 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE NORTHWESTERLY, CONTINUING WITH SAID NORTHERLY RIGHT-OF-WAY LINE OF ROCKHILL PARKWAY, AND WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 46°07'12", A RADIUS OF 90.00 FEET, A CHORD WHICH BEARS NORTH 23°03'33" WEST, A DISTANCE OF 70.50 FEET, AND AN ARC DISTANCE OF 72.44 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED "BCG 10194538" SET FOR CORNER;

THENCE NORTH 46°07'09" WEST, LEAVING THE NORTHERLY RIGHT-OF-WAY LINE OF SAID ROCKHILL PARKWAY, AND OVER AND ACROSS SAID VALENCIA ON THE LAKE L.P. TRACT, A DISTANCE OF 278.39 FEET TO A 1/2-INCH IRON ROD FOUND FOR CORNER LOCATED ON THE SOUTHEAST "TAKE LINE" OF LAKE LEWISVILLE, FROM WHICH A U.S.A.C.O.E. MONUMENT MARKED H-725-3 FOUND BEARS SOUTH 43°52'51" WEST, A DISTANCE OF 500.02 FEET;

THENCE NORTH 43°52'51" EAST, WITH SAID "TAKE LINE" OF LAKE LEWISVILLE, A DISTANCE OF 647.02 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER AT THE MOST WESTERLY CORNER OF VALENCIA ON THE LAKE PHASE 3C, AN ADDITION TO THE TOWN OF LITTLE ELM ACCORDING TO FINAL PLAT RECORDED IN DOCUMENT NUMBER 2017-419 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (PRDCT);

THENCE WITH THE SOUTHWESTERLY LINE OF SAID VALENCIA ON THE LAKE PHASE 3C, THE FOLLOWING COURSES:

SOUTH 46°07'09" EAST, A DISTANCE OF 74.59 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "PETITT-RPLS 4087" FOUND FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

SOUTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 68°20'56", A RADIUS OF 65.000 FEET, A CHORD WHICH BEARS SOUTH 15°58'22" EAST, A

DISTANCE OF 73.02 FEET, AND AN ARC LENGTH OF 77.54 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED “PETITT-RPLS 4087” FOUND FOR CORNER;

SOUTH 10°25'55" EAST, A DISTANCE OF 155.29 FEET TO AN "X" CUT IN CONCRETE FOUND FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

SOUTHWESTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 02°33'09", A RADIUS OF 449.00 FEET, A CHORD WHICH BEARS SOUTH 84°02'10" WEST, A DISTANCE OF 20.00 FEET, AND AN ARC LENGTH OF 20.00 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED “PETITT-RPLS 4087” FOUND FOR CORNER;

SOUTH 04°41'16" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED “PETITT-RPLS 4087” FOUND FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 02°52'21", A RADIUS OF 499.00 FEET, A CHORD WHICH BEARS NORTH 83°52'33" EAST, A DISTANCE OF 25.01 FEET, AND AN ARC DISTANCE OF 25.02 FEET TO THE END OF SAID CURVE, AN "X" CUT IN CONCRETE FOUND FOR CORNER;

SOUTH 10°25'55" EAST, A DISTANCE OF 218.19 FEET TO AN "X" CUT IN CONCRETE FOUND FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

SOUTHWESTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 01°35'54", A RADIUS OF 717.00 FEET, A CHORD WHICH BEARS SOUTH 82°21'55" WEST, A DISTANCE OF 20.00 FEET, AND AN ARC DISTANCE OF 20.00 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED “PETITT-RPLS 4087” FOUND FOR CORNER;

SOUTH 06°50'08" EAST, A DISTANCE OF 50.00 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED “PETITT-RPLS 4087” FOUND FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

NORTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 01°39'45", A RADIUS OF 767.00 FEET, A CHORD WHICH BEARS NORTH 82°19'59" EAST, A DISTANCE OF 22.26 FEET, AND AN ARC LENGTH OF 22.26 FEET TO THE END OF SAID CURVE, AN "X" CUT IN CONCRETE FOUND FOR CORNER AT THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

SOUTHEASTERLY, WITH SAID CURVE WHICH HAS A CENTRAL ANGLE OF 05°21'24", A RADIUS OF 225.00 FEET, A CHORD WHICH BEARS SOUTH 02°40'39" EAST, A DISTANCE OF 21.03 FEET, AND AN ARC LENGTH OF 21.04 FEET TO THE END OF SAID CURVE, A 5/8-INCH IRON ROD WITH CAP STAMPED “PETITT-RPLS 4087” FOUND FOR CORNER;

AND SOUTH 00°00'03" WEST, A DISTANCE OF 108.08 FEET TO THE END OF SAID CURVE AND THE POINT OF BEGINNING, AND CONTAINING AN AREA OF 6.097 ACRES OF LAND.

LANDOWNER AGREEMENT - EXHIBIT II

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (as it may be amended from time to time, this "Declaration") is made as of _____ by Valencia on the Lake 2B2 and 4, LLC, a Texas limited liability company (the "Landowner").

RECITALS:

A. The Landowner holds record title to that portion of the real property located in Denton County, Texas, which is described in the attached **Exhibit I** (the "Landowner's Parcel").

B. The Town Council of the Town of Little Elm (the "Town Council") upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the Valencia Public Improvement District No. 2 (the "District") by the then owners of more than 50% of the appraised value of the taxable real property and owners of more than 50% of the area of all taxable real property within the area requested to be included in the District created such District, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act").

C. The Town Council has adopted an Assessment Ordinance to levy assessments for certain Authorized Improvements (including all exhibits and attachments thereto, the "Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the Assessment Ordinance (as amended from time to time, the "Service and Assessment Plan"), and has levied the assessments (as amended from time to time, the "Assessments") on property in the District.

D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into these Covenants, Conditions and Restrictions.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner's Parcel is and shall be subject to, and hereby imposes on the Landowner's Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:

(a) Landowner accepts each Assessment levied on the Landowner's Parcel owned by such Landowner.

(b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney's fees, if incurred) is (a) a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens or claims except for

liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid and may be enforced by the Town in the same manner as an ad valorem property tax levied against real property that may be enforced by the Town. The owner of any Assessed Property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due annual installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due annual installments of the Assessment.

It is the clear intention of all parties to these Declarations of Covenants, Conditions and Restrictions, that the Assessments, including any annual installments of the Assessments (as such annual installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any annual installment of the Assessment, the Town is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

2. Landowner or any subsequent owner of the Landowner's Parcel waives:

(a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;

(b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the Town Council concerning the Assessments;

(c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Assessment Ordinance by the Town Council;

(d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the Town's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and

(e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the Town Council's levy of the Assessments.

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

4. **Third Party Beneficiary:** The Town is a third party beneficiary to this Declaration and may enforce the terms hereof.

5. **Notice to Subsequent Purchasers:** Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice as required by Section 5.014 of the Texas Property Code, as amended, and as included in the most recent Annual Service Plan Update of the Service and Assessment Plan filed in the real property records of Denton County, Texas.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

LANDOWNER

Valencia on the Lake 2B2 and 4, LLC
a Texas limited liability company

By: Valencia on the Lake, L.P.,
a Texas limited partnership
Its Manager

By: Valencia on the Lake GP, LLC,
a Texas limited liability company
Its General Partner

By:_____
Name: Mehrdad Moayedi
Its: Manager

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2022 by Mehrdad Moayedi, Manager of Valencia on the Lake GP, LLC, as General Partner of Valencia on the Lake, L.P., a Texas limited partnership, as manager of Valencia on the Lake 2B2 and 4, LLC, a Texas limited liability company on behalf of said limited liability company.

_____
Notary Public, State of Texas

LANDOWNER AGREEMENT - EXHIBIT III

HOMEBUYER EDUCATION PROGRAM

As used in this **Exhibit III**, the recorded Assessment Ordinance and the Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the "Recorded Notices."

1. Any Landowner, who is a Builder, shall attach the Recorded Notices and the final Assessment Roll for such Assessed Property (or if the Assessment Roll is not available for such Assessed Property, then a schedule showing the maximum 30-year payment for such Assessed Property) as an addendum to any residential homebuyer's contract.

2. Any Landowner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the Town.

3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.

4. If prepared and provided by the Town, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.

5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

Date:	11/01/2022
Agenda Item #:	5. C.
Department:	Development Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Fred Gibbs, Director of Development Services

AGENDA ITEM:

Continue the Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1689 Regarding a Request to Rezone Approximately 4.159 Acres of Land, Currently Zoned as Lakefront District (LF), in Order to Establish a New Planned Development District Based on Lakefront (LF) District, to Capture Existing Development, and Allow New Commercial and Residential Development with Modified Uses and Development Standards as well as Expand the Existing Daycare Facility.**

Opened Public Hearing on October 18, 2022, at 6:45 p.m.
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1689:

DESCRIPTION:

Location.
Located at 550 East Eldorado Parkway, approximately 500 feet southwest of the Hillside Dr. and Eldorado Parkway intersection, within Little Elm's Town limits.

Background. Subject property consists of one lot, currently containing an existing indoor commercial amusement building, an existing daycare facility, and undeveloped land. The property is zoned as the Lakefront District. The existing commercial building, Building A, was developed under the Light Commercial (LC) District requirements, current zoning at that time, which did not require the building to be located within 15 feet from the right-of-way. The daycare facility was developed through a detailed Specific Use Permit (SUP), Ordinance No. 1462. However, the site and both buildings were ultimately developed with additional nonconforming standards.

The applicant, Matt Shekari with TOPTEL LLC, also the property owner and developer, has gone through several different requests and processes over the last six years. In 2017, the applicant received a waiver approval for a similar project, with a different concept and site plan; however, without Ary Corps of Engineers approval, the applicant was unable to obtain a building permit

within the allotted two-year period, resulting in lase of approval and expiration of the waiver in 2019.

Once the applicant received approval from the Army Corps of Engineers in 2020, a Planned Development (PD) request for a mixed-use condo project was submitted, while the indoor commercial amusement building was still undergoing construction. The PD request was ultimately withdrawn by the applicant, at the direction of Town Council, in an effort to allow the applicant to resolve any outstanding issues and fully meet all requirements of the building permit process for the indoor commercial amusement, and in general complete that project prior to undertaking another development project.

Since that time, the applicant has also decided to expand the existing daycare facility and provide additional improvements on that portion of the site. Given the intricacies of the original daycare SUP, existing non-conformities of the site and the existing buildings' nonconformance with the current LF zoning, as well as the applicant's intent to move forward with the mixed-use condo development which would require certain waivers and agreements, it was determined that the best approach to cohesively incorporate everything happening on this site was to request a new PD.

Staff have worked with the applicant since March 2022 on the new PD request, in order to bring the proposal as close to meeting as many requirements of the Zoning Ordinance as possible and to ensure a quality development. However, there are still several outstanding items and a lengthy list of requests that Staff believes need to be addressed prior to determination by the Administration.

That being said, at this time, the applicant has voiced concerns over the extensive review process and has requested to move forward and present his proposal to the Administration. The applicant is requesting a new PD for the entire subject property, based on the Lakefront Zoning District requirements with modified development standards.

This property is unique in that the existing site improvements and existing buildings, Building A and B, were constructed under the Light Commercial (LC) requirements. In addition to capturing the existing non-conformities of the site and the existing buildings, the applicant is also requesting relief from several of the sections of the Lakefront District for the proposed mixed-use condo development. Staff believes given the context of this request, it is appropriate for the applicant to bring the site, in its entirety, as much into compliance with the current regulations as feasible.

It should also be noted that earlier this year, the applicant removed a large number of tree caliper inches from the property and has been working with the Town since January 2022 in an effort to mitigate the tree removal. This effort is still underway and the mitigation requirement is not yet met. As a result, Staff will recommend that any determination on this PD request, be subject to the applicant meeting tree mitigation requirements.

Proposal.
The proposed PD consists of three separate commercial lots, Lot 1R containing Building C, Lot 3 containing Building A, and Lot 4 containing Building B.

Lot 1R contains the proposed new 32,769 square foot mixed-use, owner-occupied condo development, Building C. The three-story building will house 3,300 square feet of retail space, residential lobby, condo garages, and one residential unit at-grade, with an additional 16 residential condo units on the two floors above. The development plans also show proposed site improvements in the form of green open space with gazebo, playground equipment, benches, trails connecting to the existing public trail, and a dog park. The proposed building and site improvements

provide a continuation of the existing Building A, also known as Snowy Fun. While the proposed development complies with most of the requirements of the LF district, as part of this PD request, the applicant requests a list of waivers to the development standards in order to fit the building on site and make the development financially feasible.

Lot 3 contains the existing Building A, a 9,820 square foot, one-story, indoor commercial amusement currently operating as Snowy Fun. While the site and building were developed under the LC district, not all the requirements were met at the time of construction.

Lot 4 contains the existing 4,823 square foot Building B, a one-story daycare facility. The applicant is proposing to expand Building B by 1,247, bringing the building to a total of 6,070 square feet, and provide site improvements in the form of an expanded drop-off area and play area with new commercial grade, covered, playground equipment.

Through the submitted development plans, and as part of the required tree mitigation efforts, the applicant is proposing to bring the majority of Lot 3 and Lot 4 into compliance with the current landscape standards. However, where improvements are more costly and/or not as easily achievable, such as existing building construction, setback, and parking, the applicant is requesting to capture the non-conformities as permitted through the new PD.

The applicant is proposing to meet all of the requirements outlined within the Lakefront (LF) District, with the following deviations:

- General District Standards.
    - Block Face Requirements
    - Residential at-grade frontage does not provide sufficient landscaping
- Building Standards:
    - Exterior Façade Materials, allowing increased stucco
    - Windows and glazing, allowing lesser glazing percentages
    - Residential at-grade: no primary entry from the sidewalk and a solid stone patio fence
    - Nonresidential at-grade: ceiling heights below required minimum and no awning or canopy across storefront
- Parking Requirements
    - single-purpose reserved parking
    - 9 feet by 20 feet parking spaces
    - no electrical vehicle infrastructure provided
    - insufficient bicycle rack capacity and location
- Landscape Requirements
    - foundation planting requirements to be met through provision of outdoor amenities
    - weeping willows requested as allowed plant material
    - ground mechanical equipment for Lot 3 not screened
    - parking lot landscape islands not provided every 8 spaces at minimum
    - shared dumpsters between Lot 1R and Lot 3
    - dumpster enclosure screening and wall height

The purpose of the Lakefront District is to establish a pedestrian-oriented lakefront to serve as the civic and cultural center of the Town. The following section will list all the divisions of the Lakefront District, specifically outlining how the proposed development deviates from the current standards.

Lakefront District Development Standards.

General District Standards.
Building and Land Use. It is intended that allowed uses will encourage pedestrian-oriented mixed-use projects that are well integrated with retail and residential activities. *The proposed new condo development and existing uses comply with the intent.*

Block Face. It is intended that building walls should be continuous along block faces to create a strong edge to the street and contribute to creating an attractive and active pedestrian environment, with allowance for some limited variation and opportunities for outside dining, pocket parks and special building entry features. Buildings should also be constructed close to the street to provide a sense of enclosure. While most of the requirements of this section are met by both the existing and proposed new development, one of the requirements states that block face shall be located within 15 feet of the right-of-way, with an allowance for 80% maximum variation. The existing commercial amusement Building A was developed under the Light Commercial (LC) District standards and does not meet this requirement. ***The applicant is requesting to capture the existing Building A and proposed Building C street setback at varying depths as proposed on the Site Plan.*** *Relocating existing Building A is not a reasonable expectation, therefore S*taff is generally supportive of this request in order to provide consistency with the existing building frontage.

Streets. It is the intent that public and private streets and accessways provide a framework that will facilitate the movement of pedestrians and autos in an attractive environment, and provide for incremental long-term revitalization and redevelopment of parcels to meet changing market sector needs. *The development plans comply with the requirements of this section.*

Streetscape and landscape. It is the intent to both encourage and require streetscape and landscaping that reinforces the lakefront character and creates comfortable pedestrian environments and lower summer ambient temperature by shading sidewalks, parking areas and drive lanes. While most of the requirements of this section are met by both the existing and proposed new development, one of the requirements of this section specifically addresses residential at-grade frontages. A minimum of 5 feet of landscaping is required between the edge of sidewalk and the primary building façade. ***The applicant is requesting to capture the proposed Building C as shown on the site plan, without the required landscaping.*** Staff believes the requirement to provide at least 5 feet of landscaping between the sidewalk and the residential at-grade frontage is important in order to meet the intent of the LF District and there is opportunity to utilize the proposed patio space to meet this requirement.

Buildings.
Intent. It is intended that commercial spaces are designed and constructed in a manner that allows flexibility to accommodate a range of uses over time in order to avoid the need to demolish and rebuild for successive uses. Buildings should directly contribute to the attractiveness, safety and function of the street and public areas. Buildings that accommodate retail at-grade should feature the retail activity over the building's architecture. Buildings should be constructed in a manner, and with materials, that are highly durable and will continue to endure and be attractive over a long time, especially adjacent to public and pedestrian areas.

General building configuration. *The proposed new condo development and existing uses comply with the intent of this section.*

Building Standards. This section addresses various components such as building form, architectural features, exterior façade materials, colors, and specific treatment of residential, and nonresidential uses at-grade. While the proposed PD complies with most of these requirements, several items do not.

For architectural features, the requirements that are not being met are as follow:
Each building and separate lease space at-grade along the street edge shall have a functioning primary entry from the sidewalk, inset from the front building plane by at least three feet. *Building A does not currently meet these requirements and will be captured as part of this PD.* ***The applicant is requesting to waive this requirement and not provide an inset for the entries to Building C.***

For exterior materials, the requirements that are not being met are as follow:
Primary facades, those exterior walls that are clearly visible from the street, excluding windows, doors, and other openings, shall be constructed of at least 80 percent group A materials, brick or stone, and up to 20 percent group B materials, stucco. *The Buildings A and B comply with this requirement.* ***No elevations were provided for the expansion of Building B, therefore it is unclear what design or materials are being proposed. The applicant is requesting to increase group B material allowance for proposed Building C to 24% on the North elevation, 22% on the West elevation, and 31% on the East elevation.***

For residential at-grade, the requirements that are not being met are as follow:
All buildings which have residential unit floor plates within six feet of grade shall include a primary front door entrance into the unit which may be accessed from the sidewalk. The entry shall be located a minimum of two feet above the sidewalk elevation and include a minimum 24 square foot stoop. Balcony and patio railings and fences shall be largely transparent. ***The applicant is requesting to waive these requirements and not provide a primary front door from the sidewalk for the at-grade residential unit and a solid stone patio wall on the front of Building C.***

For nonresidential at-grade, the requirements that are not being met are as follow:
Have a minimum clear height of 16 feet between finished floor and the bottom of the structure above. Have an awning or canopy which extends at least six feet over the sidewalk for at least 75 percent of the frontage on any portion of the primary façade. *Building A meets these requirements. Building B does not meet these requirements and will be captured as part of this PD.* ***For Building C the applicant is requesting to waive this requirement and provide just below 14 feet between finished floors, without an awning for the retail space.***

In general, Staff does not believe the submitted façade plans for proposed Building C offer the unique or interesting architectural features or elements that would directly contribute to the attractiveness of the street and enhance the pedestrian environment as intended by this section. Staff believes there is opportunity to enhance the proposed Building C design and material quality, improve the garage door design due to visibility off the street, provide 16-foot high ceilings at-grade for, provide an awning across the retail space frontage, inset the entries as required, and construct the residential unit at-grade in a way that activates the frontage of this building, instead of blocking it off by a stone wall.

In addition, Staff does not believe that the proposed first floor configuration of the retail space would be conducive to the highest and best uses. The layout provides minimal storefront space, with just one entry door, while the majority of the retail area is in the back, internal to the building, without any additional windows or visibility. Staff believes that the best layout for the ground-floor would be achieved by making the majority of the floor and storefront as retail space, pushing any lobby, office, or amenity space, more internally, toward the back.

Parking and Accessibility.
The intent of this section is to support the creation of shared, convenient and efficient parking in order to create an active and vibrant mixed-use environment and enable visitors to access the

different offerings within the LF District in a pedestrian and bicycle-friendly environment. The intent of this section specifically discourages against designating and reserving parking spaces for specific single-purposes. ***The submitted development plans show all parking spaces being reserved for specific tenants or uses, which does not align with the intent of this section.***

Vehicle Parking. While the proposed development plans comply with most of the requirements of this section, one of the standards states that all off-street surface parking shall be located at least 15 feet behind the front facade of the building which faces on a street or public open space. *Building A does not currently meet this requirement*, *and will be captured as part of this PD. For Building C the applicant is requesting to waive this requirement and provide* parking along the street in order to provide continuity with the existing Building A frontage. Staff is generally supportive of this request. ***While the proposed development plans show all three sites as providing a sufficient number of parking spaces overall, as mentioned above, reserving spaces for specific uses does not align with the shared parking across property lines within the LF District.*** Staff believes all parking spaces, aside from those specifically required for the residential component, should be unassigned.

Bicycle Parking. The LF District requires bicycle racks to be provided, located within 50 feet of an entrance to the building. Currently, no bicycle racks are provided on site. Proposed Building C site plan provides a bicycle rack, however it does not appear to be able to accommodate 10 bicycles for the overall required parking spaces for all three lots, nor are these racks located within 50 feet of a building entrance. ***The applicant is requesting to modify and waive these requirements.*** Given the uses on this site, Staff is generally supportive of the request to provide 8 bicycle racks instead of 10, however, Staff believes it is important to locate these racks in a clearly visible location, closer to a building entrance.

In general, as a commercial property, the existing and proposed developments are required to provide parking spaces at 10 feet by 20 feet and provide 5 designated parking spaces with electrical vehicle infrastructure. Currently, all parking spaces are provided at 9 feet by 20 feet, which was the standard at the time of development. *The applicant is requesting to provide 9 feet by 20 feet parking spaces with Building C in order to maintain consistency throughout the sites.* ***The applicant is requesting a waiver for the required electrical vehicle infrastructure.*** While Staff is generally supportive of the request to maintain the parking space sizing for consistency, Staff believes there is a need for all new developments to provide electrical vehicle infrastructure accommodation.

Lighting and Mechanical. While not directly indicated on the development plans, the applicant does not request any specific waivers from this section of the LF District. Language will be added to the PD Narrative indicating this section will be fully met. Compliance will be confirmed at the time of the site development review process, prior to obtaining a construction permit.

Landscape.
Landscaping within the LF District shall comply with the provisions in this section, the town's list of approved plant materials, and the standards contained within Article VI of the Town's general Zoning Ordinance. While the existing site and proposed development plans mostly comply with the requirements of this section, there are several items that are out of compliance, as listed below:
Foundation Planting. Foundation plantings or sidewalk tree gates are required for buildings or groups of contiguous buildings that are 5,000 square feet or larger. One large canopy tree 4 inch minimum caliper, shall be required for every one thousand square feet of gross building area. These trees shall be located within 20 feet of the face of the building. These plantings are intended to provide pedestrian areas while breaking up the large areas of impervious surface.*Existing Building A does not currently meet this requirement, and will be captured as part of this PD.* Existing

Building B would not have been required to comply due to building size at the time of construction, but given the new expansion, Building B would now have to provide foundation planting. ***The applicant is requesting to meet the foundation planting requirements through provision of outdoor amenities, in the form of a gazebo, a covered playground, a dog park, trail connection, and benches.*** While staff is generally supportive of this request, the proposed benches need to be increased in number and located more appropriately, within the dog park area, by the playground, and along the trails and open spaces. Staff also believes it is appropriate for the applicant to provide samples of the type of furnishing, playground equipment, playground shade cover, and any other outdoor amenity in order to ensure quality product is memorialized as part of this PD.

Approved Plant List. The Town provides a list of approved plant species in an effort to ensure survivability of all new plantings in this particular region, as well as avoid any invasive species. Weeping Willows are not currently on the approved plant list. ***The applicant is requesting to utilize weeping willows within the open space for Building C.*** While Staff is generally supportive of this tree species within the context of this development, the landscape plans need to be updated to show the weeping willows within the legend.

Mechanical Equipment. All mechanical equipment shall be screened on all sides from public view at a point six feet above ground level at the property line. For ground-mounted equipment a solid evergreen hedge of sufficient height and density to screen equipment within 18 months of planting may be used if properly irrigated and maintained. ***Building A does not currently meet this requirement and the applicant is requesting to waive the ground mechanical equipment screening requirement.*** Staff believes that given the proposed site improvements for the entire subject property, there is opportunity to provide proper screening for the ground-mounted mechanical equipment.

Parking Lot Landscaping. One of the requirements of this section states that parking lots shall not exceed 8 spaces in a row without being interrupted by a landscaped island (9-foot minimum). ***All three lots do not comply with this requirement and the applicant is requesting a waiver for all three lots.*** Staff believes that given the proposed site improvements for the subject property in its entirety, there is opportunity to provide a landscape island every 8 spaces with the required tree planting.

Dumpster Requirements. All new commercial lots are required to provide a double dumpster enclosure in order to accommodate a trash dumpster and recycling container. Trash dumpsters, recycling containers and other waste receptacles shall be screened with a clay-fired brick or stone wall of a color that is consistent with the color of the primary building, minimum 8-foot in height. Screening enclosures shall be visually and aesthetically compatible with the overall project. Currently Building A and Building B, share one single trash dumpster. The proposed development plans show a total of 3 double dumpster enclosures to be provided, however two of the enclosure are located on Lot 1R (Building C). ***The applicant is requesting a waiver to this requirement and an allowance to provide a shared dumpster agreement between Lot 3 and Lot 1R. The applicant is also requesting waiver to dumpster enclosure screening and wall height.*** While Staff is generally supportive of a shared dumpster agreement between the two lots, there is a need to include a drafted agreement within the PD documents in order to avoid any issues in the future. However, Staff believes that all screening must be met and all dumpster enclosure walls must be 8 feet in height.

Sign Standards. While not directly indicated on the development plans, the applicant does not request any specific waivers from this section of the LF District. Language will be added to the PD Narrative indicating this section will be fully met. Compliance will be confirmed at the time of sign

permit review process, prior to obtaining any sign permits. Given the multiple lots and tenants, the overall development will be required to comply with the Town's current sign master plan requirements.

Fire. The fire department has reviewed and generally approved the proposed development plans for the purposes of the zoning request. This is not an approval of the plans for actual construction.

Comprehensive Plan. The future land use of this area is identified as Lakefront District. The proposed uses and development concepts would not significantly conflict with the overall vision for this area.

Recommendation to the Commission.
While the proposed development falls within the vision for future land use in this area, the property owner is requesting a significant number of deviations from the Town's development standards with the justification that the limited buildable area and height restriction on this property present challenges to developing the site to fully comply with all of the requirements and still be financially feasible.

Development standards exist in order to ensure quality and longevity of development. Developments built right now will ultimately guide the interest, quality, and value of future development in the area. Without a true downtown area, the Lakefront District serves as the Town's cultural, civic, and entertainment center, while also striving to provide a mix of appropriate housing opportunities within the context of these visions. For this reason, development that takes place within the Lakefront District is always reviewed more closely and held to a higher standard, as witnessed through the Lakefront District. Therefore, Staff's goal is to consistently encourage all developers to provide the highest and best uses, the most unique architecturally attractive design, and overall high-quality development that would continue to activate the corridor and encourage future high-quality development.

The subject property has gone through several different requests and processes over the last six years, with the most recent PD request for the mixed-use condo Building C submitted back in 2020. At that time, Staff and Council had several concerns and while the request was subsequently withdrawn, a Development Agreement was drafted, although also withdrawn, in an effort to capture some of the outstanding items. For the most part, the overall design and layout of the proposed Building C, mixed-use condo development, has not changed since initial submittal in 2020. In the meantime, the Town, and this corridor especially, has experience tremendous growth over the last few years, and Staff believes that there is a need to continuously improve and enhance development design based on current times, market trends, and overall locational context. Staff believes that the proposed building and site design could be significantly improved from what was initially proposed over 6 years ago, in an effort to better align with current visions and new area development.

While this property poses some limitations due to flood plain constraints, there is still certain flexibility in site design when such development occurs on mostly greenfield sites. Staff also has concerns given some of the challenges that had to be overcome while working with the applicant, as the property owner and developer, of the existing two buildings on the subject property. As a result, there is a significant list of considerations Staff believes must be addressed if the applicant is wanting to move forward with the proposed development.

That being said, if all of the considerations are addressed and proper commitments made, Staff would be amenable to working through some of the more minor waiver requests as a trade-off for

an otherwise enhanced site, landscape, and building design, with high quality, unique building aesthetic, and a development that could encourage continued exceptional development of the Lakefront District. *At this time however, there is a significant list of outstanding considerations and Staff is not comfortable supporting the request even conditionally.*

Staff believes that the following items are important in order to ensure the proposed development is properly executed and fits into the long-term vision for this area.

PD Narrative
Every PD request in the Town is required to provide a PD Narrative that outlines exactly what is being proposed, what development standards are being followed, how the development varies from the base zoning or typical requirements of the Town, and include all the relevant exhibits that capture the concept and the aesthetic of the proposal. Everything is essentially wrapped in a neat and straight forward package. A sufficient PD Narrative has not been provided. Staff believes that if the Commission considers supporting this PD request, that a sufficient PD Narrative be required prior to Council.

Previous Development Agreement
Staff believes that the conditions of the previously drafted but withdrawn Development Agreement from 2021 are still valid, and could serve as safeguards for the Town with regard to ensuring quality development, inside and out. Staff believes that a new Development Agreement should be drafted and the following conditions carried over:

- All development plans and associated renderings and documents to be captured as part of the DA
- Shared access and use agreement for the dumpsters on Lot 1R.
- Formation of a Condominium Association.
- Minimum ceiling heights for second and third floor to be at minimum 10 feet.
- Signage that reference Condominiums.
- Accessory Structures – proposed accessory structures within this District shall be reviewed at the discretion of the Development Services Director. Appeals to the Director's decision shall go before the Planning & Zoning Commission, appeals to the Commission's decision shall go before Town Council for final consideration.
- Future Building & Construction Permits –
    - Interior layouts and finishes associated with the PD as previously provided, showing stainless steel appliances, granite counter tops, and specific style and brand lighting and plumbing fixtures and hardware, to be captured as the proposed brand and quality or higher.
    - Future construction and building permit applications are subject to meeting relative International Codes and Engineering Design Standards, as amended.
    - Potential changes to plans may also be subject to additional review and approval by USACE and/or TXDOT.

Development Plans Clean Up
In general, there are still some discrepancies and typos within the plans in terms of consistency, labeling, and accuracy of the Site Data Table. All plan pages need to be cleaned up and relay the same consistent message.

District Standards
Streetscape and Landscape for Residential At-Grade.
Staff believes the requirement to provide at least 5 feet of landscaping between the sidewalk and

the residential at-grade frontage is important in order to meet the intent of the LF District and there is opportunity to utilize the proposed patio to meet this requirement.

Buildings.
In general, Staff does not believe the submitted façade plans for proposed Building C offer the unique or interesting architectural features or elements that would directly contribute to the attractiveness of the street and enhance the pedestrian environment as intended by this section. Staff believes there is opportunity to enhance the proposed Building C design and material quality, improve the garage door design due to visibility off the street, provide 16-foot high ceilings at-grade, provide an awning across the retail space frontage, inset the entries as required, and construct the residential unit at-grade in a way that activates the frontage of this building, instead of blocking it off by a stone wall. That being said, Staff believes the proposed ground-floor layout should be revised to increase the retail space and move it along the majority of the building frontage.

Staff also recommends that, if no elevations are to be provided with the request, language should be included within the PD Narrative to ensure that the expansion of the daycare facility not only follows the design standards within the LF District but also matches the existing building.

Parking and Accessibility.
While the proposed development plans show all three sites as providing a sufficient number of parking spaces overall, as mentioned above, reserving spaces for specific uses does not align with the shared parking across property lines within the LF District. Staff believes all parking spaces, aside from those specifically required for the residential component, should be unassigned. Staff also believes the applicant should provide the required 5 spaces with electrical vehicle charging station infrastructure.

This requirement does not take up room on the site as it utilizes existing parking spaces, and does not require the property owner to actually provide the charging stations, just provide the infrastructure necessary to install these stations in the future. This item is important because it promotes sustainability and encourages new developments to more into the future of the growing demand for innovative vehicle options.

Landscaping.
While staff is generally supportive of the request to meet the foundation planting requirement through the provision of outdoor amenities, the proposed benches need to be increased in number and located more appropriately, within the dog park area, by the playground, and along the trails and open spaces. Staff also believes it is appropriate for the applicant to provide samples of the type of furnishing, playground equipment, playground shade cover, and any other outdoor amenity in order to ensure quality product.

While Staff is generally supportive of weeping willow to be allowed within the context of this development, the landscape plans need to be updated to show the weeping willows within the legend.

Staff believes that given the proposed site improvements for the entire subject property, there is opportunity to provide proper screening for the ground-mounted mechanical equipment.

Staff believes that given the proposed site improvements for the subject property in its entirety, there is opportunity to provide a landscape island every 8 spaces with the required tree planting.

While Staff is generally supportive of a shared dumpster agreement between the two lots, there is a need to include a drafted agreement for the shared access and use of the dumpster within the PD documents, as mentioned in the previous DA, in order to avoid any issues in the future. However, Staff believes that all screening must be fully met and all dumpster enclosure walls must be 8 feet in height.

Residential Amenities.
Staff believes that in order to ensure the longevity of the residential units, as well as to provide the best quality of life standards for future residents, the proposed Building C mixed-use condo development should provide appropriate indoor amenities, such as a gym, an event space, a shared office space, and/or a rooftop deck, garden, or pool. There is opportunity to reconfigure the ground-floor to improve the retail space and provide residential amenities.

Tree Mitigation
Prior to obtaining approval of the requested PD, the applicant must fully address the outstanding tree mitigation requirements.It is important to note that the tree mitigation is a standalone item that, in an effort to help the applicant, has been rolled into this PD to meet the required landscaping for the development. However, without the PD, the tree mitigation must still be fully met in order for the applicant to be able to obtain any building permits on the existing or the proposed building, if approved.

As presented, Staff does not support the request at this time but is willing to continue working with the applicant in an effort to improve the request. Staff recommended that if the Planning and Zoning Commission considered support of this item, the proposal would be amended in order to accommodate the above items before proceeding to Town Council. Staff recommended that the Planning and Zoning Commission review and evaluate this request based on the impact and suitability of the proposed development within the context of the existing area, current development, and the significance of the development standards from which the applicant is requesting to vary, as well as how the proposed development would benefit the Town and the Lakefront District overall.

Commission Findings.
At their regular meeting on October 6, 2022, the Planning and Zoning Commission discussed the standards from which the applicant has requested to vary and the outstanding items required for the existing development. The Commission made a recommendation to **deny** the request based on there being too many outstanding items that still need to be addressed, with five in favor and zero against.

BUDGET IMPACT:
This item has no budget impact.

RECOMMENDED ACTION:
Planning and Zoning Commission recommends denial of the request as proposed.

On October 8, 2022 this item was tabled by Town Council as requested by the applicant, to allow additional time to address outstanding items.

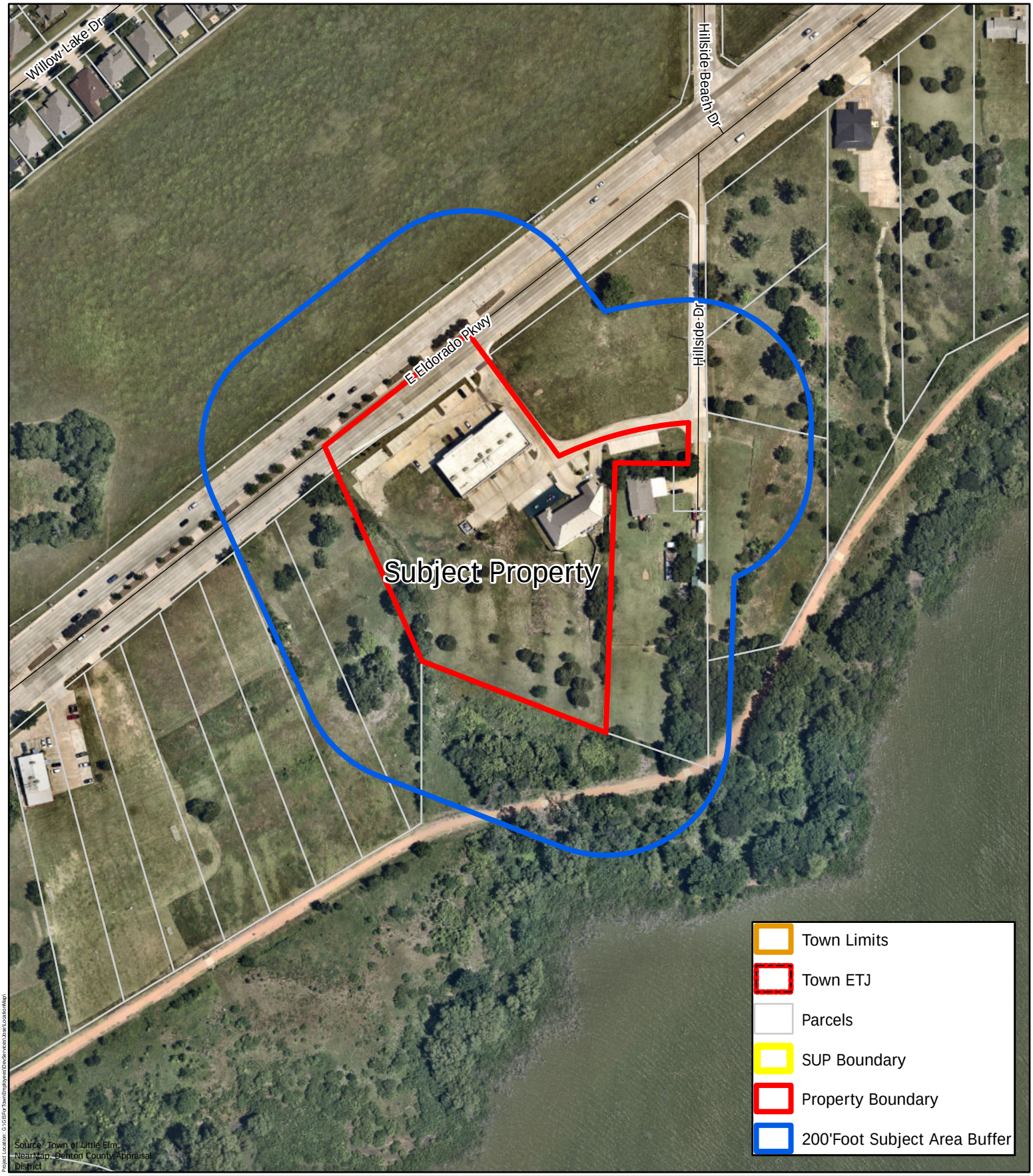
At this time, applicant is requesting to table the item until November 15, 2022 in order to allow additional time to address outstanding items.

Please note that the attached Ordinance has blank pages and missing documents due to the outstanding items for this request.

Attachments

Location Map

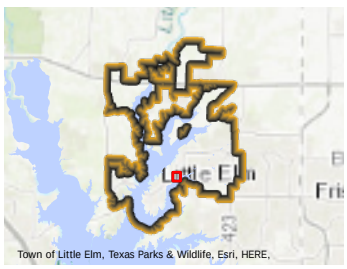
Ordinance No. 1689



LITTLE ELM

PD:22-1632
Lakeshore Plaza

0 0.02 0.04 0.08 Miles



Town of Little Elm
Denton County, Tx

Date: 9/12/2022

This product is to be used for graphical representation only. The accuracy is not to be taken/used as data produced for engineering purposes or by a Registered Professional Land Surveyor for the State of Texas. For this level of detail, supervision and certification of the produced data by a Registered Professional Land Surveyor for the State of Texas would have to be performed. Town of Little Elm and its members assume no responsibility for the accuracy of said data.

TOWN OF LITTLE ELM

ORDINANCE NO. 1689

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE, BY AMENDING THE ZONING FROM LAKEFRONT DISTRICT, TO A NEW PLANNED DEVELOPMENT – LAKEFRONT (PD-LF) DISTRICT IN ORDER TO CAPTURE EXISTING DEVELOPMENT AND ALLOW A NEW MIXED-USE COMMERCIAL AND RESIDENTIAL DEVELOPMENT WITH MODIFIED USES AND DEVELOPMENT STANDARDS ON 4.159 ACRES OF LAND GENERALLY LOCATED AT 550 EAST ELDORADO PARKWAY; PROVIDING A SAVINGS CLAUSE; CORRECTING THE OFFICIAL ZONING MAP; PROVIDING A PENALTY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Little Elm ("Town") is a home rule municipal corporation organized and existing by virtue of the Constitution and laws of the State of Texas and by its Charter adopted on May 1, 2001; and

WHEREAS, the Town possesses all the rights, powers, and authorities possessed by all home rule municipalities, including the authority to regulate land uses under Chapter 211 of the Texas Local Government Code; and

WHEREAS, a request for Planned Development-Lakefront (PD-LF) with modified uses and development standards on approximately 4.159 acres of land, more specifically described in the exhibits, attached hereto; and

WHEREAS, this zoning change is in accordance with the most current adopted Comprehensive Plan of the Town of Little Elm; and

WHEREAS, the Town Council and the Planning & Zoning Commission of the Town of Little Elm, in compliance with the laws of the State of Texas and the ordinances of the Town of Little Elm, have given the required notices and held the required public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof regarding the requested zoning change described herein; and

WHEREAS, at its regular meeting held on October 6, 2022 the Planning & Zoning Commission considered and made recommendations on a request for Planned

Development-Lakefront (PD-LF), Case No. PD-22-01632); and

WHEREAS, after due deliberations and consideration of the recommendation of the Planning & Zoning Commission and any other information and materials received at the public hearing, the Town Council of the Town of Little Elm, Texas, has determined that the request is in the interest of public health, safety and welfare of the citizens of the Town of Little Elm.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, 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. ZONING AMENDMENT That Ordinance No. 226 of the Town of Little Elm, Texas, the same being the Comprehensive Zoning Ordinance of the Town, is hereby amended by issuing Planned Development-Lakefront (PD-LF) with modified uses and development standards in order capture existing development and allow new commercial and residential development with modified uses and development standards as well as expand the existing daycare facility, the same generally located at 550 East Eldorado Parkway, within Little Elm Town limits, approximately 4.159 acres of land more particularly described as **Exhibit A**, and attached hereto, subject to all of the terms and conditions set forth herein, the terms and conditions of the Comprehensive Zoning Ordinance, and all other applicable ordinances, laws, rules, regulations, and standards.

SECTION 3. CONDITIONS AND REGULATIONS. The permitted uses and standards shall be in accordance with the Lakefront (LF) District, unless otherwise specified herein:

a) The Zoning and Land Use Regulations, and all conditions set forth in **Exhibit B** attached hereto and made a part hereof for all purposes shall be adhered to in their entirety for the purposes of this Planned Development-Lakefront (PD-LF). In the event of conflict between the provisions of **Exhibit B** and provisions of any other exhibit, the provisions of **Exhibit B** control.

SECTION 4. PLANNED DEVELOPMENT MASTER PLAN The Concept Plan Exhibit and related plans, images, and documents approved and described as **Exhibit C** attached hereto and made a part hereof are approved. The subject property shall be improved in accordance with the plans set forth in **Exhibit C**.

a) If, after two years from the date of approval of the Planned Development Master Plan, no substantial development progress has been made within the PD, then

the Planned Development Master Plan shall expire. If the Planned Development Master Plan expires, a new Planned Development Master Plan must be submitted and approved according to the procedures within the Zoning Ordinance, Planned Development Districts. An extension of the two year expiration shall be granted if a development application for the PD has been submitted and is undergoing the development review process or if the Director of Development Services determines development progress is occurring.

b) The Planned Development Master Plan shall control the use and development of the property, and all building permits and development requests shall be in accordance with the plan until it is amended by the City Council.

c) If a change to the Concept Plan, if any, is requested, the request shall be processed in accordance with the development standards in effect at the time the change is requested for the proposed development.

SECTION 5. SAVINGS. This Ordinance shall be cumulative of all other ordinances of the Town, and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are indirect conflict with the provisions of this Ordinance; provided, however, that any complaint, notice, action, cause of action, or claim which prior to the effective date of this Ordinance has been initiated or has arisen under or pursuant to such other ordinance(s) shall continue to be governed by the provisions of that ordinance or those ordinances, and for that purpose that ordinance or those ordinances shall be deemed to remain and shall continue in full force and effect.

SECTION 5. ZONING MAP. The official zoning map of the Town shall be amended to reflect the changes in zoning made by this ordinance.

SECTION 6. PENALTY. Any person, firm, or corporation violating any of the provision of this ordinance shall be punished by a penalty of a fine not to exceed the sum of Two Thousand Dollars ($2,000) for each offense and each and every day such offense shall continue shall be deemed to constitute a separate offense.

SECTION 7. SEVERABILITY. The sections, paragraphs, sentences , phrases, and words of this Ordinance are severable, and if any section or provision of this ordinance or the application of that section or provision to any person, firm, corporation, situation or circumstance is for any reason judged invalid or unconstitutional, the adjudication shall not affect any other section or provision of this ordinance or the application of any other section or provision to any person, firm, corporation, situation or circumstance, nor shall adjudication affect any other section or provision of the Comprehensive Zoning Ordinance of the Town of Little Elm, Texas, and the Town Council hereby declares that it would have adopted the valid portions and applications of the ordinance without the valid parts and to this end the provisions of this ordinance shall remain in full force and effect.

SECTION 8. REPEALER. That all ordinances of the Town of Little Elm in conflict with the provisions of this ordinance be and the same are hereby repealed to the extent of that conflict.

SECTION 9. EFFECTIVE DATE. That this Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the Town Charter.

PASSED AND APPROVED by the Town Council of the Town of Little Elm, Texas on the 18th day of October, 2022.

Town of Little Elm, Texas

_____

Curtis Cornelious, Mayor

ATTEST:

_____

Caitlan Biggs, Town Secretary

Exhibit A

Metes and Bounds

Exhibit B

PD Standards

Exhibit C

Development Plans

W. ELDORADO PARKWAY - F. M. ROAD NO. 720
(R. O. W. VARIES)

STATE OF TEXAS
VOL. 647, PG. 312,
D. R. D. C. T.

CONCRETE HEADWALL

30' CHANNEL CLEARANCE
RIGHT-OF-WAY EASEMENT #2
VOL. 647, PG. 305,
D. R. D. C. T.

FLOOD ZONE BOUNDARY
LOCATED AT 537 CONTOUR

U. S. A. PERPETUAL
FLOWAGE EASEMENT
RESERVED TO LANDS
BELOW 537 FOOT
CONTOUR PER
VOL. 466, PG. 322,
D. R. D. C. T.

ZONE "X"
ZONE "AE"

LOT 1
JIM ELBERT SUBDIVISION
VOL. 2, PG. 180,
P. R. D. C. T.
ZONED: 'LC'

LOT 2, BLK A
1.780 AC.

BUILDING 'A'
TOTAL BUILDING = 9,820 SQ.FT.
9,820 SQ.FT. AMUSEMENT

BUILDING 'B'
1,247 SQ.FT.
NEW CHILD-CARE
PROPSD. ADDTN.

BUILDING 'B'
4,823 SQ.FT.
EXISTING CHILD-CARE

NOTES:
1. ALL PARKING STRIPING TO BE COLORED: WHITE
2. RAMPS TO BE INTEGRALLY COLORED: "ADOBE"

INTEGRALLY STAMPED CONC. W/ CITY APPROVED COLORS

10' P. U. E. PROPOSED

26' F. & M. L. & U. E. PROPOSED

EXIST. STAMPED SIDEWALK

20' LANDSC.

10' LANDSC.

SIDEWALK

DUMPSTER(S) TO BE SCREENED BY MIN. 6' MASONRY WALLS PER TOWN STANDARDS, RE: A2.2 FOR ELEVATIONS

DUMPSTER TO BE SCREENED BY 6' MASONRY WALLS PER TOWN STANDARDS

DUMPSTER(S) TO BE SCREENED BY 6' MASONRY WALLS PER TOWN STANDARDS

OVER HEAD (DASHED)

RESIDENT PARKING / RESERVATION (RE: A1.1)

RETAIL (RE: A1.1)

PATIO 295 SQ.FT.

BUILDING #1
TOTAL FOOT PRINT = 10,363 sq.f.t
LEVEL 1 (Re: A1.1)

3,300 SQ.F.T LEVEL 1 RETAIL 'C' /
16 PRIVATE CONDO GARAGES / & 1X
PRIVATE CONDO.
16 TOTAL CONDOMINIUM UNITS (L2-L3)

FIRE ACCESS

FIRE LANE

FIRE ACCESS GATE

EXIT GATE / FIRE ACCESS

CHILD DROP-OFF

PICK-UP / DROP-OFF

EXISTING OVERHEAD POWER LINE

20' SANITARY SEWER EASEMENT #2
#2007-113558, O. P. R. D. C. T.
SEE NOTE 1,

POSSIBLE MONUMENTED DEED OVERLAP SEE NOTE 7

PREVIOUSLY MONUMENTED BOUNDARY OF RECORD SEE NOTE 1

N 89°22'57" W
(N 89°33'39" W)
137.39'
(138.00')

N 00°36'15" E
(N 00°25'00" E)
442.75'

CALLED "PUBLIC ROAD"
(KNOWN AS HILLSIDE DR.)

POINT OF BEGINNING

R.O.W.

GRAVEL ROAD

CENTER OF R.O.W.

THE YEHUD GROUP, LTD.
VOL. 4722, PG. 2380,
D. R. D. C. T.
ZONED: 'LC'

CENTEX HOME EQUITY COMPANY, LLC
VOL. 5084, PG. 1986,
D. R. D. C. T.
ZONED: 'LC'

SHERRY J. WARREN, TRUSTEE
DENTON COUNTY, TEXAS
VOL. 2754, PG. 129,
D. R. D. C. T.

CONCRETE

STOP BAR

(36.41')

DOG PARK

PAVED 5' WALK

PLAYGROUND STRUCTURE WITH SHADING, RE: SPECS.

NOTE: ALL PLAYGROUND EQUIPMENTS MUST BE COMMERCIAL GRADE

NOTE:
THE PLAYGROUND EQUIPMENT WILL NEED TO BE SECURED TO THE GROUND TO PREVENT IT FLOATING INTO THE LAKE DURING PERIOD OF HIGH WATER.

OUTDOOR PLAY AREA 'C'

OUTDOOR PLAY AREA 'B'

OUTDOOR PLAY AREA 'B' = 8,000 SQ.FT.

NOTE: ALL PLAYGROUND EQUIPMNET MUST BE COMMERCIAL GRADE

MIN. 6" WIDTH OF RUBBER MULCH-SURROUND. DEPTH AND SPEC OF MULCH PER PLAYGROUND CONTRACTOR.

TYP. PROPERTY FENCES:
WROUGHT IRON FENCE:
PANEL SIZE: 72" X 72"
POSTS: 3" X 3"
RAILS: 1.25" X 1.50"
POSTS: 2.50" X 2.50"
SURFACE: PRE-GALVANIZED OR POWDER-COATED; PAINT BLACK

OUTDOOR CONDO. AMENITY AREA

20'X20' GAZEBO

LAKE LEWISVILLE

UNITED STATES OF AMERICA
GARZA-LITTLE ELM DAM & RESERVOIR
VOL. 392, PG. 337,
D. R. D. C. T.

N 58°45'16" W
(N 69°17'25" W)
319.70')
321.44'

S 01°58'30" W
(S 01°50'12" W
434.53')
439.58'

CLUSTER OF 3" - 8" JUNIPERS AND HACKBERRY TREES

BETTY LOUISE CHAPPELL
VOL. 1133, PG. 467,
D. R. D. C. T.
ZONED: RESIDENTIAL

CONNECT TO CITY

TRAIL

GATE

FENCE

10' BL. / LANDSC.

SITE DATA TABLE

ITEM	LOT 3 (BLDG A)	LOT 1R (BLDG C)	LOT 4 (BLDG B)	TOTAL
GENERAL SITE DATA	EXST. ZNG. / PRPSD. ZNG.	EXST. ZNG. / PRPSD. ZNG.	EXST. ZNG. / PRPSD. ZNG.	
Zoning (From Map)	LF / PD-LF	LF / PD-LF	LF / PD-LF	---
Land Use (From Zoning Ordinance)	AMUSEMENT	RETAIL/ CONDOMINIUM	CHILD CARE	---
Lot Area (Sq.ft. and Acres)	35,803 s.f. (0.822 AC)	91,633 s.f. (2.104 AC)	53,730 s.f. (1.233 AC)	181,166 s.f. (4.159 AC)
	9,820 s.f.	10,363 s.f.	4,823 EXISTING, 1,247 PROPOSED ADDITION: TOTAL = 6,070 S.F.	26,756 s.f.
Bldg. Footprint Area (Sq.ft.)				
Total Bldg. Area (Sq.ft.)	9,820 s.f.	32,769 s.f.	6,070 s.f.	48,659 s.f.
Bldg. Height (# Stories)	1	3	1	---
Bldg. Height (Feet - Distance to Tallest Bldg. Element)	30'-0"	45'-0"	23'-0"	---
Lot Coverage (x.xx%)	27.84%	11.38%	13.79%	15.19%
Floor Area Ratio (x.xx%)	27.84%	56.88% (ALL 3 STORIES)	13.79%	38.07%
PARKING				
Parking Ratio (From Zoning Ordinance)	1/200	1/250 and 2 PER UNIT	1/35 CHILDREN / 5	---
Required Parking (# Spaces)	49.1	14 RETAIL + 17(x2)CONDO=48	27	124.1
Provided Parking (# Spaces)	45 (8.4% REDUCTION)	58	29	124
Accessible Parking Required (# Spaces)	2	2	2	6
Accessible Parking Provided (# Spaces)	2	2	2	6
PARKING NOTES: SPACES LABELED "CONDO" ARE RESERVED FOR THE RESIDENTIAL UNITS IN BLDG. C CONDO. SPACES ARE ON-SITE AND THERE ARE 16 TOTAL SPACES IN THE BLDG 'C' LEVEL 1 GARAGE.				
PARKING NOTES: CONNDOS SLIGHTLY OVER-PARKED TO ALLOW FOR ADMIN.				
PARKING NOTES: SPACES LABED "CHILD-CARE" ARE RESERVED FOR BLDG. B				
PARKING NOTES: REQUESTING VARIANCE FOR AN 8% REDUCTION FOR BLDG. A				

'LOT 3' FOR RETAIL BUILDING 'A' APPROX. 35,803 S.F.

LOT 2: 1.780 ACRES

'LOT 1-R' FOR RETAIL & CONDOMINIUM BUILDING 'C' APPROX. 91,633 S.F.

'LOT 4' FOR CHILD CARE BUILDING 'B' APPROX. 53,730 S.F.

PROPERTY KEY MAP

PROJECT NAME: LAKESHORE PLAZA
LEGAL DESCRIPT (FROM PLAT):
LOT 1 IN BLOCK A, OF LAKESHORE PLAZA A PORTION OF THE MATTHEW JONES SURVEY, ABSTRACT NUMBER 667, IN THE TOWN OF LITTLE ELM DENTON COUNTY, TEXAS CONTAINING 266,619 SQ. FT OR 6.121 ACRES June, 2016

ANY MATERIALS OR METHODS CONTAINING OR USING ASBESTOS ARE PROHIBITED

Site Plan
01 1" = 30'

PLAN NORTH

SCALE: 1" = 40'
0 20 40

OWNER & APPLICANT:
MATT SHEKARI mattshekari@gmail.com 972-339-2943
TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

ARCHITECT OF RECORD:
WES GUSTIN, RA, LEED AP wes@triunearchitecture.com 972-363-6155

PRELIMINARY
NOT FOR
REGULATORY
APPROVAL OR
COPNSTRUCTION

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitectureplic.com

Lakeshore Plaza
Bldg. 'C'

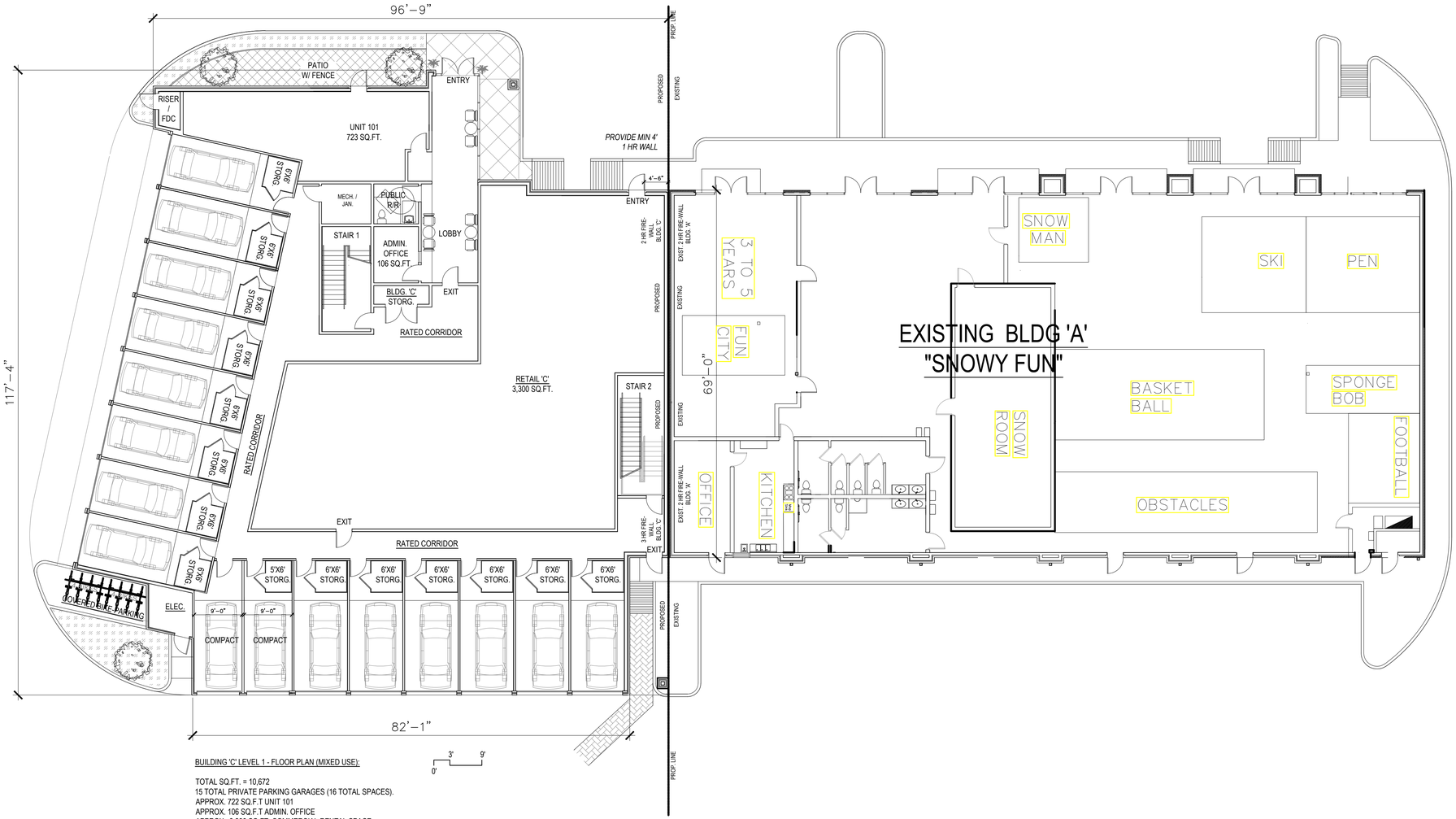
Eldorado Pkwy.
and Hillside Dr.
Little Elm, TX
75206

Site Review 02-24-22
PD 03-11-22
PD 03-30-22
PD 05-20-22
PD 08-05-22

Project #: 2003.00

SITE
MASTER
PLAN

A0.1
09-06-2022



BUILDING 'C' LEVEL 1 - FLOOR PLAN (MIXED USE):

TOTAL SQ.FT. = 10,672
15 TOTAL PRIVATE PARKING GARAGES (16 TOTAL SPACES).
APPROX. 722 SQ.F.T UNIT 101
APPROX. 106 SQ.F.T ADMIN. OFFICE
APPROX. 3,300 SQ.FT. COMMERCIAL RENTAL SPACE.

Level 1 — Overall

01 3/32" = 1'-0"

PLAN NORTH

OWNER & APPLICANT:
MATT SHEKARI mattshekari@gmail.com 972-339-2943
TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

ARCHITECT OF RECORD:
WES GUSTIN, RA, LEED AP wes@triunearchitecture.com 972-363-6155

TRIUNE ARCHITECTURE
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Lakeshore Plaza
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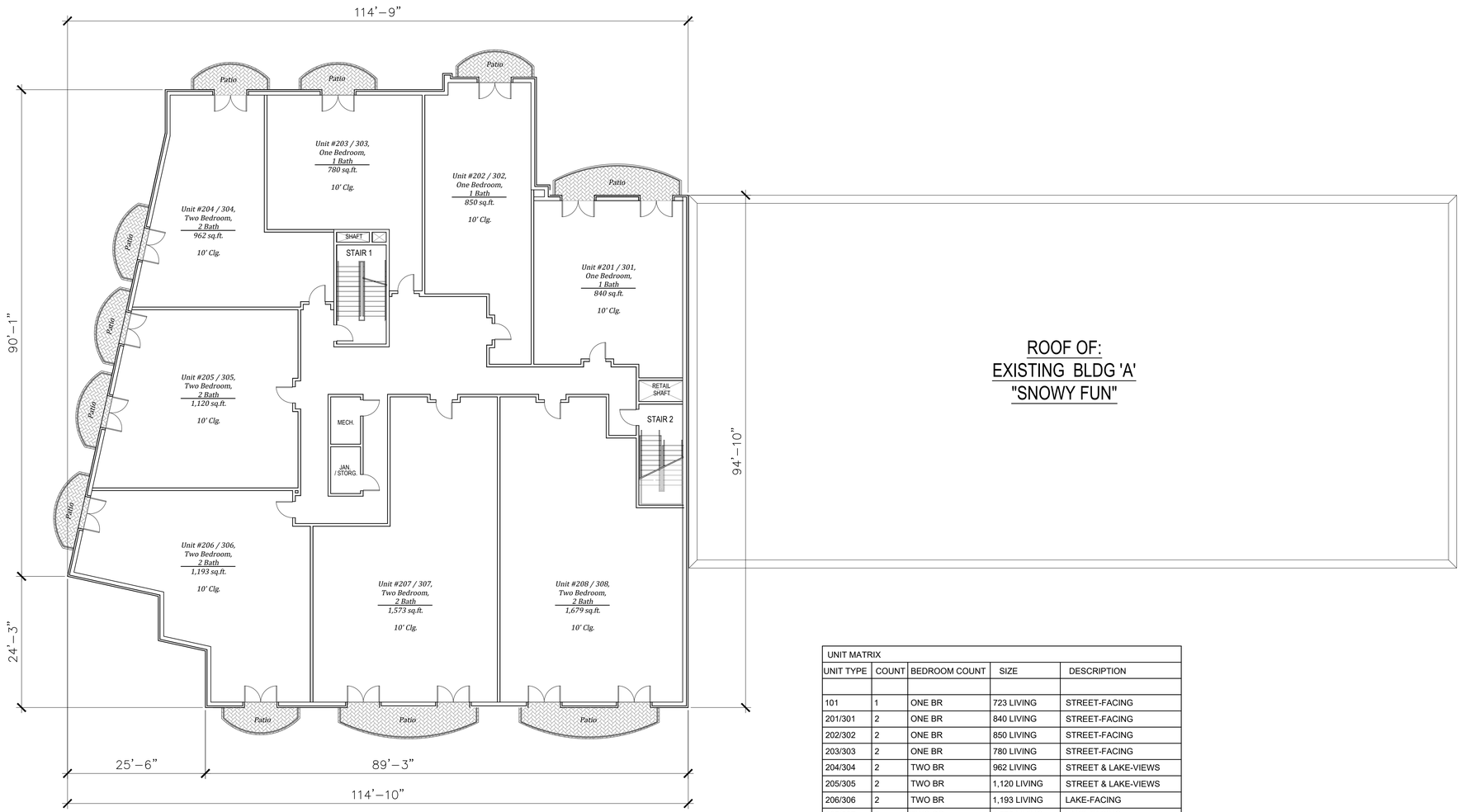
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Project #: 2003.00

Level 1
Overall
Floor Plan

A1.1

ANY MATERIALS OR METHODS
CONTAINING OR USING ASBESTOS
ARE PROHIBITED



UNIT MATRIX				
UNIT TYPE	COUNT	BEDROOM COUNT	SIZE	DESCRIPTION
101	1	ONE BR	723 LIVING	STREET-FACING
201/301	2	ONE BR	840 LIVING	STREET-FACING
202/302	2	ONE BR	850 LIVING	STREET-FACING
203/303	2	ONE BR	780 LIVING	STREET-FACING
204/304	2	TWO BR	962 LIVING	STREET & LAKE-VIEWS
205/305	2	TWO BR	1,120 LIVING	STREET & LAKE-VIEWS
206/306	2	TWO BR	1,193 LIVING	LAKE-FACING
207/307	2	TWO BR	1,573 LIVING	LAKE-FACING
208/308	2	TWO BR	1,679 LIVING	LAKE-FACING
TOTAL	17			

BUILDING 'C' LEVEL 2,3 - FLOOR PLAN (LIVING UNITS):

GRAND TOTAL SQ.FT. = 11,259 (NOT INCLUDING PATIOS)

0' 3' 9'

Level 2 & 3

01 3/32" = 1'–0"

PLAN NORTH

OWNER & APPLICANT:
MATT SHEKARI mattshekari@gmail.com 972-339-2943
TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

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Level 2 & 3

A1.2

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- All signage areas and locations are subject to approval of Development Services Director
- When permitted, exposed utility boxes and conduits shall be painted to match the building
- Roof access shall be provided internally, unless otherwise permitted by the Chief Building Official



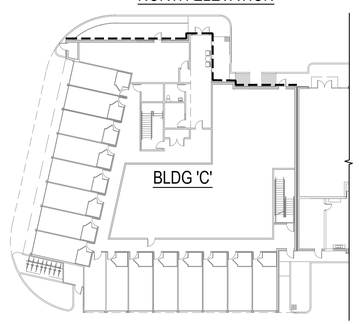
LEGEND

- CORONADO "STRIP" STONE COLOR: "BLACK FOREST"
- BRICK: ACME-COLOR: "MAROON"
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- BRICK: ACME-COLOR: "DARK BROWN"
- PRE-FIN ALUM. FASCIA COLOR: ALUMINUM
- PAINTED STEEL POST(S)SW2022 'DRY DOCK'
- STEEL CABLES
- E.I.F.S.-ROUGH FINISH COLOR: SW2025 'CASTLE BEIGE'
- E.I.F.S. ACCENT ROUGH FINISH COLOR: SW2022 'DRY DOCK'
- CAST STONE SILL / COLOR: BEIGE
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- E.I.F.S. CORNICE-SMOOTH FINISH COLOR: SW7004 "SNOWBOUND"
- 4" EIFST ACCENT ROUGH FINISH SW2022 'DRY DOCK'
- E.I.F.S. SCORING: ½"

MATERIAL TABULATIONS: 5,844
Total Elev. Surface = 5,844
Total Windows & Doors = 634
Total Elev (Minus Doors/Windows).: 5,210 sq.ft.
2,709 sq.ft. Brick (52%)
1,250 sq.ft. Stucco (24%)
834 sq.ft. Stacked Stone (16%)
417 sq.ft. Accent Materials (8%):
-Metal Awnings
-EIFS Cornices & Accents

3' 9'
0'

NORTH ELEVATION



Floor Plan Key
02

1" = 300'

PLAN NORTH

Front Elevation-Building 'C' (North)
01

3/16" = 1'-0"

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Bldg. 'C'

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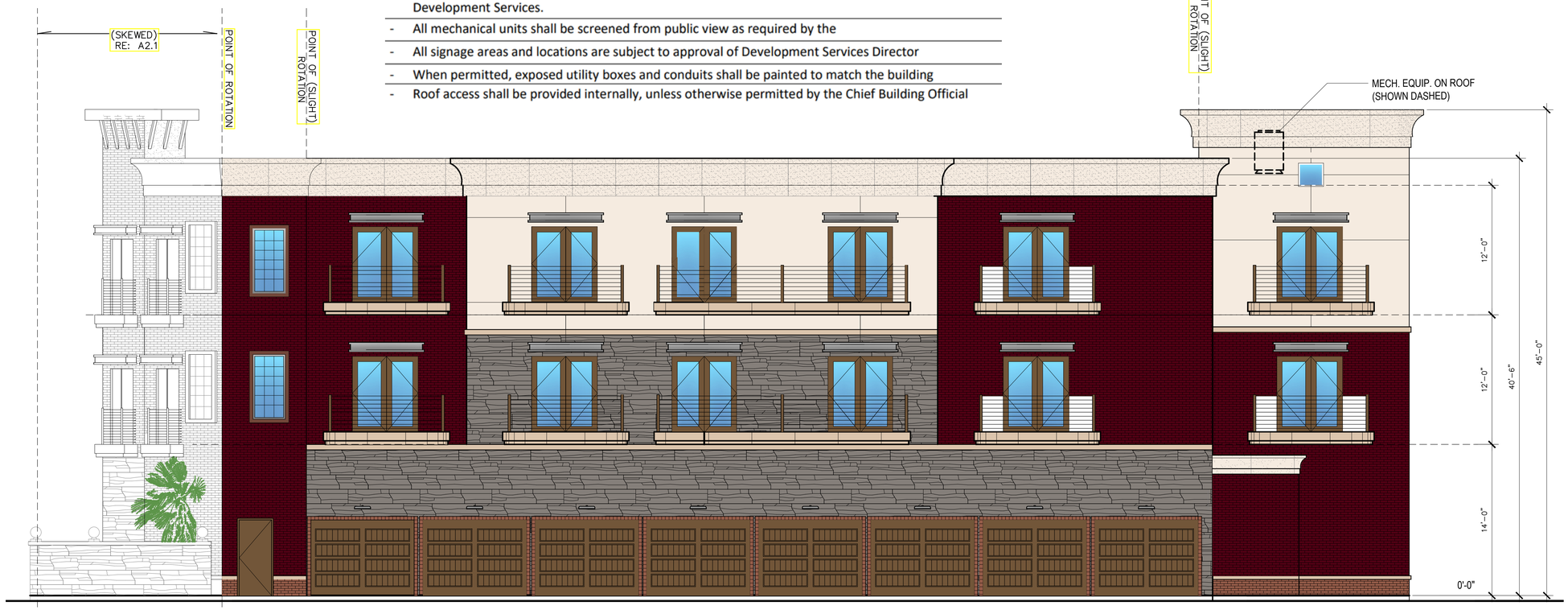
Project #: 2003.00

EXTERIOR
ELEVATION

A2.1

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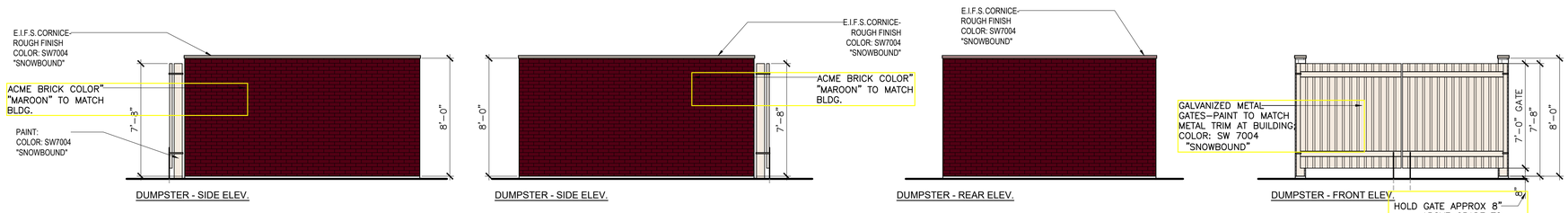
LEGEND

- CORONADO "STRIP" STONE COLOR: "BLACK FOREST"
- BRICK: ACME-COLOR: "MAROON"
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- BRICK: ACME-COLOR: "DARK BROWN"
- PRE-FIN ALUM. FASCIA COLOR: ALUMINUM
- PAINTED STEEL POST(S)SW2022 'DRY DOCK'
- STEEL CABLES
- E.I.F.S.-ROUGH FINISH COLOR: SW2025 'CASTLE BEIGE'
- E.I.F.S. ACCENT ROUGH FINISH COLOR: SW2022 'DRY DOCK'
- CAST STONE SILL / COLOR: BEIGE
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- E.I.F.S. CORNICE-SMOOTH FINISH COLOR: SW7004 "SNOWBOUND"
- 4" EIFST ACCENT ROUGH FINISH SW2022 'DRY DOCK'
- E.I.F.S. SCORING: 1/2"
- DECORATIVE METAL OVERHEAD DOOR BY "LUX" , COLOR: "WALNUT"
- ROWLOCK SURROUND TO MATCH THE "ACME - DARK BROWN"

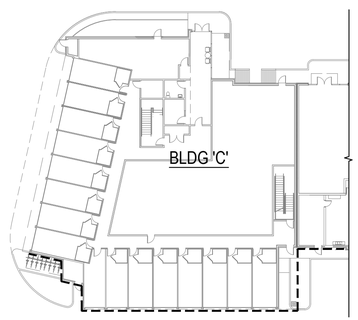
MATERIAL TABULATIONS:
Total Elev. Surface = 6,767 sq.ft.
Total Doors & Windows = 1,048
Total Elev (Minus Doors/Windows).: 5,719 sq.ft.
2,345 sq.ft. Brick (41%)
1,659 sq.ft. Stucco (29%)
1,315 sq.ft. Stacked Stone (23%)
400 sq.ft. Accent Materials (7%):
-Metal Awnings
-EIFS Cornices & Accents

3' 9'
0'

Side Elevation-Building 'C' (West)
01 3/16" = 1'-0'



Dumpster Elevations
02 1/4" = 1'-0'



SOUTH ELEVATION

Floor Plan Key
03 1" = 300'

PLAN NORTH

OWNER & APPLICANT:
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ARCHITECT OF RECORD:
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Lakeshore Plaza
Bldg. 'C'

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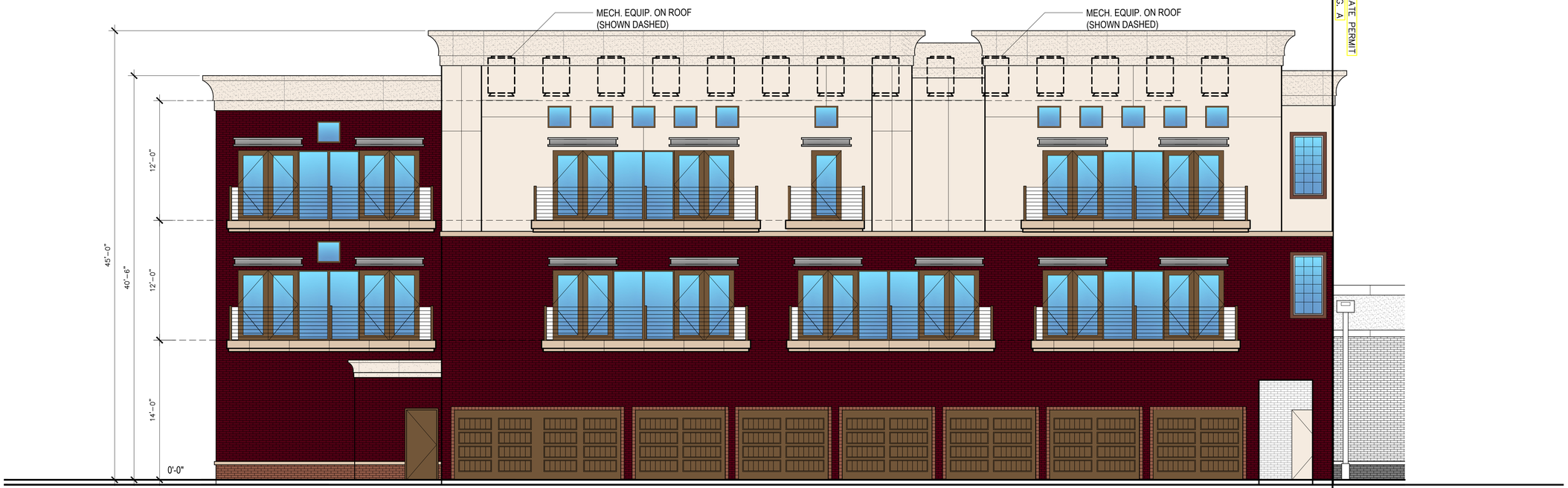
Project #: 2003.00

EXTERIOR ELEVATION

A2.2

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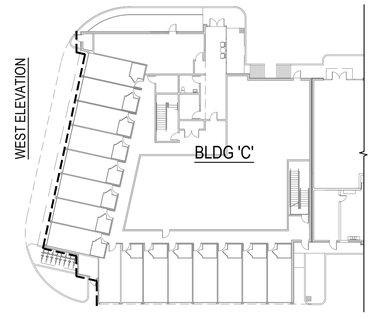


LEGEND

- CORONADO "STRIP" STONE COLOR: "BLACK FOREST"
- BRICK: ACME-COLOR: "MAROON"
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- BRICK: ACME-COLOR: "DARK BROWN"
- PRE-FIN ALUM. FASCIA COLOR: ALUMINUM
- PAINTED STEEL POST(S)SW2022 'DRY DOCK'
- STEEL CABLES
- E.I.F.S.-ROUGH FINISH COLOR: SW2025 'CASTLE BEIGE'
- E.I.F.S. ACCENT ROUGH FINISH COLOR: SW2022 'DRY DOCK'
- CAST STONE SILL / COLOR: BEIGE
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- E.I.F.S. CORNICE-SMOOTH FINISH COLOR: SW7004 "SNOWBOUND"
- 4" EIFST ACCENT ROUGH FINISH SW2022 'DRY DOCK'
- E.I.F.S. SCORING: $\frac{3}{4}$"
- DECORATIVE METAL OVERHEAD DOOR BY "LUX" , COLOR: "WALNUT"
- ROWLOCK SURROUND TO MATCH THE "ACME - DARK BROWN"

MATERIAL TABULATIONS:
Total Elev. Surface = 7,112 sq.ft.
Total Doors & Windows = 1,264 sq.ft.
Total Elev (Minus Doors/Windows).: 5,848 sq.ft.
4,094 sq.ft. Brick (70%)
1,287 sq.ft. Stucco (22%)
467 sq.ft. Accent Materials (8%):
-Metal Awnings
-EIFS Cornices & Accents
-Cedar Trellis

3' 9'
0'



Floor Plan Key
02 1" = 300'

PLAN NORTH

Rear Elevation-Building 'C' (South)
01 3/16" = 1'-0"

OWNER & APPLICANT:
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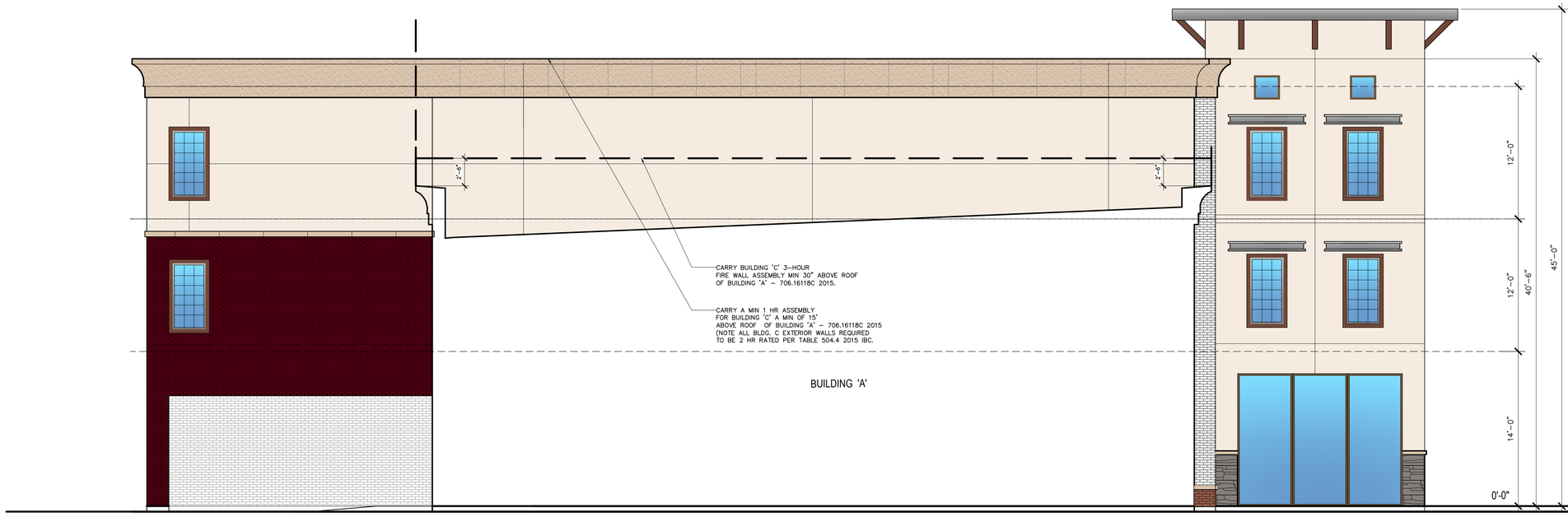
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EXTERIOR ELEVATION

A2.3

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LEGEND

- CORONADO "STRIP" STONE COLOR: "BLACK FOREST"
- BRICK: ACME-COLOR: "MAROON"
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- E.I.F.S. ACCENT ROUGH FINISH COLOR: SW2022 'DRY DOCK'
- CAST STONE SILL / COLOR: BEIGE
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- E.I.F.S. CORNICE-SMOOTH FINISH COLOR: SW7004 "SNOWBOUND"
- 4" EIFST ACCENT ROUGH FINISH SW2022 'DRY DOCK'
- E.I.F.S. SCORING: ½"

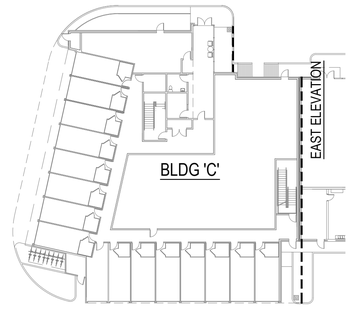
MATERIAL TABULATIONS:
Total Elev. Surface = 5,791 sq.ft.
Total Doors & Windows = 284 sq.ft.
Total Elev (Minus Doors/Windows).: 5,507 sq.ft.
3,305 sq.ft. Brick (60%)
1,707 sq.ft. Stucco (31%)
165 sq.ft. Stacked Stone (3%)
330 sq.ft. Accent Materials (6%):
-Metal Awnings
-EIFS Cornices & Accents

3' 9'
0'

Side Elevation-Building 'C' (East)
01 3/16" = 1'-0'

OWNER & APPLICANT:
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Floor Plan Key
02 1" = 300'

PLAN NORTH

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Lakeshore Plaza
Bldg. 'C'

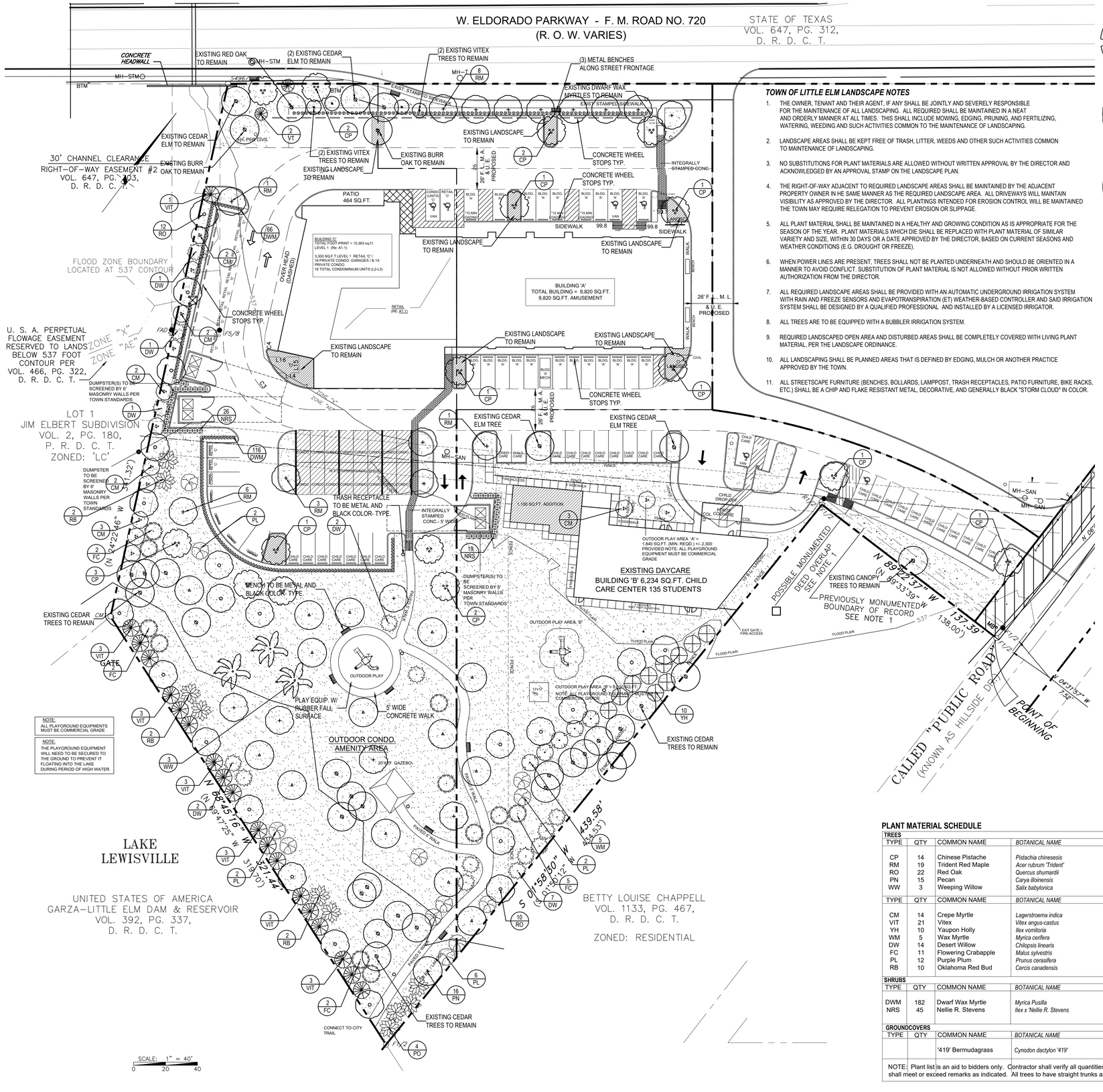
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EXTERIOR ELEVATION

A2.4



TOWN OF LITTLE ELM LANDSCAPE NOTES

1. THE OWNER, TENANT AND THEIR AGENT, IF ANY SHALL BE JOINTLY AND SEVERELY RESPONSIBLE FOR THE MAINTENANCE OF ALL LANDSCAPING. ALL REQUIRED SHALL BE MAINTAINED IN A NEAT AND ORDERLY MANNER AT ALL TIMES. THIS SHALL INCLUDE MOWING, EDGING, PRUNING, AND FERTILIZING, WATERING, WEEDING AND SUCH ACTIVITIES COMMON TO THE MAINTENANCE OF LANDSCAPING.
2. LANDSCAPE AREAS SHALL BE KEPT FREE OF TRASH, LITTER, WEEDS AND OTHER SUCH ACTIVITIES COMMON TO MAINTENANCE OF LANDSCAPING.
3. NO SUBSTITUTIONS FOR PLANT MATERIALS ARE ALLOWED WITHOUT WRITTEN APPROVAL BY THE DIRECTOR AND ACKNOWLEDGED BY AN APPROVAL STAMP ON THE LANDSCAPE PLAN.
4. THE RIGHT-OF-WAY ADJACENT TO REQUIRED LANDSCAPE AREAS SHALL BE MAINTAINED BY THE ADJACENT PROPERTY OWNER IN HE SAME MANNER AS THE REQUIRED LANDSCAPE AREA. ALL DRIVEWAYS WILL MAINTAIN VISIBILITY AS APPROVED BY THE DIRECTOR. ALL PLANTINGS INTENDED FOR EROSION CONTROL WILL BE MAINTAINED THE TOWN MAY REQUIRE RELEGATION TO PREVENT EROSION OR SLIPPAGE.
5. ALL PLANT MATERIAL SHALL BE MAINTAINED IN A HEALTHY AND GROWING CONDITION AS IS APPROPRIATE FOR THE SEASON OF THE YEAR. PLANT MATERIALS WHICH DIE SHALL BE REPLACED WITH PLANT MATERIAL OF SIMILAR VARIETY AND SIZE, WITHIN 30 DAYS OR A DATE APPROVED BY THE DIRECTOR, BASED ON CURRENT SEASONS AND WEATHER CONDITIONS (E.G. DROUGHT OR FREEZE).
6. WHEN POWER LINES ARE PRESENT, TREES SHALL NOT BE PLANTED UNDERNEATH AND SHOULD BE ORIENTED IN A MANNER TO AVOID CONFLICT. SUBSTITUTION OF PLANT MATERIAL IS NOT ALLOWED WITHOUT PRIOR WRITTEN AUTHORIZATION FROM THE DIRECTOR.
7. ALL REQUIRED LANDSCAPE AREAS SHALL BE PROVIDED WITH AN AUTOMATIC UNDERGROUND IRRIGATION SYSTEM WITH RAIN AND FREEZE SENSORS AND EVAPOTRANSPIRATION (ET) WEATHER-BASED CONTROLLER AND SAID IRRIGATION SYSTEM SHALL BE DESIGNED BY A QUALIFIED PROFESSIONAL AND INSTALLED BY A LICENSED IRRIGATOR.
8. ALL TREES ARE TO BE EQUIPPED WITH A BUBBLER IRRIGATION SYSTEM.
9. REQUIRED LANDSCAPED OPEN AREA AND DISTURBED AREAS SHALL BE COMPLETELY COVERED WITH LIVING PLANT MATERIAL, PER THE LANDSCAPE ORDINANCE.
10. ALL LANDSCAPING SHALL BE PLANNED AREAS THAT IS DEFINED BY EDGING, MULCH OR ANOTHER PRACTICE APPROVED BY THE TOWN.
11. ALL STREETSCAPE FURNITURE (BENCHES, BOLLARDS, LAMPPOST, TRASH RECEPTACLES, PATIO FURNITURE, BIKE RACKS, ETC.) SHALL BE A CHIP AND FLAKE RESISTANT METAL, DECORATIVE, AND GENERALLY BLACK "STORM CLOUD" IN COLOR.

Chinese Pistache
Trident Red Maple
Pecan
Red Bud
Red Oak
Purple Plum
Crepe Myrtle
Flowering Carbapple
Vitex
Wax Myrtle
Desert Willow
Yaupon Holly
Nellie R. Stevens
Dwarf Wax Myrtle

SOLID SOD NOTES

1. FINE GRADE AREAS TO ACHIEVE FINAL CONTOURS INDICATED. LEAVE AREAS TO RECEIVE TOPSOIL 3" BELOW FINAL DESIRED GRADE IN PLANTING AREAS AND 1" BELOW FINAL GRADE IN TURF AREAS.
2. ADJUST CONTOURS TO ACHIEVE POSITIVE DRAINAGE AWAY FROM BUILDINGS. PROVIDE UNIFORM ROUNDING AT TOP AND BOTTOM OF SLOPES AND OTHER BREAKS IN GRADE. CORRECT IRREGULARITIES AND AREAS WHERE WATER MAY STAND.
3. ALL LAWN AREAS TO RECEIVE SOLID SOD SHALL BE LEFT IN A MAXIMUM OF 1" BELOW FINAL FINISH GRADE. CONTRACTOR TO COORDINATE OPERATIONS WITH ON-SITE CONSTRUCTION MANAGER.
4. CONTRACTOR TO COORDINATE WITH ON-SITE CONSTRUCTION MANAGER FOR AVAILABILITY OF EXISTING TOPSOIL.
5. PLANT SOD BY HAND TO COVER INDICATED AREA COMPLETELY. INSURE EDGES OF SOD ARE TOUCHING. TOP DRESS JOINTS BY HAND WITH TOPSOIL TO FILL VOIDS.
6. ROLL GRASS AREAS TO ACHIEVE A SMOOTH, EVEN SURFACE, FREE FROM UNNATURAL UNDULATIONS.
7. WATER SOD THOROUGHLY AS SOD OPERATION PROGRESSES.
8. CONTRACTOR SHALL MAINTAIN ALL LAWN AREAS UNTIL FINAL ACCEPTANCE. THIS SHALL INCLUDE, BUT NOT LIMITED TO: MOWING, WATERING, WEEDING, CULTIVATING, CLEANING AND REPLACING DEAD OR BARE AREAS TO KEEP PLANTS IN A VIGOROUS, HEALTHY CONDITION.
9. CONTRACTOR SHALL GUARANTEE ESTABLISHMENT OF AN ACCEPTABLE TURF AREA AND SHALL PROVIDE REPLACEMENT FROM LOCAL SUPPLY IF NECESSARY.

PLANT MATERIAL SCHEDULE

TYPE	QTY	COMMON NAME	BOTANICAL NAME	SIZE	REMARKS
TREES					
CP	14	Chinese Pistache	*Pistachia chinesesis*	4" cal.	container, 12' ht., 5' spread, 6' clear straight trunk
RM	19	Trident Red Maple	*Acer rubrum 'Trident'*	4" cal.	B&B, 12' ht., 4' spread, 5' clear straight trunk
RO	22	Red Oak	*Quercus shumardii*	4" cal.	container, 12' ht., 5' spread, 6' clear straight trunk
PN	15	Pecan	*Carya illoinensis*	4" cal.	container, 12' ht., 5' spread, 6' clear straight trunk
WW	3	Weeping Willow	*Salix babylonica*	4" cal.	container, 12' ht., 5' spread, 6' clear straight trunk
TYPE	QTY	COMMON NAME	BOTANICAL NAME	SIZE	REMARKS
CM	14	Crepe Myrtle	*Lagerstroema indica*	3" cal.	container, 10' ht., 5' spread, 3 trunks
VIT	21	Vitex	*Vitex angus-castus*	3" cal.	container grown, 10' ht., 4' spread, 3 trunks
YH	10	Yaupon Holly	*Ilex vomitoria*	3" cal.	B&B, 10' ht., multi-trunk, 4' spread
WM	5	Wax Myrtle	*Myrica cerifera*	3" cal.	container grown, 10' ht., 4' spread tree form
DW	14	Desert Willow	*Chilopsis linearis*	3" cal.	B&B, container grown, 10' ht.
FC	11	Flowering Crabapple	*Malus sylvestris*	3" cal.	B&B, container grown, 10' ht.
PL	12	Purple Plum	*Prunus cerasifera*	3" cal.	B&B, container grown, 10' ht.
RB	10	Oklahoma Red Bud	*Cercis canadensis*	3" cal.	B&B, container grown, 10' ht.
SHRUBS					
TYPE	QTY	COMMON NAME	BOTANICAL NAME	SIZE	REMARKS
DWM	182	Dwarf Wax Myrtle	*Myrica Pusilla*	7 gal.	container, 36" ht. 24" spread
NRS	45	Nellie R. Stevens	*Ilex x 'Nellie R. Stevens*	7 gal.	container, 36" ht., 24" spread
GROUNDCOVERS					
TYPE	QTY	COMMON NAME	BOTANICAL NAME	SIZE	REMARKS
		'419' Bermudagrass	*Cynodon dactylon '419'*		solid sod refer to notes

NOTE: Plant list is an aid to bidders only. Contractor shall verify all quantities on plan. All heights and spreads are minimums. All plant material shall meet or exceed remarks as indicated. All trees to have straight trunks and be matching within varieties.

LANDSCAPE NOTES

1. CONTRACTOR SHALL VERIFY ALL EXISTING AND PROPOSED SITE ELEMENTS AND NOTIFY ARCHITECT OF ANY DISCREPANCIES. SURVEY DATA OF EXISTING CONDITIONS WAS SUPPLIED BY OTHERS.
2. CONTRACTOR SHALL LOCATE ALL EXISTING UNDERGROUND UTILITIES AND NOTIFY ARCHITECT OF ANY CONFLICTS. CONTRACTOR SHALL EXERCISE CAUTION WHEN WORKING IN THE VICINITY OF UNDERGROUND UTILITIES.
3. CONTRACTOR IS RESPONSIBLE FOR OBTAINING ALL REQUIRED LANDSCAPE AND IRRIGATION PERMITS.
4. CONTRACTOR TO PROVIDE A MINIMUM 2% SLOPE AWAY FROM ALL STRUCTURES.
5. ALL PLANTING BEDS AND LAWN AREAS TO BE SEPARATED BY STEEL EDGING. NO STEEL TO BE INSTALLED ADJACENT TO SIDEWALKS OR CURBS.
6. ALL LANDSCAPE AREAS TO BE 100% IRRIGATED WITH AN UNDERGROUND AUTOMATIC IRRIGATION SYSTEM AND SHALL INCLUDE RAIN AND FREEZE SENSORS.
7. ALL LAWN AREAS TO BE SOLID SOD BERMUDAGRASS, UNLESS OTHERWISE NOTED ON THE DRAWINGS.

GENERAL LAWN NOTES

1. FINE GRADE AREAS TO ACHIEVE FINAL CONTOURS INDICATED ON CIVIL PLANS.
2. ADJUST CONTOURS TO ACHIEVE POSITIVE DRAINAGE AWAY FROM BUILDINGS. PROVIDE UNIFORM ROUNDING AT TOP AND BOTTOM OF SLOPES AND OTHER BREAKS IN GRADE. CORRECT IRREGULARITIES AND AREAS WHERE WATER MAY STAND.
3. ALL LAWN AREAS TO RECEIVE SOLID SOD SHALL BE LEFT IN A MAXIMUM OF 1" BELOW FINAL FINISH GRADE. CONTRACTOR TO COORDINATE OPERATIONS WITH ON-SITE CONSTRUCTION MANAGER.
4. IMPORTED TOPSOIL SHALL BE NATURAL, FRIABLE SOIL FROM THE REGION, KNOWN AS BOTTOM AND SOIL, FREE FROM LUMPS, CLAY, TOXIC SUBSTANCES, ROOTS, DEBRIS, VEGETATION, STONES, CONTAINING NO SALT AND BLACK TO BROWN IN COLOR.
5. *ALL LAWN AREAS TO BE FINE GRADED, IRRIGATION TRENCHES COMPLETELY SETTLED, AND FINISH GRADE APPROVED BY THE OWNER'S CONSTRUCTION MANAGER OR ARCHITECT PRIOR TO INSTALLATION.*
6. *ALL ROCKS 3/4" DIAMETER AND LARGER, DIRT CLODS, STICKS, CONCRETE SPOILS, ETC. SHALL BE REMOVED PRIOR TO PLACING TOPSOIL AND ANY LAWN INSTALLATION*
7. CONTRACTOR SHALL PROVIDE (1") ONE INCH OF IMPORTED TOPSOIL ON ALL AREAS TO RECEIVE LAWN.

LANDSCAPE TABULATIONS

SITE TREE REQUIREMENTS
Requirements: 10% of gross vehicular area to be landscaped.
(1) tree per 400 s.f. of required landscaped area.
Total Area: (181,166 s.f.)
Vehicular Area: (62,031 s.f.)

Required	Provided
6,203 s.f. (10%)	7,882 s.f. (13%)
Required	Provided
(16) trees	(48) trees (10) 3" cal. ornamental trees

PARKING LOT
Requirement: All parking spaces must be located within 70' of large canopy tree. One (1) tree per island and One island for every (10) spots.
Provided

PERIMETER LANDSCAPE REQUIREMENTS
Requirements- Vehicular screening is required from public R.O.W and abutting properties.
Provided

Public R.O.W. Frontage- (304 l.f.) 1 large tree per 20 l.f. of street frontage

Required	Provided
16 trees	10 proposed trees- 4" cal. 4 existing trees- 4" cal. 6 ornamental trees (2 proposed, 4 ex.)

Landscape buffers between properties- 844 l.f.
1 large tree per 25 l.f. and 3 ornamental per 5 large trees required in perimeter buffer areas.

Required:	Provided:
(34) trees	(32) trees + (4) existing
(102) ornamental trees	(85) ornamental trees + (17) existing

Perimeter vehicular screening provided with 36" ht. evergreen shrubs
Provided

LANDSCAPE DESIGN OPTIONS
25 POINTS REQUIRED

Enhanced Streetscape Elements (Benches) - 5 points
Enhanced hardscape (crosswalks are concrete pavers) - 5 points
Enhanced site canopy - 5 points
Open Space Greater than Required (20%+) - 5 points
Use of shaded/outdoor seating (Gazebo) - 5 points

Total points = 25.00

FOUNDATION PLANTING

In place of foundation planting the following is proposed
Play-set with rubber fall surface
5' concrete perimeter walk
6 metal benches
4 metal trash receptacles

01 LANDSCAPE PLAN
SCALE 1"=30'-0"
0 15 30 60

LANDSCAPE ARCHITECT
STUDIO GREEN SPOT, INC.
1784 W. McDERMOTT DR.
SUITE 110
ALLEN, TEXAS 75013
(469) 369-4448
CHRIS@STUDIOGREENSPOT.COM

CHRIS TROMBLEY 2042 LICENSED LANDSCAPE ARCHITECT STATE OF TEXAS
07.28.2022

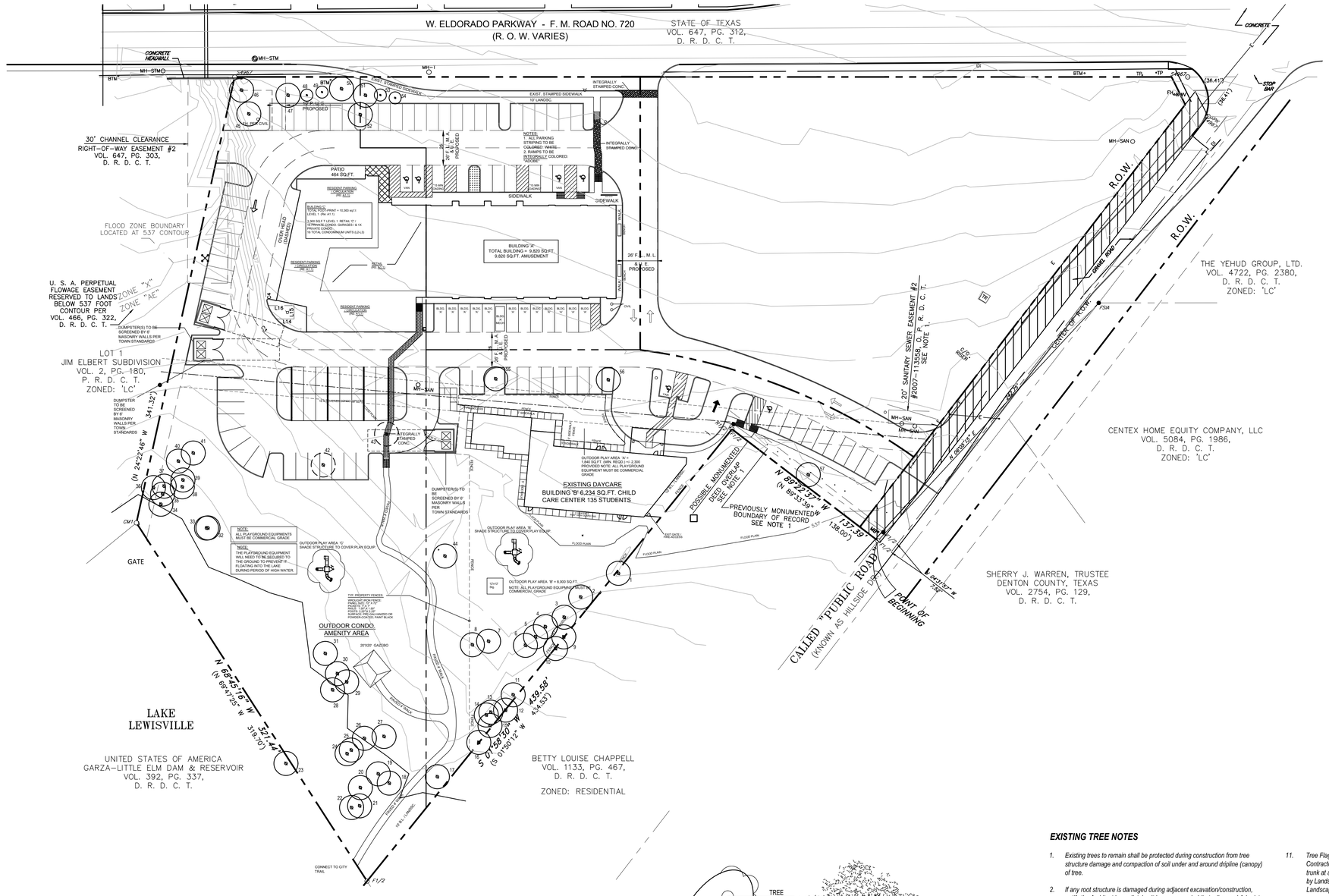
LAKESHORE RETAIL
ELDORADO PKWY
LITTLE ELM, TEXAS

ISSUE:
CITY COMMENTS 07.08.2022
CITY COMMENTS 07.28.2022

DATE:
07.28.2022

SHEET NAME:
LANDSCAPE PLAN

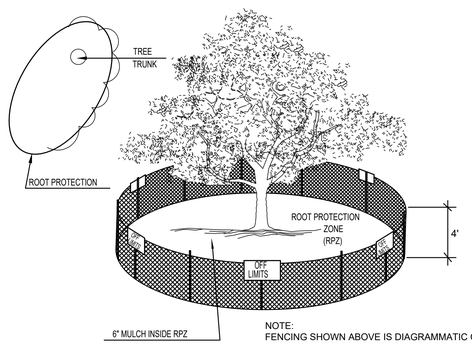
SHEET NUMBER:
L.2



TREE TABLE

NO.	SIZE	SPECIES	Botanical Name	STATUS	Quality	Mitigation Req.
1	14 IN	HACKBERRY	*Celtis Occidentalis*	REMAIN	NO	NO
2	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
3	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
4	14 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
5	12 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
6	16 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
7	3 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
8	4 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
9	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
10	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	NO	NO
11	10 IN	HACKBERRY	*Celtis Occidentalis*	REMAIN	NO	NO
12	8 IN	HACKBERRY	*Celtis Occidentalis*	REMAIN	NO	NO
13	8 IN	HACKBERRY	*Celtic Occidentalis*	REMAIN	NO	NO
14	12 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
15	4 IN	HONEY LOCUST	*Gleditstia Tracanthos*	REMAIN	NO	NO
16	10 IN	HONEY LOCUST	*Gleditstia Trancanthos*	REMAIN	NO	NO
17	10 IN	HONEY LOCUST	*Gleditstia Trancanthos*	REMAIN	NO	NO
18	16 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
19	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
20	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
21	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
22	14 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
23	10 IN	EASTERN RED CEDAY	*Juniper Virginiana*	REMAIN	YES	NO
24	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
25	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO

NO.	SIZE	SPECIES	Botanical Name	STATUS	Quality	Mitigation Req.
26	16 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
27	5 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
28	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
29	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
30	10IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
31	4 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
32	11 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
33	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
34	12 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	NO	NO
35	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
36	13 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	NO	NO
37	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
38	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
39	10 IN	EASTERN RED CEDAY	*Juniper Virginiana*	REMAIN	YES	NO
40	12 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
41	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
42	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMOVE	YES	NO
43	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMOVE	YES	NO
44	4 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
45	4 IN	BURR OAK	*Quercus Macrocarpa*	REMAIN	YES	NO
46	4 IN	CEDAR ELM	*Ulmus Crassifolia*	REMAIN	YES	NO
47	4 IN	RED OAK	*Quercus Shumardii*	REMAIN	YES	NO
48	4 IN	VITEX	*Vitex agnus-castus*	REMAIN	YES	NO
49	4 IN	VITEX	*Vitex agnus-castus*	REMAIN	YES	NO
50	4 IN	CEDAR ELM	*Quercus Shumardii*	REMAIN	YES	NO
51	4 IN	CEDAR ELM	*Quercus Shumardii*	REMAIN	YES	NO
52	4 IN	BURR OAK	*Quercus Macrocarpa*	REMAIN	YES	NO
53	4 IN	VITEX	*Vitex agnus-castus*	REMAIN	YES	NO
54	4 IN	VITEX	*Vitex angus-castus*	REMAIN	YES	NO
55	4 IN	CEDAR ELM	*Ulmus Crassifolia*	REMAIN	YES	NO
56	4 IN	CEDAR ELM	*Ulmus Crassifolia*	REMAIN	YES	NO
57	4 IN	CEDAR ELM	*Ulmus Crassifolia*	REMAIN	YES	NO



NOTE:
FENCING SHOWN ABOVE IS DIAGRAMMATIC ONLY AND WILL CONFORM TO THE DRIP LINE AND LIMITED TO PROJECT BOUNDARY

01 TREE PROTECTION FENCE A
NOT TO SCALE

EXISTING TREE NOTES

1. *Existing trees to remain shall be protected during construction from tree structure damage and compaction of soil under and around dripline (canopy) of tree.*
2. *If any root structure is damaged during adjacent excavation/construction, notify the Architect immediately. It is recommended that a licensed Arborist be secured for the treatment of any possible tree wounds.*
3. *No disturbance of the soil greater than 4" shall be located closer to the tree trunk than 1/2 the distance of the drip line to the tree trunk. A minimum of 75% of the drip line and root zone shall be preserved at natural grade.*
4. *Any fine grading done within the critical root zones of the protected trees must be done with light machinery such as a bobcat or light tractor. No earth moving equipment with tracks is allowed within the critical root zone of the trees.*
5. *Material Storage: No materials intended for use in construction or waste materials accumulated due to excavation or demolition shall be placed within the limits of the dripline of any tree.*
6. *Equipment Cleaning/Liquid Disposal: No equipment may be cleaned, toxic solutions, or other liquid chemicals shall be deposited within the limits of the dripline of a tree. This would include but not be limited to paint, oil, solvents, asphalt, concrete, mortar, primers, etc.*
7. *Tree Attachments: No signs, wires or other attachments, other than those of a protective nature shall be attached to any tree.*
8. *Vehicular Traffic: No vehicular and construction equipment traffic or parking is allowed within the limits of the dripline of trees.*
9. *Boring of Utilities: May be permitted under protected trees in certain circumstances. The minimum length of the bore shall be the width of the tree's canopy and shall be a minimum depth of forty-eight (48") inches.*
10. *Trenching: Any irrigation trenching which must be done within the critical root zone of a tree shall be dug by hand and enter the area in a radial manner.*
11. *Tree Flagging: All trees to be removed from the site shall be flagged by the Contractor with bright red vinyl tape (3" width) wrapped around the main trunk at a height of four (4') feet above grade. Flagging shall be approved by Landscape Architect prior to any tree removal. Contractor shall contact Landscape Architect with 72 hour notice to schedule on-site meeting.*
12. *Protective Fencing: All trees to remain, as noted on drawings, shall have protective fencing located at the tree's dripline. The protective fencing may be comprised of snow fencing, orange vinyl construction fencing, chain link fence or other similar fencing with a four (4') foot approximate height. The protective fencing will be located as indicated on the Tree Protection Detail(s).*
13. *Bark Protection: In situations where a tree remains in the immediate area of intended construction, the tree shall be protected by enclosing the entire circumference of the tree's trunk with lumber encircled with wire or other means that does not damage the tree. Refer to Tree Protection Detail(s).*
14. *Construction Pruning: In a case where a low hanging limb is broken during the course of construction, the Contractor shall notify the Landscape Architect immediately. In no instance shall the Contractor prune any portion of the damaged tree without the prior approval by the Landscape Architect.*

EXISTING TREE LEGEND

EXISTING TREE TO REMAIN

EXISTING TREE TO BE REMOVED

TREE PROTECTION FENCING TO REMAIN DURING CONSTRUCTION REFER TO 01/L1.00

02 TREE PRESERVATION PLAN
SCALE 1"=20'-0"

0 10 20 40

LANDSCAPE ARCHITECT
STUDIO GREEN SPOT, INC.
1784 W. McDERMOTT DR.
SUITE 110
ALLEN, TEXAS 75013
(469) 369-4448
CHRIS@STUDIOGREENSPOT.COM

REGISTERED LANDSCAPE ARCHITECT
CHRIS TROWLANDS
2042
STATE OF TEXAS
07.28.2022

LAKESHORE RETAIL

ELDORADO PKWY.
LITTLE ELM, TEXAS

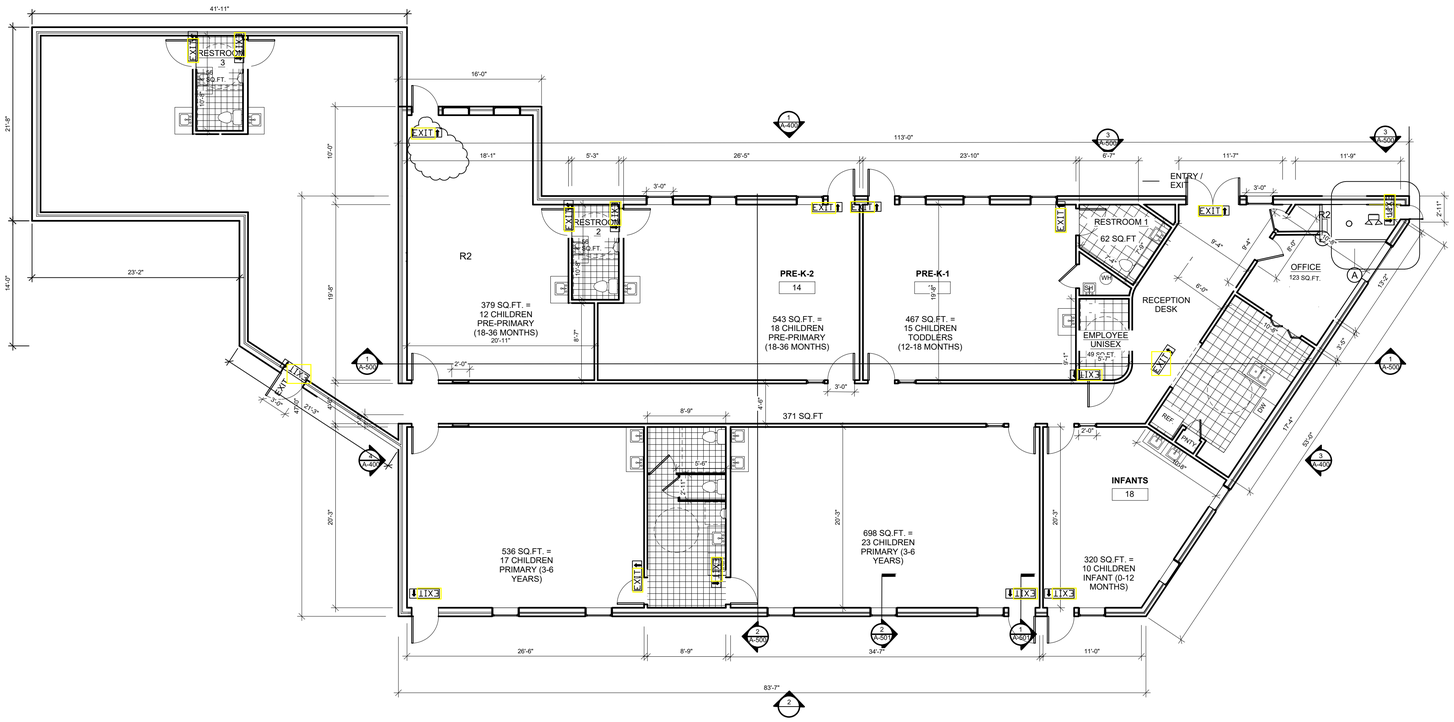
ISSUE:
FOR APPROVAL 07.28.2022

DATE:
07.28.2022

SHEET NAME:
TREE PRESERVATION PLAN

SHEET NUMBER:

L.1



Proposed Floor plan

CHILD CARE
AT LAKESHORE PLAZA, LITTLE ELM,
BUILDING "B"
ONE-STORY, WOOD-FRAMED
6070 SQ.FT.
TOTAL OCCUPANCY= 128

FLOOR PLAN GENERAL NOTES

1. ATTENTION ALL USERS OF THESE DRAWINGS,GENERAL CONTRACTORS,SUB-CONTRACTORS, MANUFACTURERS AND SUPPLIERS:CAREFULLY AND THOROUGHLY REVEIW THESE GENERAL NOTES .IT IS YOUR RESPONSIBILITY TO KNOW AND ADHERE TO THESE REQUIREMENTS .IF CONFLICT OCCURS , CONTACT ARCHITECT PRIOR TO COMMENCEMENT OF WORK.
2. EVERY EFFORT HAS BEEN MADE TO MAKE THESE DOCUMENT CONCISE AND COORDINATED ,TO DEFINE WORK IN THE MOST LOGICAL PLACE AND TO ELIMINATE REDUNDANCY, DO NOT PRESUME THAT YOUR SCOPE OF WORK IS DEFINED THROUGHOUT THE ENTIRE SET OF DRAWINGS AND SPECIFICATIONS . YOU MUST REVIEW THE ENTIRE SET OF CONTRACT DOCUMENTS TO DETERMINE YOUR SCOPE OF WORK. NO ADDITIONAL COST SHALL BE ACCESSED TO THE OWNER FOR NOT UNDERSTANDING SCOPE OF WORK. IF CONFLICT OCCURS, CONTACT THE ARCHITECT PRIOR TO COMMENCEMENT OF WORK.
3. DO NOT SCALE DRAWINGS
4. SEE THE PROJECT GENERAL NOTES LOCATED IN THE G-SERIES DRAWINGS
5. DIMENSION SHOWN FOR INTERIOR WALLS/PARTITION ARE FROM FACE OF GYPSUM BOARD ,OR CENTER OF COLUMN .EXTERIOR WALL DIMENSIONS ARE FROM FACE OF STUD AND/OR END OF STRUCTURAL SLAB U.N.O...SEE ENLARGED FLOOR PLANS FOR THR ADDITIONAL DIMENSIONS NOT INDICATED ON OVERALL DIMENTIONED PLANS
6. CONTRACTOR SHALL CROSS REFERENCE ALL SHEETS FOR WINDOW TYPES . ALL ALL HINGE SIDE DOOR JAMBS SHALL BE 5" FROM ADJACENT INTERSECTION,U.N.O
7. WINDOW TYPES MAY NOT APPEAR ON FLOOR PLANS
8. REFERENCE PLUMBING PLAN FOR FLOOR DRAINS.
9. FOR KITCHEN EQUIPMENT PLAN AND FOOD SERVICE EQUIPMENT/FURNITURE REFERENCE(K) SHEETS PROVIDED FROM FOOD SERVICE EQUIPMENT COMPANY /SUPPLIER /DESIGN/INSTALLATION .

S-2.021

FLOOR PLAN

PROJECT NORTH

NO.	DATE	DESCRIPTION

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CORE AND SHELL
ELDORADOPKWY & HILL
SIDE DR LITTLE ELX, TX 75068

Toptel llc 3899 Adams Ln FriscoTX 75034

PROJECT NO.00000

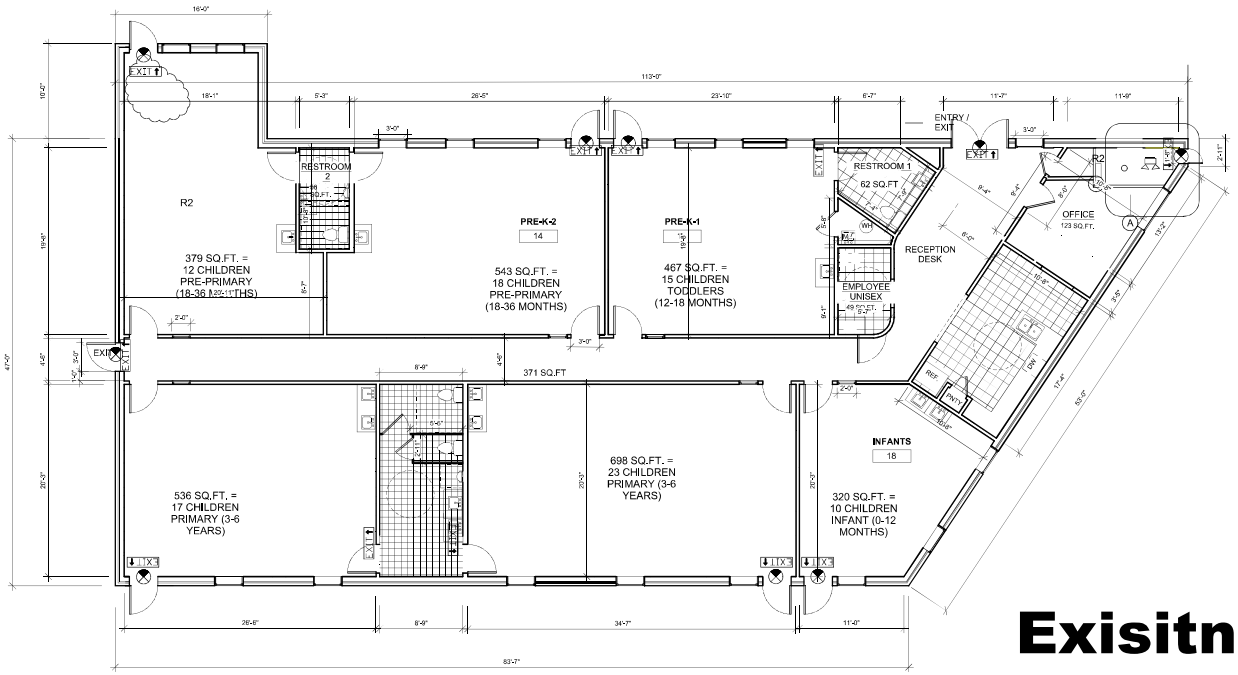
DIMENTIONED FLOOR PLAN

A-201

OF

DRAWN: Author CHECKED:

Project Status



Exisitng Floor plan

CHILD CARE
AT LAKESHORE PLAZA, LITTLE ELM,
BUILDING "B"
ONE-STORY, WOOD-FRAMED
4,850 SQ.FT.
TOTAL OCCUPANCY= 128

FLOOR PLAN GENERAL NOTES

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S-2.021

FLOOR PLAN

PROJECT NORTH

NO.	DATE	DESCRIPTION

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CORE AND SHELL
ELDORADOPKWY & HILL
SIDE DR LITTLE ELX, TX 75068

Toptel llc 3899 Adams Ln FriscoTX 75034

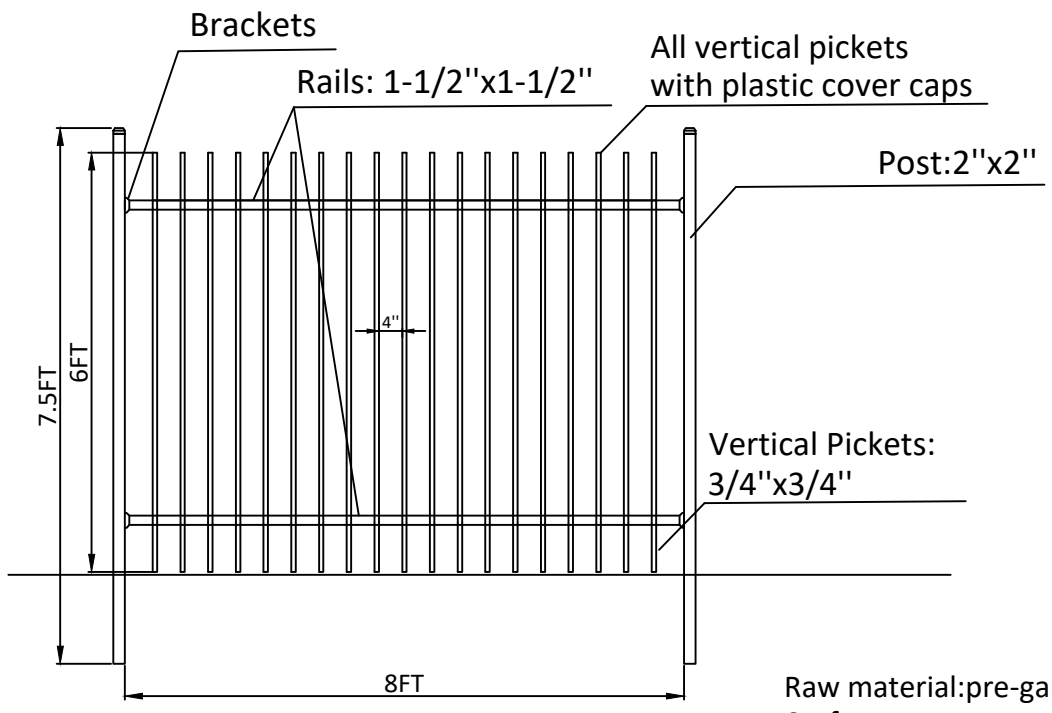
Project Status

PROJECT NO.:00000
DIMENTIONED FLOOR PLAN

A-201

OF

DRAWN: Author CHECKED:



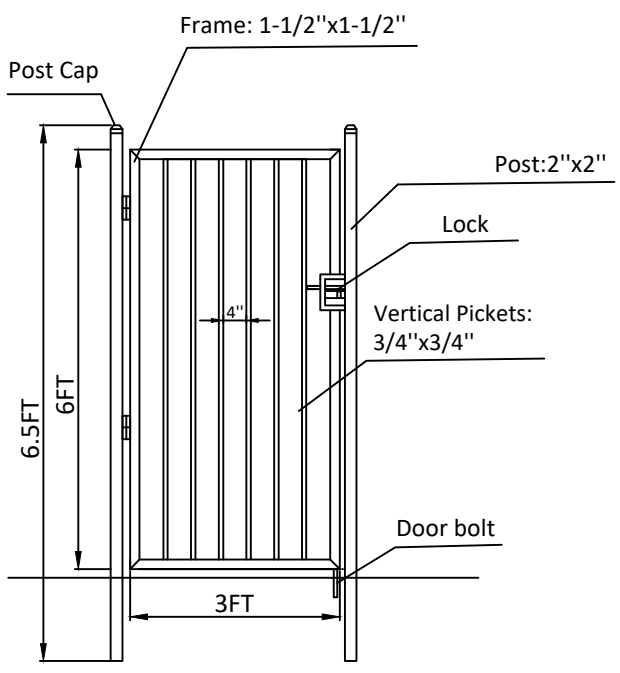
Raw material:pre-galvanized steel tube
Surface treatment:powder coated(black color)

Fence Drawing

REV	Date	Changed	By	Material	Client	Matt Shekari
01	n/a	n/a		Mass		
02						
03						
04						
05						
06				Status	Drawn By	Jack
07				Status By	Checked By	Winter
				DIN A3 / SCALE 1:1 — Hongye Metal	Date	20220822

Lakeshore Plaza
Shopping Dining Entertainment

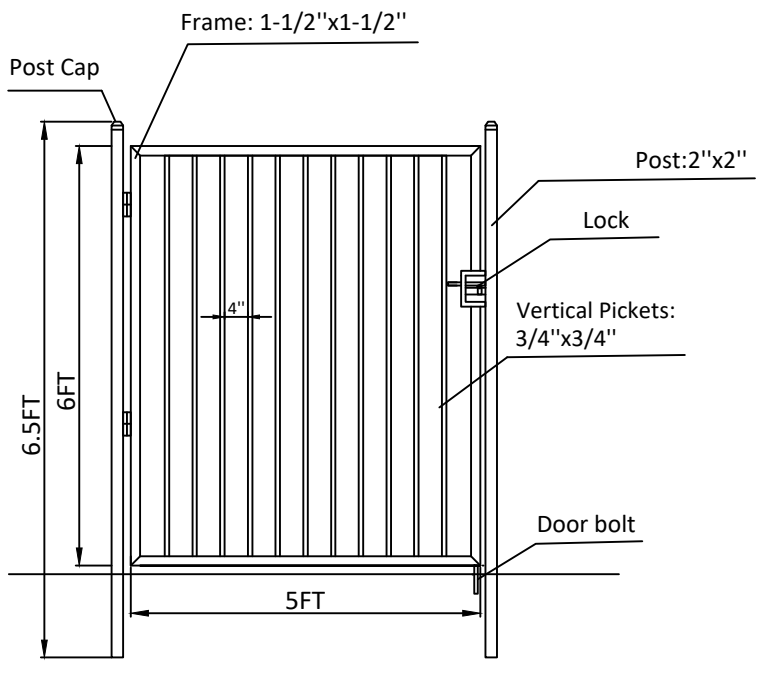
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REV	Date	Changed	By	Material	Client	Matt Shekari
01	n/a	n/a		Mass		
02						
03						
04						
05						
06				Status	Drawn By	Jack
07				Status By	Checked By	Winter
				DIN A3 / SCALE 1:1 — Hongye Metal	Date	20220822

Lakeshore Plaza
Shopping Dining Entertainment

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REV	Date	Changed	By	Material	Client	Matt Shekari
01	n/a	n/a		Mass		
02						
03						
04						
05						
06				Status	Drawn By	Jack
07				Status By	Checked By	Winter
				DIN A3 / SCALE 1:1 — Hongye Metal	Date	20220822

Lakeshore Plaza
Shopping Dining Entertainment

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LUX GARAGE DOORS





Colors

TRUE WHITE (TW) ALMOND (AL) WICKER TAN (WK) SANDTONE (ST) TERRATONE (TT) DARK BROWN (DN)



GOLDEN OAK (OK)‡ WALNUT (NT)‡ MAHOGANY (MY)‡

Amarr steel doors are pre-painted; for custom colors, exterior latex paint must be used.

Visit **amarr.com** for instructions on painting. Actual paint colors may vary from samples shown.

‡ Price upcharge applies.

SOJOURN
CASTLE HILLS

Whirlpool®
Appliance Package



36-inch Wide Side-by-Side Counter Depth Refrigerator with StoreRight™ Dual Cooling System—23 cu. ft.



1.7 cu. ft. Microwave Hood Combination with Electronic Controls



4.8 Cu. Ft. Freestanding Electric Range with FlexHeat™ Dual Radiant Element



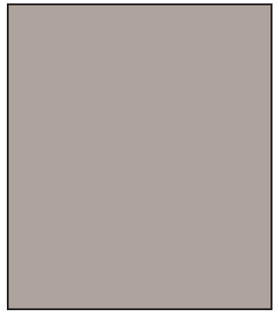
Heavy-Duty Dishwasher with 1-Hour Wash Cycle

Note: Subject to change based on availability

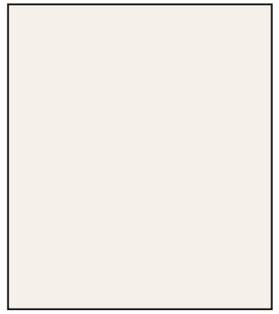
'LAKESHORE LOFT #1' - DARK MODERN CABINETS, INTRICATE COUNTER, WARM GRAYS

*FINISHES AND FIXTURES ARE SUBJECT TO CHANGE BASED ON AVAILABILITY

COLOR PALETTE



WALL
SHERWIN WILLIAMS
FUNCTIONAL GREY



TRIM
SHERWIN WILLIAMS
ALABASTER



ACCENT
SHERWIN WILLIAMS
URBANE BRONZE
*REFERENCE ONLY
NOT USED IN UNIT

FLOORING



LVT
NUCORE
LIGHT GRAY PLANK



CARPET
SHAW FLOORS
OUR HOME III - DOWNTOWN

LIGHTING FIXTURES



CEILING FAN
KITCHLER 330002NI
VASSAR 52" BRUSHED NICKEL



FIRE RATED RECESSED CAN FIXTURE
RP LIGHTING



ISLAND ACCENT LIGHTING
ELAN LIGHTING 84021-ZIN
9.75" HANGING GLOBE

LIGHTING FIXTURES



BATH/VANITY LIGHT
AFX LIGHTING-CHARLOTTE LED
VANITY 4.5"H x 3.375"W x 41.25"



MANHATTAN SLAB
SLATE



HARDWARE
#1600-96 CKP BRAND
LINEAR - BRUSHED NICKEL

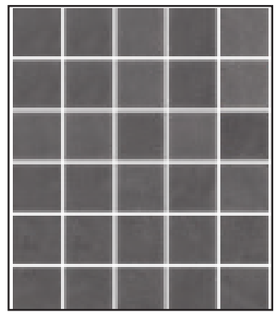
BATH



GRANITE COUNTERTOP
MSI STONE
LUNA PEARL



WALL TILE
FLORIDA TILE - EDGE
CARBON - BRICK LAY



SHOWER FLOOR TILE
FLORIDA - EDGE MOSAIC
CARBON



BATH FAUCET
MOEN GENTA
SINGLE-HANDLE



BATH SINK
KOHLER CAXTON
RECTANGLE UNDERMOUNT

BATH



FRAMED MIRROR
QUIOZEL LOCKPORT
24X36 BRUSHED NICKEL



HARDWARE
TOWEL RACK/RING
BRUSHED NICKEL

KITCHEN



MANHATTAN SLAB
SLATE



HARDWARE
#1600-96 CKP BRAND
LINEAR - BRUSHED NICKEL



GRANITE COUNTERTOP
MSI STONE
LUNA PEARL



BACKSPLASH
FLORIDA -PIECE OF MIND
BALANCE BEIGE - 11.75X11.75



KITCHEN FAUCET
KOHLER SIMPLCE
SINGLE-HANDLE - BRUSHED

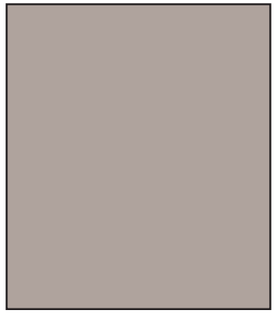


KITCHEN SINK
KOHLER VAULT
DUAL-MOUNT - STAINLESS

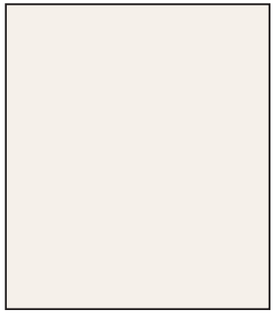
'LAKESHORE LOFT #2'- LIGHT MODERN CABINETS, LIGHT COUNTER, LIGHT/DARK CONTRASTS

*FINISHES AND FIXTURES ARE SUBJECT TO CHANGE BASED ON AVAILABILITY

COLOR PALETTE



WALL
SHERWIN WILLIAMS
FUNCTIONAL GREY



TRIM
SHERWIN WILLIAMS
ALABASTER



ACCENT
SHERWIN WILLIAMS
URBANE BRONZE
*REFERENCE ONLY
NOT USED IN UNIT

FLOORING



LVT
NUCORE
LIGHT GRAY PLANK



CARPET
SHAW FLOORS
OUR HOME III - DOWNTOWN

LIGHTING FIXTURES



CEILING FAN
KITCHLER 330002NI
VASSAR 52" BRUSHED NICKEL



FIRE RATED RECESSED CAN FIXTURE
RP LIGHTING



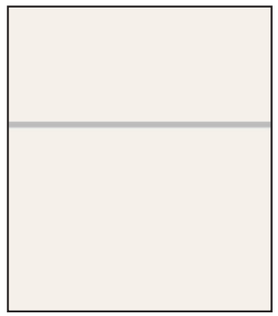
ISLAND ACCENT LIGHTING
KITCHLER 43853NI
10"W x 9.25" H BRUSHED NICKEL

LIGHTING FIXTURES



BATH/VANITY LIGHT
AFX LIGHTING-CHARLOTTE LED
VANITY 4.5"H x 3.375"W x 41.25"

BATH



MANHATTAN SLAB
MATTE WHITE



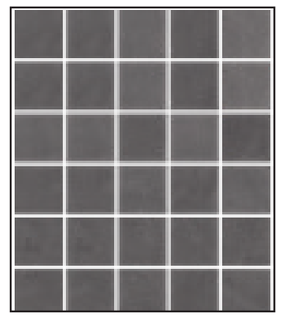
HARDWARE
#489-3 CKP BRAND
LINEAR - BLACK



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



WALL TILE
FLORIDA - STREAMLINE
ARCTIC MATTE - BRICK LAY



SHOWER FLOOR TILE
FLORIDA - EDGE MOSAIC
CARBON



BATH FAUCET
DELTA TRINSIC
SINGLE-HANDLE



BATH SINK
KOHLER CAXTON
RECTANGLE UNDERMOUNT

BATH

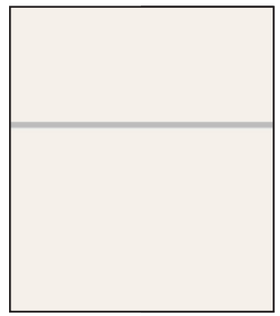


FRAMED MIRROR
QUIOZEL LOCKPORT
24X36 BRUSHED NICKEL



HARDWARE
TOWEL RACK/RING
BLACK

KITCHEN



MANHATTAN SLAB
MATTE WHITE



HARDWARE
#489-3 CKP BRAND
LINEAR - BLACK



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



BACKSPLASH
FLORIDA -PEACE OF MIND
BALANCE BEIGE 11.75X11.75



KITCHEN FAUCET
KOHLER SIMPLCE
SINGLE-HANDLE - BRUSHED

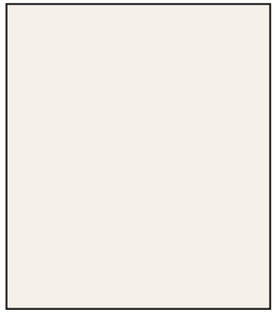


KITCHEN SINK
KOHLER VAULT
DUAL-MOUNT - STAINLESS

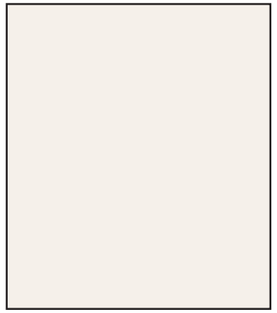
'LAKESHORE COTTAGE #1'- LIGHT CABINETS, LIGHT COUNTER, WHITE/BLACK CONTRASTS

***FINISHES AND FIXTURES ARE SUBJECT TO CHANGE BASED ON AVAILABILITY**

COLOR PALETTE



WALL
SHERWIN WILLIAMS
ALABASTER



TRIM
SHERWIN WILLIAMS
ALABASTER



ACCENT
SHERWIN WILLIAMS
INKWELL
*REFERENCE ONLY
NOT USED IN UNIT

FLOORING



LVT
NUCORE
COFFEE OAK PLANK



CARPET
SHAW FLOORS
OUR HOME III - SUNBLEACHED

LIGHTING FIXTURES



CEILING FAN
KITCHLER 330002WH
52” VASAR CEILING FAN
WHITE



FIRE RATED RECESSED CAN FIXTURE
RP LIGHTING



ISLAND ACCENT LIGHTING
ANP LIGHTING W516-BLC
BLACK SHADE 16” PENDANT

LIGHTING FIXTURES



BATH/VANITY LIGHT
KITCHLER 45458OZ
14.75”W x 10” H BRONZE

BATH



SHAKER
MATTE WHITE



HARDWARE
#55277 AMEROCK PULL
GOLDEN CHAMPAGNE

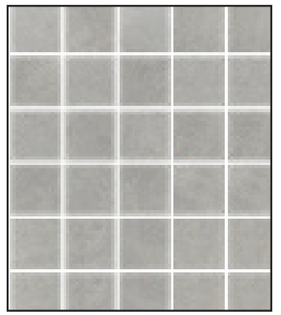


GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE

BATH



WALL TILE
FLORIDA - STREAMLINE
ARCTIC MATTE - BRICK LAY



SHOWER FLOOR TILE
FLORIDA - EDGE MOSAIC
SILVER

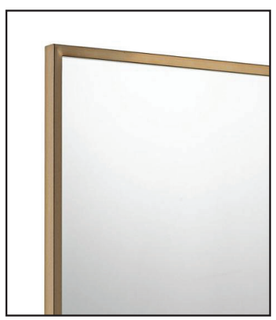


BATH FAUCET
DELTA TRINSIC
SINGLE HOLE - CHAMPAGNE



BATH SINK
KOHLER CAXTON
RECTANGLE UNDERMOUNT

BATH



FRAMED MIRROR
QUIOZEL LOCKPORT
24X36 ANTIQUE BRASS



HARDWARE
TOWEL RACK/RING
BLACK BRONZE

KITCHEN



SHAKER
MATTE WHITE



HARDWARE
#55277 AMEROCK PULL
BLACK BRONZE



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



BACKSPLASH
FLORIDA - PRECIOUS HDP
CALACATTA - HERRINGBONE



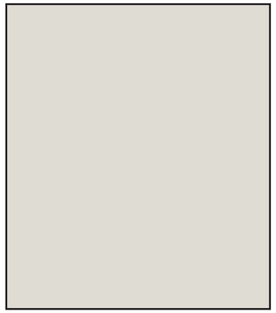
KITCHEN FAUCET
KOHLER SIMPLCE
SINGLE-HANDLE - BLACK



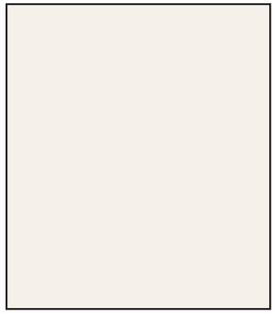
KITCHEN SINK
KOHLER VAULT
DUAL-MOUNT - STAINLESS

'LAKESHORE COTTAGE #2'- WARM GRAY CABINETS, LIGHT COUNTER, BLACK ACCENTS *FINISHES AND FIXTURES ARE SUBJECT TO CHANGE BASED ON AVAILABILITY

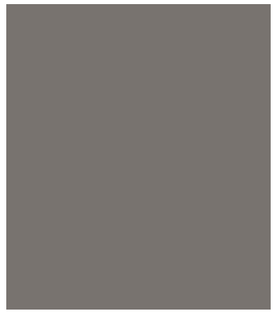
COLOR PALETTE



WALL
SHERWIN WILLIAMS
REPOSE GRAY



TRIM
SHERWIN WILLIAMS
ALABASTER



ACCENT
SHERWIN WILLIAMS
SW GAUNTLET GRAY
*REFERENCE ONLY
NOT USED IN UNIT

FLOORING



LVT
NUCORE
COFFEE OAK PLANK



CARPET
SHAW FLOORS
OUR HOME III - SUNBLEACHED

LIGHTING FIXTURES



CEILING FAN
KITCHLER 330002WH
52” VASAR CEILING FAN
WHITE



FIRE RATED RECESSED CAN FIXTURE
RP LIGHTING



ISLAND ACCENT LIGHTING
KITCHLER 44217CLP
INDUSTRIAL FRAMES PENDANT

LIGHTING FIXTURES



BATH/VANITY LIGHT
KICHLER 45973OZ
AVERY 24”W x 9.25” H BRONZE

BATH



SHAKER
SLATE



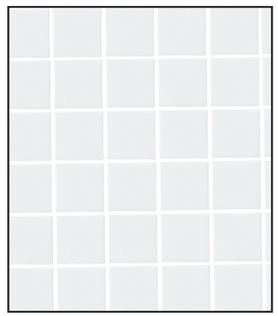
HARDWARE
#55277 AMEROCK PULL
BLACK BRONZE



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



WALL TILE
ERGON TREND
GRAY-5X10



SHOWER FLOOR TILE
FLORIDA-MOSAIC ART
WHITE

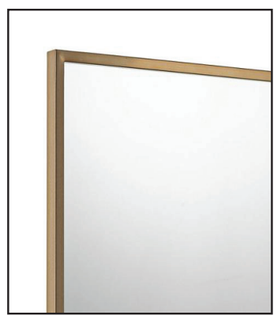


BATH FAUCET
DELTA TRINSIC
SINGLE HOLE - CHAMPAGNE



BATH SINK
KOHLER CAXTON
RECTANGLE UNDERMOUNT

BATH



FRAMED MIRROR
QUIOZEL LOCKPORT
24X36 ANTIQUE BRASS



HARDWARE
TOWEL RACK/RING
BLACK

KITCHEN



SHAKER
SLATE



HARDWARE
#55277 AMEROCK PULL
BLACK BRONZE



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



BACKSPLASH
FLORIDA TILE
STREAMLINE DOVE GRAY-3X6



KITCHEN FAUCET
KOHLER SIMPLCE
SINGLE-HANDLE - BLACK



KITCHEN SINK
KOHLER VAULT
DUAL-MOUNT - STAINLESS

Date:	11/01/2022
Agenda Item #:	5. D.
Department:	Administrative Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Fred Gibbs, Director of Development Services

AGENDA ITEM:

Present, Discuss, and Consider Action on a **Development Agreement between the Town of Little Elm and Matt Mahdi Shekari with Lake Shore Plaza LLC.**

DESCRIPTION:

The attached agreement is to solidify the Planned Development and the intended design of the proposed residential development as outlined in the associated development documents and plans for Lakeshore Plaza Planned Development.

It should be noted that there are blank pages for exhibits within the PD and Development Agreement itself where items are missing and still need to be provided. The Condominium Declaration and Declaration of Access and Shared Use are two documents that need to be revised from the previously submitted request in 2021 but have been attached for reference.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDED ACTION:

Staff requests direction from Town Council.

Attachments

Development Agreement - Lakeshore Plaza PD

Condominium Declaration 2021

Declaration of Access and Shared Use 2021

STATE OF TEXAS	**§**	**DEVELOPMENT AGREEMENT**
	§	**FOR LAKESHORE PLAZA PD**
COUNTY OF DENTON	**§**	

This Development Agreement for the Lakeshore Plaza Planned Development ("**Agreement**") is entered into between Lake Shore Plaza, LLC ("**Developer**"), whose address for purposes of this Agreement is 3899 Adams Lane, Frisco, TX, and the Town of Little Elm, Texas ("**Town**"), whose address for purposes of this Agreement is 100 W. Eldorado Parkway, Little Elm, TX 75068. Developer and the Town are sometimes referred herein together as the "**Parties**" and individually as a "**Party**."

Recitals:

1. Developer is the owner of approximately 4.159 acres located at the southwest corner of Hillside Drive and Eldorado Parkway, in the Town of Little Elm, Texas (the "**Property")**, which Property is more particularly described in **Exhibit A** attached hereto.

2. In furtherance of the development of the Property, the Parties have negotiated certain matters regarding the Property as set forth in this Agreement.

3. The Parties seek to memorialize these negotiated matters and to include them in this contractually-binding Agreement.

NOW, THEREFORE, for and in consideration of the above and foregoing premises, the benefits to each of the Parties from this Agreement, and other good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the Parties do hereby agree as follows:

Section 1. Incorporation of Premises. The above and foregoing Recitals are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. Term. This Agreement shall be effective as of the date of execution of this Agreement by the last of the Parties to do so ("**Effective Date**"). This Agreement shall remain in full force and effect from the Effective Date until terminated by the mutual agreement of all of the Parties in writing, or until all obligations in the Agreement have been fulfilled ("**Term**").

Section 3. Agreements. The Parties agree as follows:

A. The negotiated and agreed upon zoning and development standards contained in the Lakeshore Plaza PD Ordinance, which incorporate by reference the general zoning regulations of the Town's zoning ordinance, are hereby adopted and incorporated into this Agreement as contractually-binding obligations of the Developer.

B. All exhibits attached to this agreement.

C. Shared access and use agreement.

D. Formation of Condominium Association.

E. Maintain ceiling heights as required by the Lakefront District.

F. Signage that references the residential units on this property as condominiums.

G. Fulfilment of the tree mitigation requirement.

Section 4. Miscellaneous.

A. Applicability of Town Ordinances. When the Property is developed, Developer shall construct all structures on the Property, in accordance with all applicable Town ordinances and building/construction codes, whether now existing or arising prior to such construction in the future.

B. Default/Mediation. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than thirty (30) days after written notice of the alleged failure has been given). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. If either Party is in default under this Agreement, the other Party shall have the right to enforce the Agreement in accordance with applicable law, provided, however, in no event shall any Party be liable for consequential or punitive damages. In the event of any disagreement or conflict concerning the interpretation of this Agreement, and such disagreement cannot be resolved by the signatories hereto, the signatories agree to submit such disagreement to non-binding mediation.

C. Venue. This Agreement and any dispute arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without reference to its conflict of law rules. In the event of any dispute or action under this Agreement, venue for any and all disputes or actions shall be instituted and maintained in Denton County, Texas.

D. Relationship of Parties. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership, joint venture, joint enterprise, or other relationship between or among the Parties.

E. Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this

Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

F. **Cumulative Rights and Remedies**. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either Party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the Parties may have by law statute, ordinance, or otherwise. The failure by any Party to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such Party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. Any rights and remedies any Party may have with respect to the other arising out of this Agreement shall survive the cancellation, expiration or termination of this Agreement, except as otherwise expressly set forth herein.

G. **Exhibits**. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

H. **Surviving Rights**. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination or expiration of this Agreement shall survive termination or expiration.

I. **Applicable Laws**. This Agreement is made subject to the existing provisions of the Charter of the Town of Little Elm, its present rules, regulations, procedures and ordinances, and all applicable laws, rules, and regulations of the State of Texas and the United States.

J. **Authority to Execute**. The undersigned officers and/or agents of the Parties hereto are the properly authorized persons and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

K. **Amendments**. This Agreement may be only amended or altered by written instrument signed by the Parties.

L. **Headings**. The headings and captions used in this Agreement are for the convenience of the Parties only and shall not in any way define, limit or describe the scope or intent of any provisions of this Agreement.

M. **Entire Agreement**. This Agreement is the entire agreement between the Parties with respect to the subject matters covered in this Agreement. There are no other collateral oral or written agreements between the Parties that in any manner relates to the subject matter of this Agreement, except as provided or referenced in this Agreement.

N. **Filing in Deed Records**. This Agreement shall be recorded in the real property records of Denton County, Texas. This Agreement and all of its terms, conditions, and provisions is and shall constitute a restriction and condition upon the development of the

Property and all portions thereof and a covenant running with the Property and all portions thereof, and is and shall be binding upon Developer and all of Developer's heirs, successors, and assigns and the future owners of the Property and any portion thereof; provided, however, this Agreement shall not constitute an obligation of or be deemed a restriction or encumbrance with respect to any final platted residential lot upon which a completed home has been constructed.

O. **Notification of Sale or Transfer; Assignment of Agreement**. Developer shall notify the Town in writing of any sale or transfer of all or any portion of the Property, within ten (10) business days of such sale or transfer. Developer has the right (from time to time without the consent of the Town, but upon written notice to the Town) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Developer under this Agreement, to any person or entity (an "**Assignee**") that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Developer. Each assignment shall be in writing executed by Developer and the Assignee and shall obligate the Assignee to be bound by this Agreement with respect to the portion of the Property transferred to Assignee. If the Property is transferred or owned by multiple parties, this Agreement shall only apply to, and be binding on, such parties to the extent of the Property owned by such successor owner, and if the Developer or any Assignee is in default under this Agreement, such default shall not be an event of default for any non-defaulting Assignee which owns any portion of the Property separate from the defaulting Developer or Assignee. A copy of each assignment shall be provided to the Town within ten (10) business days after execution. Provided that the successor developer assumes the liabilities, responsibilities, and obligations of the assignor under this Agreement with respect to the Property transferred to the successor developer, the assigning party will be released from any rights and obligations under this Agreement as to the Property that is the subject of such assignment, effective upon receipt of the assignment by the Town. No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment. Developer shall maintain true and correct copies of all assignments made by Developer to Assignees, including a copy of each executed assignment and the Assignee's Notice information.

P. **Sovereign Immunity**. The Parties agree that the Town has not waived its sovereign immunity from suit by entering into and performing its obligations under this Agreement.

Q. **Exactions/Infrastructure Costs**. Developer has been represented by legal counsel, or has had an opportunity to do so, in the negotiation of this Agreement, and been advised, or has had the opportunity to have legal counsel review this Agreement and advise Developer, regarding Developer's rights under Texas and federal law. Developer hereby waives any requirement that the Town retain a professional engineer, licensed pursuant to Chapter 1001 of the Texas Occupations Code, to review and determine that the exactions required by the Town in this Agreement are roughly proportional or roughly proportionate to the proposed development's anticipated impact. Developer specifically reserves its right to appeal the apportionment of municipal infrastructure costs in accordance with § 212.904 of the Texas Local Government Code; however, notwithstanding the foregoing, Developer hereby releases the Town from any and all

liability under § 212.904 of the Texas Local Government Code, as amended, regarding or related to the cost of those municipal infrastructure requirements imposed by this Agreement.

R. **Waiver of Texas Government Code § 3000.001 et seq**. With respect to the improvements constructed on the Property pursuant to this Agreement, Developer hereby waives any right, requirement or enforcement of Texas Government Code §§ 3000.001-3000.005.

S. **Rough Proportionality**. Developer hereby waives any federal constitutional claims and any statutory or state constitutional takings claims under the Texas Constitution with respect to infrastructure requirements imposed by this Agreement. Developer and the Town further agree to waive and release all claims one may have against the other related to any and all rough proportionality and individual determination requirements mandated by the United States Supreme Court in *Dolan v. City of Tigard*, 512 U.S. 374 (1994), and its progeny, as well as any other requirements of a nexus between development conditions and the projected impact of the terms of this Agreement, with respect to infrastructure requirements imposed by this Agreement.

T. **Form 1295 Certificate.** The Developer agrees to comply with Texas Government Code, Section 2252.908 and in connection therewith, the Developer agrees to go online with the Texas Ethics Commission to complete a Form 1295 Certificate and further agrees to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, Section 2252.908 and the rules of the Texas Ethics Commission and provide to the Town, at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate.

U. **Undocumented Workers Provision.** The Developer certifies that Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of any public subsidy provided under this Agreement to Developer plus six percent (6.0%), not later than the 120th day after the date the Town notifies Developer of the violation.

V. **No Israel Boycott Provision**. In accordance with Chapter 2270, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. Chapter 2270 does not apply to (1) a company that is a sole proprietorship; (2) a company that has fewer than ten (10) full-time employees; or (3) a contract that has a value of less than One Hundred Thousand Dollars ($100,000.00). Unless the company is not subject to Chapter 2270 for the reasons stated herein, the signatory executing this contract on behalf of Developer verifies by Developer's signature on this Agreement that the company does not boycott Israel and will not boycott Israel during the term of this contract

W. **Prohibition on Contracts with Certain Companies Provision.** In accordance with Section 2252.152 of the Texas Government Code, the Parties covenant and agree that Developer is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 2252.153 of the Texas Government Code.

X. **Report Agreement to Comptroller's Office.** Town covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with Section 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021). [For Chapter 380 Agreements]

Y. **Verification Against Discrimination of Firearm or Ammunition Industries.** Pursuant to Texas Government Code Chapter 2274, (as added by Texas Senate Bill 19, 87th Tex. Reg. Session (2021) (effective September 1, 2021)) unless otherwise exempt, if the Developer employs at least ten (10) fulltime employees and this Agreement has a value of at least $100,000 that is paid wholly or partly from public funds of the Town, the Developer represents that: (1) the Developer does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) the Developer will not discriminate during the Term of the Agreement against a firearm entity or firearm trade association.

Z. **Verification Against Discrimination Developer Does Not Boycott Energy Companies.** Pursuant to Texas Government Code Chapter 2274, (as added by Texas Senate Bill 13, 87th Tex. Reg. Session (2021) (effective September 1, 2021)) unless otherwise exempt, if the Developer employs at least ten (10) fulltime employees and this Agreement has a value of at least $100,000 that is paid wholly or partly from public funds of the Town, the Developer represents that: (1) the Developer does not boycott energy companies; and (2) the Developer will not boycott energy companies during the Term of this Agreement.

EXECUTED by the Parties on the dates set forth below, to be effective as of the date first written above.

DEVELOPER
a _____ company

By: _____

Date:_____

TOWN OF LITTLE ELM, TEXAS

By:_____
Matt Mueller
Town Manager

Date:_____

ATTEST:

By:_____

Caitlan Biggs
Town Secretary

STATE OF TEXAS §
§
COUNTY OF DENTON §

Before me, the undersigned authority, on this _____ day of _____, 2022, personally appeared MATT MUELLER, Town Manager of the Town of Little Elm, Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

[Seal]

By:_____
Notary Public, State of Texas

My Commission Expires:_____

STATE OF TEXAS §
§
COUNTY OF _____ §

Before me, the undersigned authority, on this _____ day of _____, 2022, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity of a duly authorized representative of _____.

[Seal]

By:_____
Notary Public, State of Texas

My Commission Expires:_____

EXHIBIT A

Property Description

EXHIBIT B

PD Ordinance

EXHIBIT C

Shared access and use agreements.

TOWN OF LITTLE ELM

ORDINANCE NO. 1689

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE, BY AMENDING THE ZONING FROM LAKEFRONT DISTRICT, TO A NEW PLANNED DEVELOPMENT – LAKEFRONT (PD-LF) DISTRICT IN ORDER TO CAPTURE EXISTING DEVELOPMENT AND ALLOW A NEW MIXED-USE COMMERCIAL AND RESIDENTIAL DEVELOPMENT WITH MODIFIED USES AND DEVELOPMENT STANDARDS ON 4.159 ACRES OF LAND GENERALLY LOCATED AT 550 EAST ELDORADO PARKWAY; PROVIDING A SAVINGS CLAUSE; CORRECTING THE OFFICIAL ZONING MAP; PROVIDING A PENALTY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Little Elm ("Town") is a home rule municipal corporation organized and existing by virtue of the Constitution and laws of the State of Texas and by its Charter adopted on May 1, 2001; and

WHEREAS, the Town possesses all the rights, powers, and authorities possessed by all home rule municipalities, including the authority to regulate land uses under Chapter 211 of the Texas Local Government Code; and

WHEREAS, a request for Planned Development-Lakefront (PD-LF) with modified uses and development standards on approximately 4.159 acres of land, more specifically described in the exhibits, attached hereto; and

WHEREAS, this zoning change is in accordance with the most current adopted Comprehensive Plan of the Town of Little Elm; and

WHEREAS, the Town Council and the Planning & Zoning Commission of the Town of Little Elm, in compliance with the laws of the State of Texas and the ordinances of the Town of Little Elm, have given the required notices and held the required public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof regarding the requested zoning change described herein; and

WHEREAS, at its regular meeting held on October 6, 2022 the Planning & Zoning Commission considered and made recommendations on a request for Planned

Development-Lakefront (PD-LF), Case No. PD-22-01632); and

WHEREAS, after due deliberations and consideration of the recommendation of the Planning & Zoning Commission and any other information and materials received at the public hearing, the Town Council of the Town of Little Elm, Texas, has determined that the request is in the interest of public health, safety and welfare of the citizens of the Town of Little Elm.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, 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. ZONING AMENDMENT That Ordinance No. 226 of the Town of Little Elm, Texas, the same being the Comprehensive Zoning Ordinance of the Town, is hereby amended by issuing Planned Development-Lakefront (PD-LF) with modified uses and development standards in order capture existing development and allow new commercial and residential development with modified uses and development standards as well as expand the existing daycare facility, the same generally located at 550 East Eldorado Parkway, within Little Elm Town limits, approximately 4.159 acres of land more particularly described as **Exhibit A**, and attached hereto, subject to all of the terms and conditions set forth herein, the terms and conditions of the Comprehensive Zoning Ordinance, and all other applicable ordinances, laws, rules, regulations, and standards.

SECTION 3. CONDITIONS AND REGULATIONS. The permitted uses and standards shall be in accordance with the Lakefront (LF) District, unless otherwise specified herein:

a) The Zoning and Land Use Regulations, and all conditions set forth in **Exhibit B** attached hereto and made a part hereof for all purposes shall be adhered to in their entirety for the purposes of this Planned Development-Lakefront (PD-LF). In the event of conflict between the provisions of **Exhibit B** and provisions of any other exhibit, the provisions of **Exhibit B** control.

SECTION 4. PLANNED DEVELOPMENT MASTER PLAN The Concept Plan Exhibit and related plans, images, and documents approved and described as **Exhibit C** attached hereto and made a part hereof are approved. The subject property shall be improved in accordance with the plans set forth in **Exhibit C**.

a) If, after two years from the date of approval of the Planned Development Master Plan, no substantial development progress has been made within the PD, then

the Planned Development Master Plan shall expire. If the Planned Development Master Plan expires, a new Planned Development Master Plan must be submitted and approved according to the procedures within the Zoning Ordinance, Planned Development Districts. An extension of the two year expiration shall be granted if a development application for the PD has been submitted and is undergoing the development review process or if the Director of Development Services determines development progress is occurring.

b) The Planned Development Master Plan shall control the use and development of the property, and all building permits and development requests shall be in accordance with the plan until it is amended by the City Council.

c) If a change to the Concept Plan, if any, is requested, the request shall be processed in accordance with the development standards in effect at the time the change is requested for the proposed development.

SECTION 5. SAVINGS. This Ordinance shall be cumulative of all other ordinances of the Town, and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are indirect conflict with the provisions of this Ordinance; provided, however, that any complaint, notice, action, cause of action, or claim which prior to the effective date of this Ordinance has been initiated or has arisen under or pursuant to such other ordinance(s) shall continue to be governed by the provisions of that ordinance or those ordinances, and for that purpose that ordinance or those ordinances shall be deemed to remain and shall continue in full force and effect.

SECTION 5. ZONING MAP. The official zoning map of the Town shall be amended to reflect the changes in zoning made by this ordinance.

SECTION 6. PENALTY. Any person, firm, or corporation violating any of the provision of this ordinance shall be punished by a penalty of a fine not to exceed the sum of Two Thousand Dollars ($2,000) for each offense and each and every day such offense shall continue shall be deemed to constitute a separate offense.

SECTION 7. SEVERABILITY. The sections, paragraphs, sentences , phrases, and words of this Ordinance are severable, and if any section or provision of this ordinance or the application of that section or provision to any person, firm, corporation, situation or circumstance is for any reason judged invalid or unconstitutional, the adjudication shall not affect any other section or provision of this ordinance or the application of any other section or provision to any person, firm, corporation, situation or circumstance, nor shall adjudication affect any other section or provision of the Comprehensive Zoning Ordinance of the Town of Little Elm, Texas, and the Town Council hereby declares that it would have adopted the valid portions and applications of the ordinance without the valid parts and to this end the provisions of this ordinance shall remain in full force and effect.

SECTION 8. REPEALER. That all ordinances of the Town of Little Elm in conflict with the provisions of this ordinance be and the same are hereby repealed to the extent of that conflict.

SECTION 9. EFFECTIVE DATE. That this Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the Town Charter.

PASSED AND APPROVED by the Town Council of the Town of Little Elm, Texas on the 18th day of October, 2022.

Town of Little Elm, Texas

_____

Curtis Cornelious, Mayor

ATTEST:

_____

Caitlan Biggs, Town Secretary

Exhibit A

Metes and Bounds

Exhibit B

PD Standards

Exhibit C

Development Plans

W. ELDORADO PARKWAY - F. M. ROAD NO. 720
(R. O. W. VARIES)

STATE OF TEXAS
VOL. 647, PG. 312,
D. R. D. C. T.

CONCRETE HEADWALL

30' CHANNEL CLEARANCE
RIGHT-OF-WAY EASEMENT #2
VOL. 647, PG. 305,
D. R. D. C. T.

FLOOD ZONE BOUNDARY
LOCATED AT 537 CONTOUR

U. S. A. PERPETUAL
FLOWAGE EASEMENT
RESERVED TO LANDS
BELOW 537 FOOT
CONTOUR PER
VOL. 466, PG. 322,
D. R. D. C. T.

ZONE "X"
ZONE "AE"

LOT 1
JIM ELBERT SUBDIVISION
VOL. 2, PG. 180,
P. R. D. C. T.
ZONED: 'LC'

LOT 2, BLK A
1.780 AC.

BUILDING 'A'
TOTAL BUILDING = 9,820 SQ.FT.
9,820 SQ.FT. AMUSEMENT

BUILDING 'B'
1,247 SQ.FT.
NEW CHILD-CARE
PROPSD. ADDTN.

BUILDING 'B'
4,823 SQ.FT.
EXISTING CHILD-CARE

NOTES:
1. ALL PARKING STRIPING TO BE COLORED: WHITE
2. RAMPS TO BE INTEGRALLY COLORED: "ADOBE"

INTEGRALLY STAMPED CONC. W/ CITY APPROVED COLORS

10' P. U. E. PROPOSED

26' F. & M. L. & U. E. PROPOSED

EXIST. STAMPED SIDEWALK

20' LANDSC.

10' LANDSC.

SIDEWALK

DUMPSTER(S) TO BE SCREENED BY MIN. 6' MASONRY WALLS PER TOWN STANDARDS, RE: A2.2 FOR ELEVATIONS

DUMPSTER TO BE SCREENED BY 6' MASONRY WALLS PER TOWN STANDARDS

DUMPSTER(S) TO BE SCREENED BY 6' MASONRY WALLS PER TOWN STANDARDS

OVER HEAD (DASHED)

RESIDENT PARKING / RESERVATION (RE: A1.1)

RETAIL (RE: A1.1)

PATIO 295 SQ.FT.

BUILDING #1
TOTAL FOOT PRINT = 10,363 sq.f.t
LEVEL 1 (Re: A1.1)

3,300 SQ.F.T LEVEL 1 RETAIL 'C' /
16 PRIVATE CONDO GARAGES / & 1X
PRIVATE CONDO.
16 TOTAL CONDOMINIUM UNITS (L2-L3)

FIRE ACCESS

FIRE LANE

FIRE ACCESS GATE

EXIT GATE / FIRE ACCESS

CHILD DROP-OFF

PICK-UP / DROP-OFF

EXISTING OVERHEAD POWER LINE

20' SANITARY SEWER EASEMENT #2
#2007-113558, O. P. R. D. C. T.
SEE NOTE 1,

POSSIBLE MONUMENTED DEED OVERLAP SEE NOTE 7

PREVIOUSLY MONUMENTED BOUNDARY OF RECORD SEE NOTE 1

N 89°22'57" W
(N 89°33'39" W)
137.39'
(138.00')

N 00°36'15" E
(N 00°25'00" E)
442.75'

CALLED "PUBLIC ROAD"
(KNOWN AS HILLSIDE DR.)

POINT OF BEGINNING

R.O.W.

GRAVEL ROAD

CENTER OF R.O.W.

THE YEHUD GROUP, LTD.
VOL. 4722, PG. 2380,
D. R. D. C. T.
ZONED: 'LC'

CENTEX HOME EQUITY COMPANY, LLC
VOL. 5084, PG. 1986,
D. R. D. C. T.
ZONED: 'LC'

SHERRY J. WARREN, TRUSTEE
DENTON COUNTY, TEXAS
VOL. 2754, PG. 129,
D. R. D. C. T.

CONCRETE

STOP BAR

(36.41')

DOG PARK

PAVED 5' WALK

PLAYGROUND STRUCTURE WITH SHADING, RE: SPECS.

NOTE: ALL PLAYGROUND EQUIPMENTS MUST BE COMMERCIAL GRADE

NOTE:
THE PLAYGROUND EQUIPMENT WILL NEED TO BE SECURED TO THE GROUND TO PREVENT IT FLOATING INTO THE LAKE DURING PERIOD OF HIGH WATER.

OUTDOOR PLAY AREA 'C'

OUTDOOR PLAY AREA 'B'

OUTDOOR PLAY AREA 'B' = 8,000 SQ.FT.

NOTE: ALL PLAYGROUND EQUIPMNET MUST BE COMMERCIAL GRADE

MIN. 6" WIDTH OF RUBBER MULCH-SURROUND. DEPTH AND SPEC OF MULCH PER PLAYGROUND CONTRACTOR.

TYP. PROPERTY FENCES:
WROUGHT IRON FENCE:
PANEL SIZE: 72" X 72"
POSTS: 3" X 3"
RAILS: 1.25" X 1.50"
POSTS: 2.50" X 2.50"
SURFACE: PRE-GALVANIZED OR POWDER-COATED; PAINT BLACK

OUTDOOR CONDO. AMENITY AREA

20'X20' GAZEBO

LAKE LEWISVILLE

UNITED STATES OF AMERICA
GARZA-LITTLE ELM DAM & RESERVOIR
VOL. 392, PG. 337,
D. R. D. C. T.

N 58°45'16" W
(N 69°17'25" W)
319.70')
321.44'

S 01°58'30" W
(S 01°50'12" W
434.53')
439.58'

CLUSTER OF 3" - 8" JUNIPERS AND HACKBERRY TREES

BETTY LOUISE CHAPPELL
VOL. 1133, PG. 467,
D. R. D. C. T.
ZONED: RESIDENTIAL

CONNECT TO CITY

TRAIL

GATE

FENCE

10' BL. / LANDSC.

SITE DATA TABLE

ITEM	LOT 3 (BLDG A)	LOT 1R (BLDG C)	LOT 4 (BLDG B)	TOTAL
GENERAL SITE DATA	EXST. ZNG. / PRPSD. ZNG.	EXST. ZNG. / PRPSD. ZNG.	EXST. ZNG. / PRPSD. ZNG.	
Zoning (From Map)	LF / PD-LF	LF / PD-LF	LF / PD-LF	---
Land Use (From Zoning Ordinance)	AMUSEMENT	RETAIL/ CONDOMINIUM	CHILD CARE	---
Lot Area (Sq.ft. and Acres)	35,803 s.f. (0.822 AC)	91,633 s.f. (2.104 AC)	53,730 s.f. (1.233 AC)	181,166 s.f. (4.159 AC)
	9,820 s.f.	10,363 s.f.	4,823 EXISTING, 1,247 PROPOSED ADDITION: TOTAL = 6,070 S.F.	26,756 s.f.
Bldg. Footprint Area (Sq.ft.)				
Total Bldg. Area (Sq.ft.)	9,820 s.f.	32,769 s.f.	6,070 s.f.	48,659 s.f.
Bldg. Height (# Stories)	1	3	1	---
Bldg. Height (Feet - Distance to Tallest Bldg. Element)	30'-0"	45'-0"	23'-0"	---
Lot Coverage (x.xx%)	27.84%	11.38%	13.79%	15.19%
Floor Area Ratio (x.xx%)	27.84%	56.88% (ALL 3 STORIES)	13.79%	38.07%
PARKING				
Parking Ratio (From Zoning Ordinance)	1/200	1/250 and 2 PER UNIT	1/35 CHILDREN / 5	---
Required Parking (# Spaces)	49.1	14 RETAIL + 17(x2)CONDO=48	27	124.1
Provided Parking (# Spaces)	45 (8.4% REDUCTION)	58	29	124
Accessible Parking Required (# Spaces)	2	2	2	6
Accessible Parking Provided (# Spaces)	2	2	2	6
PARKING NOTES: SPACES LABELED "CONDO" ARE RESERVED FOR THE RESIDENTIAL UNITS IN BLDG. C CONDO. SPACES ARE ON-SITE AND THERE ARE 16 TOTAL SPACES IN THE BLDG 'C' LEVEL 1 GARAGE.				
PARKING NOTES: CONNDOS SLIGHTLY OVER-PARKED TO ALLOW FOR ADMIN.				
PARKING NOTES: SPACES LABED "CHILD-CARE" ARE RESERVED FOR BLDG. B				
PARKING NOTES: REQUESTING VARIANCE FOR AN 8% REDUCTION FOR BLDG. A				

'LOT 3' FOR RETAIL BUILDING 'A' APPROX. 35,803 S.F.

LOT 2: 1.780 ACRES

'LOT 1-R' FOR RETAIL & CONDOMINIUM BUILDING 'C' APPROX. 91,633 S.F.

'LOT 4' FOR CHILD CARE BUILDING 'B' APPROX. 53,730 S.F.

PROPERTY KEY MAP

PROJECT NAME: LAKESHORE PLAZA
LEGAL DESCRIPT (FROM PLAT):
LOT 1 IN BLOCK A, OF LAKESHORE PLAZA A PORTION OF THE MATTHEW JONES SURVEY, ABSTRACT NUMBER 667, IN THE TOWN OF LITTLE ELM DENTON COUNTY, TEXAS CONTAINING 266,619 SQ. FT OR 6.121 ACRES June, 2016

ANY MATERIALS OR METHODS CONTAINING OR USING ASBESTOS ARE PROHIBITED

Site Plan
01 1" = 30'

PLAN NORTH

SCALE: 1" = 40'
0 20 40

OWNER & APPLICANT:
MATT SHEKARI mattshekari@gmail.com 972-339-2943
TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

ARCHITECT OF RECORD:
WES GUSTIN, RA, LEED AP wes@triunearchitecture.com 972-363-6155

PRELIMINARY
NOT FOR
REGULATORY
APPROVAL OR
COPNSTRUCTION

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitectureplic.com

Lakeshore Plaza
Bldg. 'C'

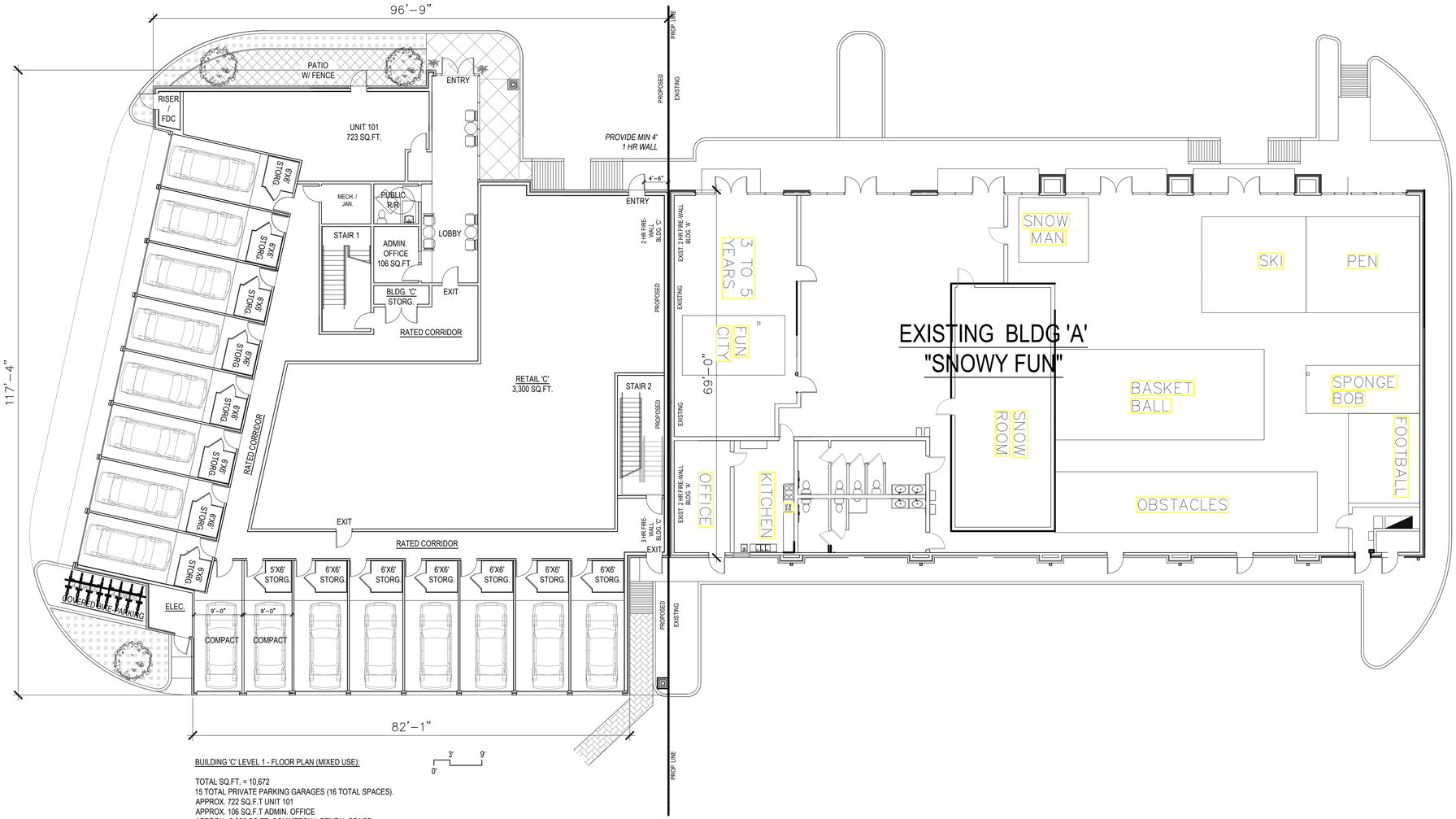
Eldorado Pkwy.
and Hillside Dr.
Little Elm, TX
75206

Site Review 02-24-22
PD 03-11-22
PD 03-30-22
PD 05-20-22
PD 08-05-22

Project #: 2003.00

SITE
MASTER
PLAN

A0.1
09-06-2022



BUILDING 'C' LEVEL 1 - FLOOR PLAN (MIXED USE):

TOTAL SQ.FT. = 10,672
15 TOTAL PRIVATE PARKING GARAGES (16 TOTAL SPACES).
APPROX. 722 SQ.F.T UNIT 101
APPROX. 106 SQ.F.T ADMIN. OFFICE
APPROX. 3,300 SQ.FT. COMMERCIAL RENTAL SPACE.

Level 1 — Overall

01 3/32" = 1'-0"

PLAN NORTH

OWNER & APPLICANT:
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TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

ARCHITECT OF RECORD:
WES GUSTIN, RA, LEED AP wes@triunearchitecture.com 972-363-6155

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Lakeshore Plaza
Bldg. 'C'

Eldorado Pkwy.
and Hillside Dr.
Little Elm, TX
75206

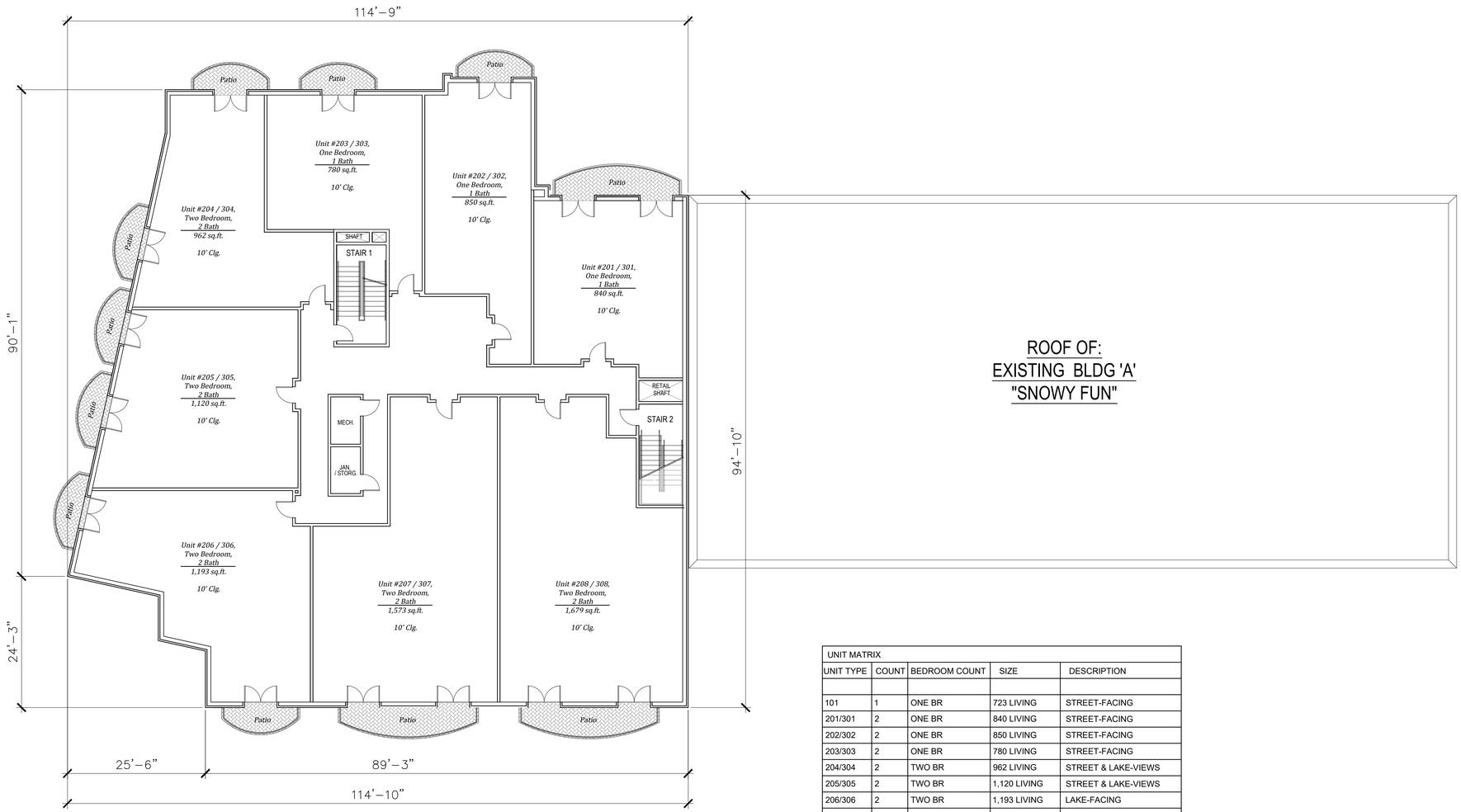
PRELIMINARY
NOT FOR
REGULATORY
APPROVAL OR
COPNSTRUCTION

Project #: 2003.00

Level 1
Overall
Floor Plan

A1.1

ANY MATERIALS OR METHODS
CONTAINING OR USING ASBESTOS
ARE PROHIBITED



UNIT MATRIX				
UNIT TYPE	COUNT	BEDROOM COUNT	SIZE	DESCRIPTION
101	1	ONE BR	723 LIVING	STREET-FACING
201/301	2	ONE BR	840 LIVING	STREET-FACING
202/302	2	ONE BR	850 LIVING	STREET-FACING
203/303	2	ONE BR	780 LIVING	STREET-FACING
204/304	2	TWO BR	962 LIVING	STREET & LAKE-VIEWS
205/305	2	TWO BR	1,120 LIVING	STREET & LAKE-VIEWS
206/306	2	TWO BR	1,193 LIVING	LAKE-FACING
207/307	2	TWO BR	1,573 LIVING	LAKE-FACING
208/308	2	TWO BR	1,679 LIVING	LAKE-FACING
TOTAL	17			

BUILDING 'C' LEVEL 2,3 - FLOOR PLAN (LIVING UNITS):

GRAND TOTAL SQ.FT. = 11,259 (NOT INCLUDING PATIOS)

0' 3' 9'

Level 2 & 3

01 3/32" = 1'–0"

PLAN NORTH

OWNER & APPLICANT:
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TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

ARCHITECT OF RECORD:
WES GUSTIN, RA, LEED AP wes@triunearchitecture.com 972-363-6155

ANY MATERIALS OR METHODS CONTAINING OR USING ASBESTOS ARE PROHIBITED

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Lakeshore Plaza
Bldg. 'C'

Eldorado Pkwy.
and Hillside Dr.
Little Elm, TX
75206

PRELIMINARY
NOT FOR
REGULATORY
APPROVAL OR
COPNSTRUCTION

Project #: 2003.00

Level 2 & 3

A1.2

- This Façade Plan is for conceptual purposes only. All Building plans require review and approval by Development Services.
- All mechanical units shall be screened from public view as required by the
- All signage areas and locations are subject to approval of Development Services Director
- When permitted, exposed utility boxes and conduits shall be painted to match the building
- Roof access shall be provided internally, unless otherwise permitted by the Chief Building Official



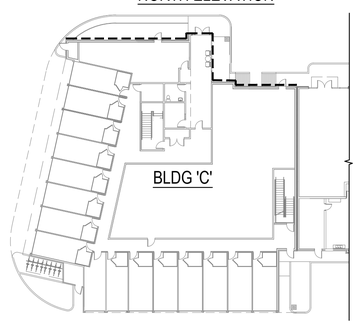
LEGEND

- CORONADO "STRIP" STONE COLOR: "BLACK FOREST"
- BRICK: ACME-COLOR: "MAROON"
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- BRICK: ACME-COLOR: "DARK BROWN"
- PRE-FIN ALUM. FASCIA COLOR: ALUMINUM
- PAINTED STEEL POST(S)SW2022 'DRY DOCK'
- STEEL CABLES
- E.I.F.S.-ROUGH FINISH COLOR: SW2025 'CASTLE BEIGE'
- E.I.F.S. ACCENT ROUGH FINISH COLOR: SW2022 'DRY DOCK'
- CAST STONE SILL / COLOR: BEIGE
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- E.I.F.S. CORNICE-SMOOTH FINISH COLOR: SW7004 "SNOWBOUND"
- 4" EIFST ACCENT ROUGH FINISH SW2022 'DRY DOCK'
- E.I.F.S. SCORING: ½"

MATERIAL TABULATIONS: 5,844
Total Elev. Surface = 5,844
Total Windows & Doors = 634
Total Elev (Minus Doors/Windows).: 5,210 sq.ft.
2,709 sq.ft. Brick (52%)
1,250 sq.ft. Stucco (24%)
834 sq.ft. Stacked Stone (16%)
417 sq.ft. Accent Materials (8%):
-Metal Awnings
-EIFS Cornices & Accents

3' 9'
0'

NORTH ELEVATION



Floor Plan Key
02

1" = 300'

PLAN NORTH

Front Elevation-Building 'C' (North)
01

3/16" = 1'-0"

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Lakeshore Plaza
Bldg. 'C'

Eldorado Pkwy.
and Hillside Dr.
Little Elm, TX
75206

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NOT FOR
REGULATORY
APPROVAL OR
COPNSTRUCTION

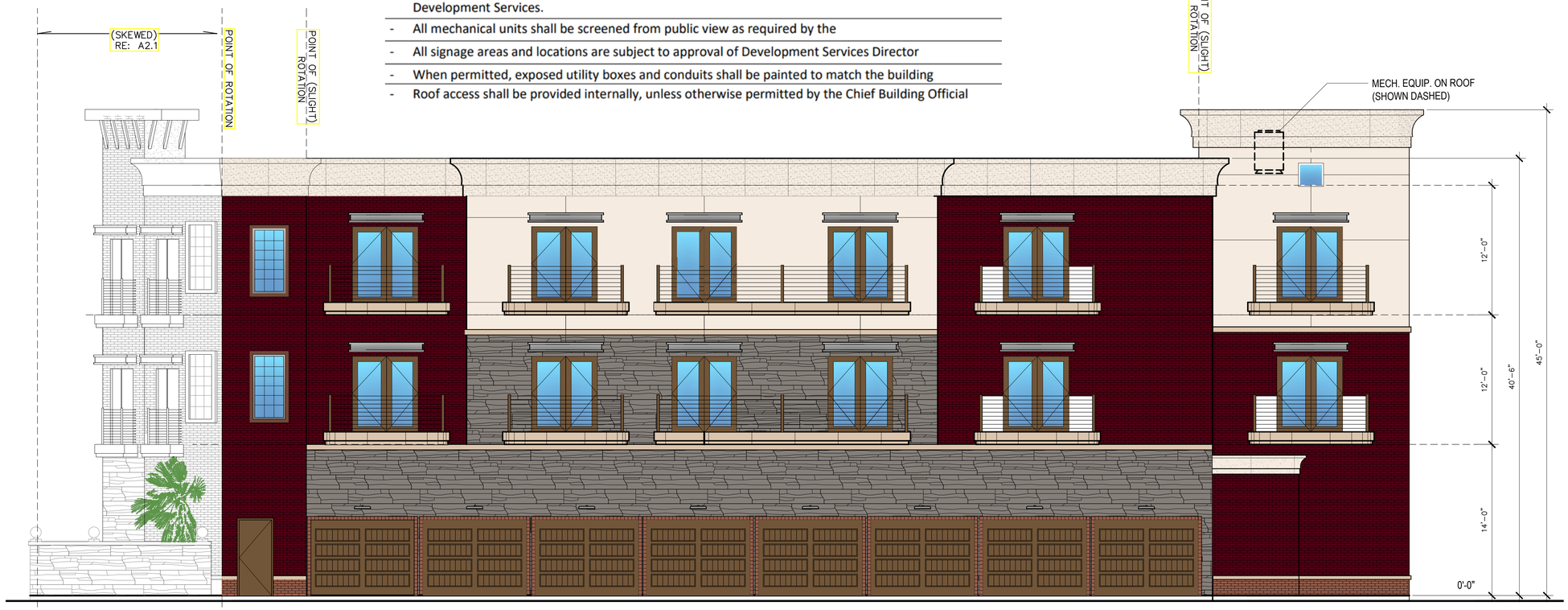
Project #: 2003.00

EXTERIOR
ELEVATION

A2.1

ANY MATERIALS OR METHODS CONTAINING OR USING ASBESTOS ARE PROHIBITED

- This Façade Plan is for conceptual purposes only. All Building plans require review and approval by Development Services.
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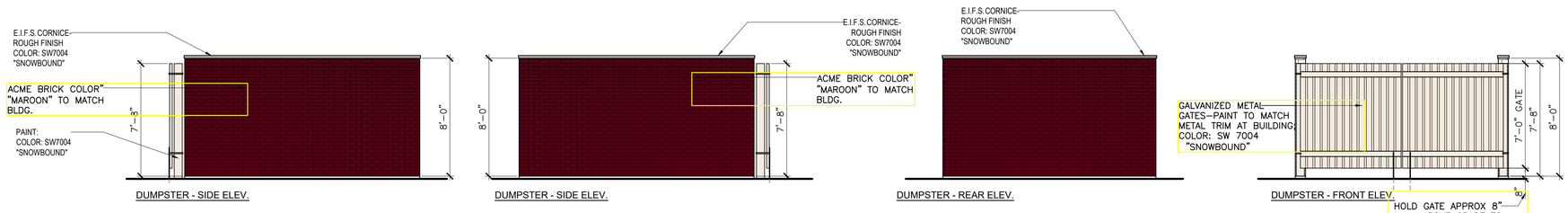
LEGEND

- CORONADO "STRIP" STONE COLOR: "BLACK FOREST"
- BRICK: ACME-COLOR: "MAROON"
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- BRICK: ACME-COLOR: "DARK BROWN"
- PRE-FIN ALUM. FASCIA COLOR: ALUMINUM
- PAINTED STEEL POST(S)SW2022 'DRY DOCK'
- STEEL CABLES
- E.I.F.S.-ROUGH FINISH COLOR: SW2025 'CASTLE BEIGE'
- E.I.F.S. ACCENT ROUGH FINISH COLOR: SW2022 'DRY DOCK'
- CAST STONE SILL / COLOR: BEIGE
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- E.I.F.S. CORNICE-SMOOTH FINISH COLOR: SW7004 "SNOWBOUND"
- 4" EIFST ACCENT ROUGH FINISH SW2022 'DRY DOCK'
- E.I.F.S. SCORING: 1/2"
- DECORATIVE METAL OVERHEAD DOOR BY "LUX" , COLOR: "WALNUT"
- ROWLOCK SURROUND TO MATCH THE "ACME - DARK BROWN"

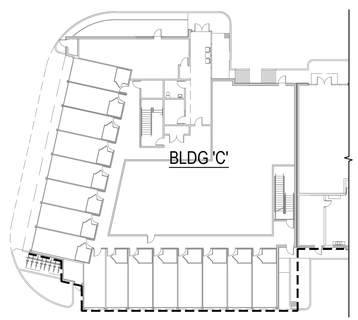
MATERIAL TABULATIONS:
Total Elev. Surface = 6,767 sq.ft.
Total Doors & Windows = 1,048
Total Elev (Minus Doors/Windows).: 5,719 sq.ft.
2,345 sq.ft. Brick (41%)
1,659 sq.ft. Stucco (29%)
1,315 sq.ft. Stacked Stone (23%)
400 sq.ft. Accent Materials (7%):
-Metal Awnings
-EIFS Cornices & Accents

3' 9'
0'

Side Elevation-Building 'C' (West)
01 3/16" = 1'-0'



Dumpster Elevations
02 1/4" = 1'-0'



SOUTH ELEVATION

Floor Plan Key
03 1" = 300'

PLAN NORTH

OWNER & APPLICANT:
MATT SHEKARI mattshekari@gmail.com 972-339-2943
TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

ARCHITECT OF RECORD:
WES GUSTIN, RA, LEED AP wes@triunearchitecture.com 972-363-6155

TRIUNE ARCHITECTURE
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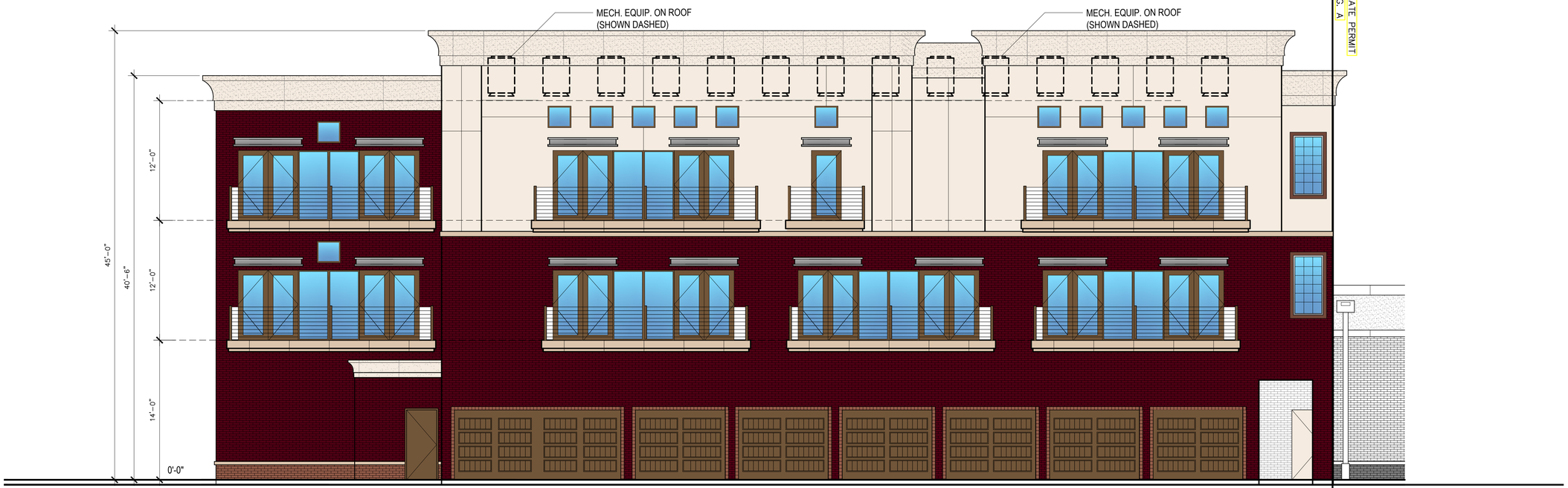
Project #: 2003.00

EXTERIOR ELEVATION

A2.2

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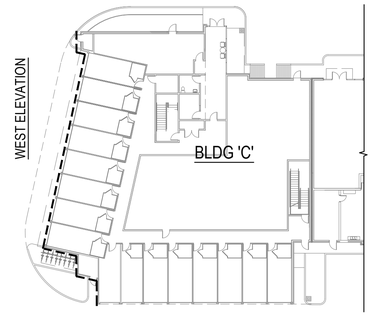


LEGEND

- CORONADO "STRIP" STONE COLOR: "BLACK FOREST"
- BRICK: ACME-COLOR: "MAROON"
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
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- E.I.F.S. ACCENT ROUGH FINISH COLOR: SW2022 'DRY DOCK'
- CAST STONE SILL / COLOR: BEIGE
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- E.I.F.S. CORNICE-SMOOTH FINISH COLOR: SW7004 "SNOWBOUND"
- 4" EIFST ACCENT ROUGH FINISH SW2022 'DRY DOCK'
- E.I.F.S. SCORING: $\frac{3}{4}$"
- DECORATIVE METAL OVERHEAD DOOR BY "LUX" , COLOR: "WALNUT"
- ROWLOCK SURROUND TO MATCH THE "ACME - DARK BROWN"

MATERIAL TABULATIONS:
Total Elev. Surface = 7,112 sq.ft.
Total Doors & Windows = 1,264 sq.ft.
Total Elev (Minus Doors/Windows).: 5,848 sq.ft.
4,094 sq.ft. Brick (70%)
1,287 sq.ft. Stucco (22%)
467 sq.ft. Accent Materials (8%):
-Metal Awnings
-EIFS Cornices & Accents
-Cedar Trellis

3' 9'
0'



Floor Plan Key
02 1" = 300'

PLAN NORTH

Rear Elevation-Building 'C' (South)
01 3/16" = 1'-0"

OWNER & APPLICANT:
MATT SHEKARI mattshekari@gmail.com 972-339-2943
TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

ARCHITECT OF RECORD:
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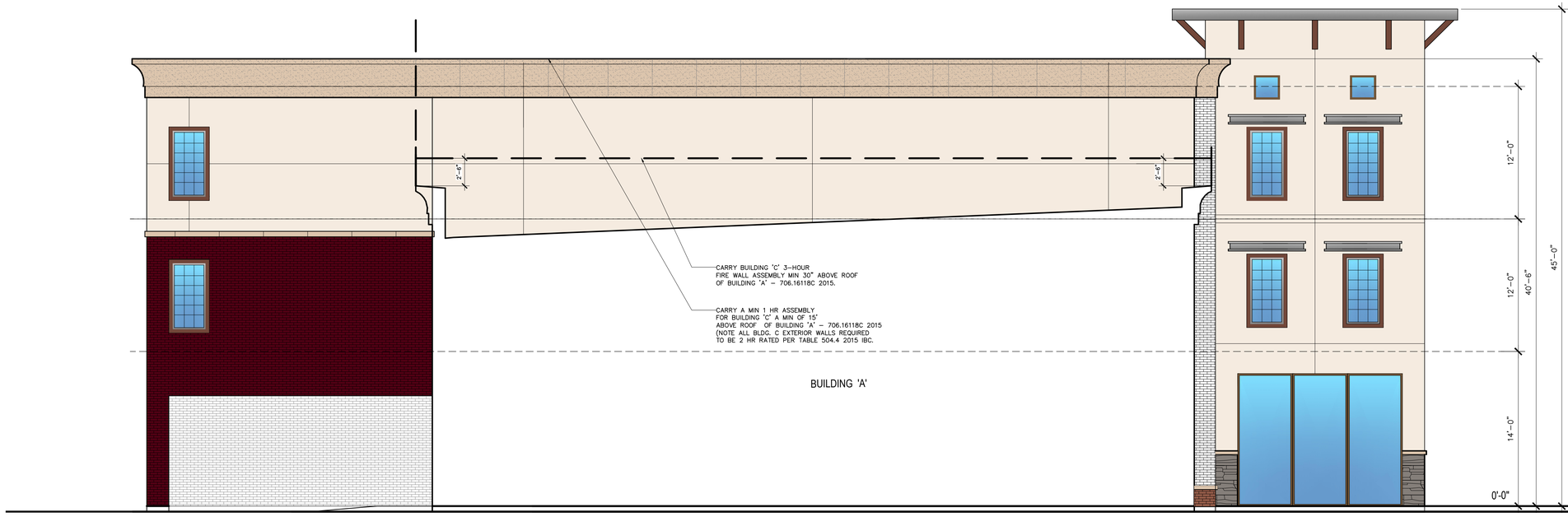
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Project #: 2003.00

EXTERIOR ELEVATION

A2.3

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LEGEND

- CORONADO "STRIP" STONE COLOR: "BLACK FOREST"
- BRICK: ACME-COLOR: "MAROON"
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- BRICK: ACME-COLOR: "DARK BROWN"
- PRE-FIN ALUM. FASCIA COLOR: ALUMINUM
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- E.I.F.S.-ROUGH FINISH COLOR: SW2025 'CASTLE BEIGE'
- E.I.F.S. ACCENT ROUGH FINISH COLOR: SW2022 'DRY DOCK'
- CAST STONE SILL / COLOR: BEIGE
- E.I.F.S. CORNICE-ROUGH FINISH COLOR: SW7004 "SNOWBOUND"
- E.I.F.S. CORNICE-SMOOTH FINISH COLOR: SW7004 "SNOWBOUND"
- 4" EIFST ACCENT ROUGH FINISH SW2022 'DRY DOCK'
- E.I.F.S. SCORING: ½"

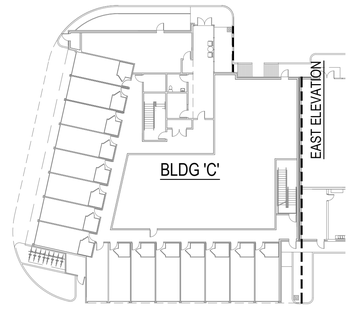
MATERIAL TABULATIONS:
Total Elev. Surface = 5,791 sq.ft.
Total Doors & Windows = 284 sq.ft.
Total Elev (Minus Doors/Windows).: 5,507 sq.ft.
3,305 sq.ft. Brick (60%)
1,707 sq.ft. Stucco (31%)
165 sq.ft. Stacked Stone (3%)
330 sq.ft. Accent Materials (6%):
-Metal Awnings
-EIFS Cornices & Accents

3' 9'
0'

Side Elevation-Building 'C' (East)
01 3/16" = 1'-0'

OWNER & APPLICANT:
MATT SHEKARI mattshekari@gmail.com 972-339-2943
TOPTEL LLC 3899 Adams Ln, Frisco, TX 75034

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Floor Plan Key
02 1" = 300'

PLAN NORTH

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Lakeshore Plaza
Bldg. 'C'

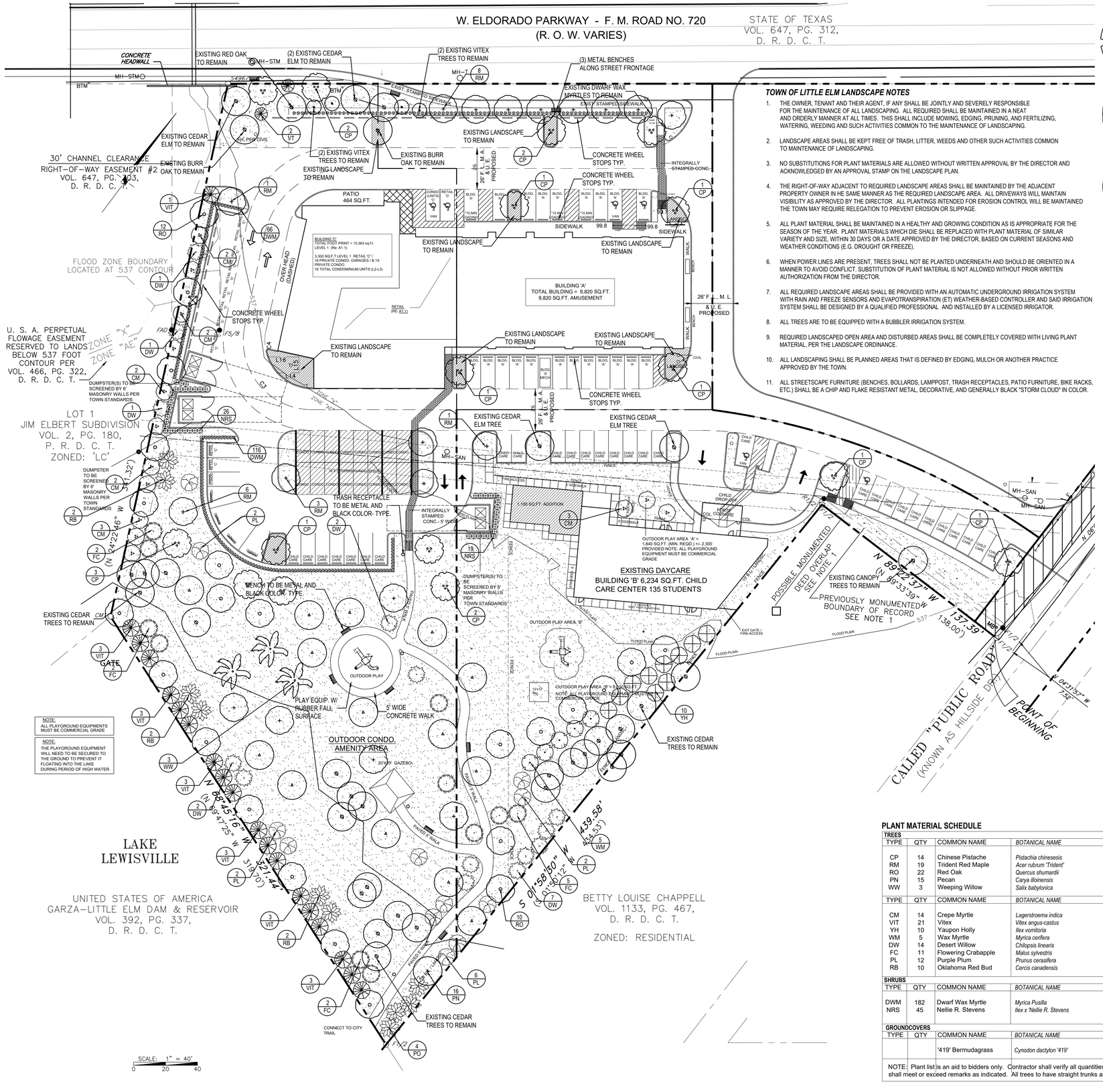
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EXTERIOR ELEVATION

A2.4



TOWN OF LITTLE ELM LANDSCAPE NOTES

1. THE OWNER, TENANT AND THEIR AGENT, IF ANY SHALL BE JOINTLY AND SEVERELY RESPONSIBLE FOR THE MAINTENANCE OF ALL LANDSCAPING. ALL REQUIRED SHALL BE MAINTAINED IN A NEAT AND ORDERLY MANNER AT ALL TIMES. THIS SHALL INCLUDE MOWING, EDGING, PRUNING, AND FERTILIZING, WATERING, WEEDING AND SUCH ACTIVITIES COMMON TO THE MAINTENANCE OF LANDSCAPING.
2. LANDSCAPE AREAS SHALL BE KEPT FREE OF TRASH, LITTER, WEEDS AND OTHER SUCH ACTIVITIES COMMON TO MAINTENANCE OF LANDSCAPING.
3. NO SUBSTITUTIONS FOR PLANT MATERIALS ARE ALLOWED WITHOUT WRITTEN APPROVAL BY THE DIRECTOR AND ACKNOWLEDGED BY AN APPROVAL STAMP ON THE LANDSCAPE PLAN.
4. THE RIGHT-OF-WAY ADJACENT TO REQUIRED LANDSCAPE AREAS SHALL BE MAINTAINED BY THE ADJACENT PROPERTY OWNER IN HE SAME MANNER AS THE REQUIRED LANDSCAPE AREA. ALL DRIVEWAYS WILL MAINTAIN VISIBILITY AS APPROVED BY THE DIRECTOR. ALL PLANTINGS INTENDED FOR EROSION CONTROL WILL BE MAINTAINED THE TOWN MAY REQUIRE RELEGATION TO PREVENT EROSION OR SLIPPAGE.
5. ALL PLANT MATERIAL SHALL BE MAINTAINED IN A HEALTHY AND GROWING CONDITION AS IS APPROPRIATE FOR THE SEASON OF THE YEAR. PLANT MATERIALS WHICH DIE SHALL BE REPLACED WITH PLANT MATERIAL OF SIMILAR VARIETY AND SIZE, WITHIN 30 DAYS OR A DATE APPROVED BY THE DIRECTOR, BASED ON CURRENT SEASONS AND WEATHER CONDITIONS (E.G. DROUGHT OR FREEZE).
6. WHEN POWER LINES ARE PRESENT, TREES SHALL NOT BE PLANTED UNDERNEATH AND SHOULD BE ORIENTED IN A MANNER TO AVOID CONFLICT. SUBSTITUTION OF PLANT MATERIAL IS NOT ALLOWED WITHOUT PRIOR WRITTEN AUTHORIZATION FROM THE DIRECTOR.
7. ALL REQUIRED LANDSCAPE AREAS SHALL BE PROVIDED WITH AN AUTOMATIC UNDERGROUND IRRIGATION SYSTEM WITH RAIN AND FREEZE SENSORS AND EVAPOTRANSPIRATION (ET) WEATHER-BASED CONTROLLER AND SAID IRRIGATION SYSTEM SHALL BE DESIGNED BY A QUALIFIED PROFESSIONAL AND INSTALLED BY A LICENSED IRRIGATOR.
8. ALL TREES ARE TO BE EQUIPPED WITH A BUBBLER IRRIGATION SYSTEM.
9. REQUIRED LANDSCAPED OPEN AREA AND DISTURBED AREAS SHALL BE COMPLETELY COVERED WITH LIVING PLANT MATERIAL, PER THE LANDSCAPE ORDINANCE.
10. ALL LANDSCAPING SHALL BE PLANNED AREAS THAT IS DEFINED BY EDGING, MULCH OR ANOTHER PRACTICE APPROVED BY THE TOWN.
11. ALL STREETSCAPE FURNITURE (BENCHES, BOLLARDS, LAMPPOST, TRASH RECEPTACLES, PATIO FURNITURE, BIKE RACKS, ETC.) SHALL BE A CHIP AND FLAKE RESISTANT METAL, DECORATIVE, AND GENERALLY BLACK "STORM CLOUD" IN COLOR.

Chinese Pistache
Trident Red Maple
Pecan
Red Bud
Red Oak
Purple Plum
Crepe Myrtle
Flowering Carbapple
Vitex
Wax Myrtle
Desert Willow
Yaupon Holly
Nellie R. Stevens
Dwarf Wax Myrtle

SOLID SOD NOTES

1. FINE GRADE AREAS TO ACHIEVE FINAL CONTOURS INDICATED. LEAVE AREAS TO RECEIVE TOPSOIL 3" BELOW FINAL DESIRED GRADE IN PLANTING AREAS AND 1" BELOW FINAL GRADE IN TURF AREAS.
2. ADJUST CONTOURS TO ACHIEVE POSITIVE DRAINAGE AWAY FROM BUILDINGS. PROVIDE UNIFORM ROUNDING AT TOP AND BOTTOM OF SLOPES AND OTHER BREAKS IN GRADE. CORRECT IRREGULARITIES AND AREAS WHERE WATER MAY STAND.
3. ALL LAWN AREAS TO RECEIVE SOLID SOD SHALL BE LEFT IN A MAXIMUM OF 1" BELOW FINAL FINISH GRADE. CONTRACTOR TO COORDINATE OPERATIONS WITH ON-SITE CONSTRUCTION MANAGER.
4. CONTRACTOR TO COORDINATE WITH ON-SITE CONSTRUCTION MANAGER FOR AVAILABILITY OF EXISTING TOPSOIL.
5. PLANT SOD BY HAND TO COVER INDICATED AREA COMPLETELY. INSURE EDGES OF SOD ARE TOUCHING. TOP DRESS JOINTS BY HAND WITH TOPSOIL TO FILL VOIDS.
6. ROLL GRASS AREAS TO ACHIEVE A SMOOTH, EVEN SURFACE, FREE FROM UNNATURAL UNDULATIONS.
7. WATER SOD THOROUGHLY AS SOD OPERATION PROGRESSES.
8. CONTRACTOR SHALL MAINTAIN ALL LAWN AREAS UNTIL FINAL ACCEPTANCE. THIS SHALL INCLUDE, BUT NOT LIMITED TO: MOWING, WATERING, WEEDING, CULTIVATING, CLEANING AND REPLACING DEAD OR BARE AREAS TO KEEP PLANTS IN A VIGOROUS, HEALTHY CONDITION.
9. CONTRACTOR SHALL GUARANTEE ESTABLISHMENT OF AN ACCEPTABLE TURF AREA AND SHALL PROVIDE REPLACEMENT FROM LOCAL SUPPLY IF NECESSARY.

PLANT MATERIAL SCHEDULE

TYPE	QTY	COMMON NAME	BOTANICAL NAME	SIZE	REMARKS
TREES					
CP	14	Chinese Pistache	*Pistachia chinesesis*	4" cal.	container, 12' ht., 5' spread, 6' clear straight trunk
RM	19	Trident Red Maple	*Acer rubrum 'Trident'*	4" cal.	B&B, 12' ht., 4' spread, 5' clear straight trunk
RO	22	Red Oak	*Quercus shumardii*	4" cal.	container, 12' ht., 5' spread, 6' clear straight trunk
PN	15	Pecan	*Carya illoinensis*	4" cal.	container, 12' ht., 5' spread, 6' clear straight trunk
WW	3	Weeping Willow	*Salix babylonica*	4" cal.	container, 12' ht., 5' spread, 6' clear straight trunk
TYPE	QTY	COMMON NAME	BOTANICAL NAME	SIZE	REMARKS
CM	14	Crepe Myrtle	*Lagerstroema indica*	3" cal.	container, 10' ht., 5' spread, 3 trunks
VIT	21	Vitex	*Vitex angus-castus*	3" cal.	container grown, 10' ht., 4' spread, 3 trunks
YH	10	Yaupon Holly	*Ilex vomitoria*	3" cal.	B&B, 10' ht., multi-trunk, 4' spread
WM	5	Wax Myrtle	*Myrica cerifera*	3" cal.	container grown, 10' ht., 4' spread tree form
DW	14	Desert Willow	*Chilopsis linearis*	3" cal.	B&B, container grown, 10' ht.
FC	11	Flowering Crabapple	*Malus sylvestris*	3" cal.	B&B, container grown, 10' ht.
PL	12	Purple Plum	*Prunus cerasifera*	3" cal.	B&B, container grown, 10' ht.
RB	10	Oklahoma Red Bud	*Cercis canadensis*	3" cal.	B&B, container grown, 10' ht.
SHRUBS					
TYPE	QTY	COMMON NAME	BOTANICAL NAME	SIZE	REMARKS
DWM	182	Dwarf Wax Myrtle	*Myrica Pusilla*	7 gal.	container, 36" ht. 24" spread
NRS	45	Nellie R. Stevens	*Ilex x 'Nellie R. Stevens*	7 gal.	container, 36" ht., 24" spread
GROUNDCOVERS					
TYPE	QTY	COMMON NAME	BOTANICAL NAME	SIZE	REMARKS
		'419' Bermudagrass	*Cynodon dactylon '419'*		solid sod refer to notes

NOTE: Plant list is an aid to bidders only. Contractor shall verify all quantities on plan. All heights and spreads are minimums. All plant material shall meet or exceed remarks as indicated. All trees to have straight trunks and be matching within varieties.

LANDSCAPE NOTES

1. CONTRACTOR SHALL VERIFY ALL EXISTING AND PROPOSED SITE ELEMENTS AND NOTIFY ARCHITECT OF ANY DISCREPANCIES. SURVEY DATA OF EXISTING CONDITIONS WAS SUPPLIED BY OTHERS.
2. CONTRACTOR SHALL LOCATE ALL EXISTING UNDERGROUND UTILITIES AND NOTIFY ARCHITECT OF ANY CONFLICTS. CONTRACTOR SHALL EXERCISE CAUTION WHEN WORKING IN THE VICINITY OF UNDERGROUND UTILITIES.
3. CONTRACTOR IS RESPONSIBLE FOR OBTAINING ALL REQUIRED LANDSCAPE AND IRRIGATION PERMITS.
4. CONTRACTOR TO PROVIDE A MINIMUM 2% SLOPE AWAY FROM ALL STRUCTURES.
5. ALL PLANTING BEDS AND LAWN AREAS TO BE SEPARATED BY STEEL EDGING. NO STEEL TO BE INSTALLED ADJACENT TO SIDEWALKS OR CURBS.
6. ALL LANDSCAPE AREAS TO BE 100% IRRIGATED WITH AN UNDERGROUND AUTOMATIC IRRIGATION SYSTEM AND SHALL INCLUDE RAIN AND FREEZE SENSORS.
7. ALL LAWN AREAS TO BE SOLID SOD BERMUDAGRASS, UNLESS OTHERWISE NOTED ON THE DRAWINGS.

GENERAL LAWN NOTES

1. FINE GRADE AREAS TO ACHIEVE FINAL CONTOURS INDICATED ON CIVIL PLANS.
2. ADJUST CONTOURS TO ACHIEVE POSITIVE DRAINAGE AWAY FROM BUILDINGS. PROVIDE UNIFORM ROUNDING AT TOP AND BOTTOM OF SLOPES AND OTHER BREAKS IN GRADE. CORRECT IRREGULARITIES AND AREAS WHERE WATER MAY STAND.
3. ALL LAWN AREAS TO RECEIVE SOLID SOD SHALL BE LEFT IN A MAXIMUM OF 1" BELOW FINAL FINISH GRADE. CONTRACTOR TO COORDINATE OPERATIONS WITH ON-SITE CONSTRUCTION MANAGER.
4. IMPORTED TOPSOIL SHALL BE NATURAL, FRIABLE SOIL FROM THE REGION, KNOWN AS BOTTOM AND SOIL, FREE FROM LUMPS, CLAY, TOXIC SUBSTANCES, ROOTS, DEBRIS, VEGETATION, STONES, CONTAINING NO SALT AND BLACK TO BROWN IN COLOR.
5. *ALL LAWN AREAS TO BE FINE GRADED, IRRIGATION TRENCHES COMPLETELY SETTLED, AND FINISH GRADE APPROVED BY THE OWNER'S CONSTRUCTION MANAGER OR ARCHITECT PRIOR TO INSTALLATION.*
6. *ALL ROCKS 3/4" DIAMETER AND LARGER, DIRT CLODS, STICKS, CONCRETE SPOILS, ETC. SHALL BE REMOVED PRIOR TO PLACING TOPSOIL AND ANY LAWN INSTALLATION*
7. CONTRACTOR SHALL PROVIDE (1") ONE INCH OF IMPORTED TOPSOIL ON ALL AREAS TO RECEIVE LAWN.

LANDSCAPE TABULATIONS

SITE TREE REQUIREMENTS
Requirements: 10% of gross vehicular area to be landscaped.
(1) tree per 400 s.f. of required landscaped area.
Total Area: (181,166 s.f.)
Vehicular Area: (62,031 s.f.)

Required	Provided
6,203 s.f. (10%)	7,882 s.f. (13%)
Required	Provided
(16) trees	(48) trees (10) 3" cal. ornamental trees

PARKING LOT
Requirement: All parking spaces must be located within 70' of large canopy tree. One (1) tree per island and One island for every (10) spots.
Provided

PERIMETER LANDSCAPE REQUIREMENTS
Requirements- Vehicular screening is required from public R.O.W and abutting properties.
Provided

Public R.O.W. Frontage- (304 l.f.) 1 large tree per 20 l.f. of street frontage

Required	Provided
16 trees	10 proposed trees- 4" cal. 4 existing trees- 4" cal. 6 ornamental trees (2 proposed, 4 ex.)

Landscape buffers between properties- 844 l.f.
1 large tree per 25 l.f. and 3 ornamental per 5 large trees required in perimeter buffer areas.

Required:	Provided:
(34) trees	(32) trees + (4) existing
(102) ornamental trees	(85) ornamental trees + (17) existing

Perimeter vehicular screening provided with 36" ht. evergreen shrubs
Provided

LANDSCAPE DESIGN OPTIONS
25 POINTS REQUIRED

Enhanced Streetscape Elements (Benches) - 5 points
Enhanced hardscape (crosswalks are concrete pavers) - 5 points
Enhanced site canopy - 5 points
Open Space Greater than Required (20%+) - 5 points
Use of shaded/outdoor seating (Gazebo) - 5 points

Total points = 25.00

FOUNDATION PLANTING

In place of foundation planting the following is proposed
Play-set with rubber fall surface
5' concrete perimeter walk
6 metal benches
4 metal trash receptacles

01 LANDSCAPE PLAN
SCALE 1"=30'-0"
0 15 30 60

LANDSCAPE ARCHITECT
STUDIO GREEN SPOT, INC.
1784 W. McDERMOTT DR.
SUITE 110
ALLEN, TEXAS 75013
(469) 369-4448
CHRIS@STUDIOGREENSPOT.COM

CHRIS TROMBLEY 2042 LICENSED LANDSCAPE ARCHITECT STATE OF TEXAS
07.28.2022

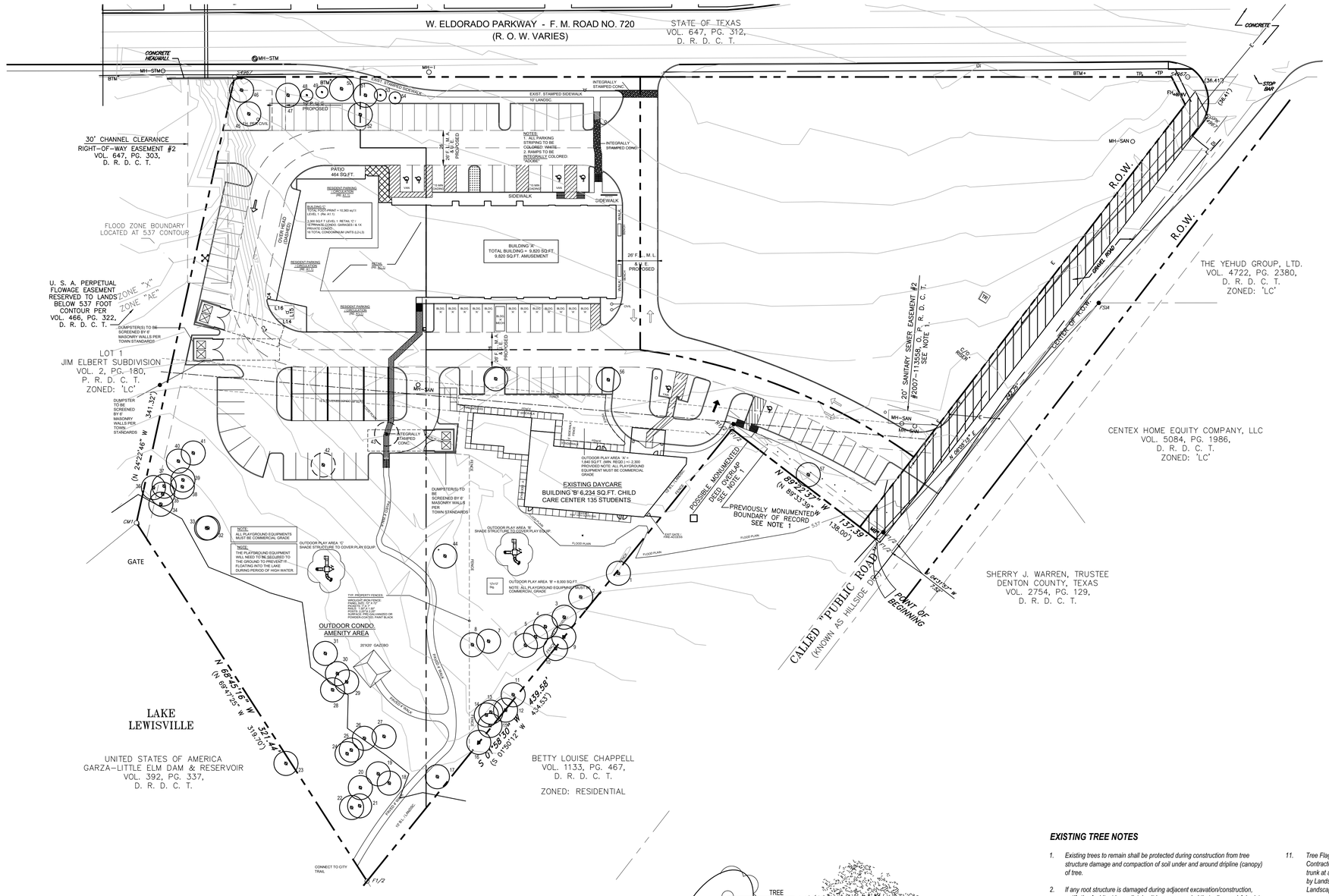
LAKESHORE RETAIL
ELDORADO PKWY
LITTLE ELM, TEXAS

ISSUE:
CITY COMMENTS 07.08.2022
CITY COMMENTS 07.28.2022

DATE:
07.28.2022

SHEET NAME:
LANDSCAPE PLAN

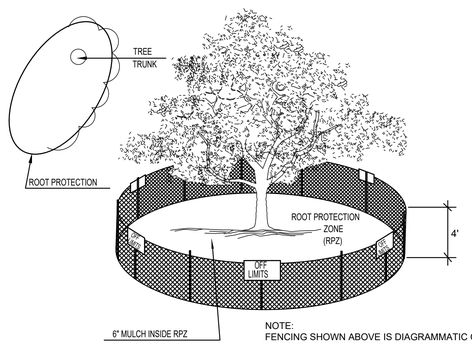
SHEET NUMBER:
L.2



TREE TABLE

NO.	SIZE	SPECIES	Botanical Name	STATUS	Quality	Mitigation Req.
1	14 IN	HACKBERRY	*Celtis Occidentalis*	REMAIN	NO	NO
2	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
3	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
4	14 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
5	12 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
6	16 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
7	3 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
8	4 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
9	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
10	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	NO	NO
11	10 IN	HACKBERRY	*Celtis Occidentalis*	REMAIN	NO	NO
12	8 IN	HACKBERRY	*Celtis Occidentalis*	REMAIN	NO	NO
13	8 IN	HACKBERRY	*Celtic Occidentalis*	REMAIN	NO	NO
14	12 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
15	4 IN	HONEY LOCUST	*Gleditstia Tracanthos*	REMAIN	NO	NO
16	10 IN	HONEY LOCUST	*Gleditstia Trancanthos*	REMAIN	NO	NO
17	10 IN	HONEY LOCUST	*Gleditstia Trancanthos*	REMAIN	NO	NO
18	16 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
19	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
20	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
21	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
22	14 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
23	10 IN	EASTERN RED CEDAY	*Juniper Virginiana*	REMAIN	YES	NO
24	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
25	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO

NO.	SIZE	SPECIES	Botanical Name	STATUS	Quality	Mitigation Req.
26	16 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
27	5 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
28	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
29	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
30	10IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
31	4 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
32	11 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
33	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
34	12 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	NO	NO
35	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
36	13 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	NO	NO
37	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
38	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
39	10 IN	EASTERN RED CEDAY	*Juniper Virginiana*	REMAIN	YES	NO
40	12 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
41	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMAIN	YES	NO
42	10 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMOVE	YES	NO
43	8 IN	EASTERN RED CEDAR	*Juniper Virginiana*	REMOVE	YES	NO
44	4 IN	TEXAS ASH	*Fraxinus Texensis*	REMAIN	YES	NO
45	4 IN	BURR OAK	*Quercus Macrocarpa*	REMAIN	YES	NO
46	4 IN	CEDAR ELM	*Ulmus Crassifolia*	REMAIN	YES	NO
47	4 IN	RED OAK	*Quercus Shumardii*	REMAIN	YES	NO
48	4 IN	VITEX	*Vitex agnus-castus*	REMAIN	YES	NO
49	4 IN	VITEX	*Vitex agnus-castus*	REMAIN	YES	NO
50	4 IN	CEDAR ELM	*Quercus Shumardii*	REMAIN	YES	NO
51	4 IN	CEDAR ELM	*Quercus Shumardii*	REMAIN	YES	NO
52	4 IN	BURR OAK	*Quercus Macrocarpa*	REMAIN	YES	NO
53	4 IN	VITEX	*Vitex agnus-castus*	REMAIN	YES	NO
54	4 IN	VITEX	*Vitex angus-castus*	REMAIN	YES	NO
55	4 IN	CEDAR ELM	*Ulmus Crassifolia*	REMAIN	YES	NO
56	4 IN	CEDAR ELM	*Ulmus Crassifolia*	REMAIN	YES	NO
57	4 IN	CEDAR ELM	*Ulmus Crassifolia*	REMAIN	YES	NO



NOTE:
FENCING SHOWN ABOVE IS DIAGRAMMATIC ONLY AND WILL CONFORM TO THE DRIP LINE AND LIMITED TO PROJECT BOUNDARY

01 TREE PROTECTION FENCE A
NOT TO SCALE

EXISTING TREE NOTES

1. *Existing trees to remain shall be protected during construction from tree structure damage and compaction of soil under and around dripline (canopy) of tree.*
2. *If any root structure is damaged during adjacent excavation/construction, notify the Architect immediately. It is recommended that a licensed Arborist be secured for the treatment of any possible tree wounds.*
3. *No disturbance of the soil greater than 4" shall be located closer to the tree trunk than 1/2 the distance of the drip line to the tree trunk. A minimum of 75% of the drip line and root zone shall be preserved at natural grade.*
4. *Any fine grading done within the critical root zones of the protected trees must be done with light machinery such as a bobcat or light tractor. No earth moving equipment with tracks is allowed within the critical root zone of the trees.*
5. *Material Storage: No materials intended for use in construction or waste materials accumulated due to excavation or demolition shall be placed within the limits of the dripline of any tree.*
6. *Equipment Cleaning/Liquid Disposal: No equipment may be cleaned, toxic solutions, or other liquid chemicals shall be deposited within the limits of the dripline of a tree. This would include but not be limited to paint, oil, solvents, asphalt, concrete, mortar, primers, etc.*
7. *Tree Attachments: No signs, wires or other attachments, other than those of a protective nature shall be attached to any tree.*
8. *Vehicular Traffic: No vehicular and construction equipment traffic or parking is allowed within the limits of the dripline of trees.*
9. *Boring of Utilities: May be permitted under protected trees in certain circumstances. The minimum length of the bore shall be the width of the tree's canopy and shall be a minimum depth of forty-eight (48") inches.*
10. *Trenching: Any irrigation trenching which must be done within the critical root zone of a tree shall be dug by hand and enter the area in a radial manner.*
11. *Tree Flagging: All trees to be removed from the site shall be flagged by the Contractor with bright red vinyl tape (3" width) wrapped around the main trunk at a height of four (4') feet above grade. Flagging shall be approved by Landscape Architect prior to any tree removal. Contractor shall contact Landscape Architect with 72 hour notice to schedule on-site meeting.*
12. *Protective Fencing: All trees to remain, as noted on drawings, shall have protective fencing located at the tree's dripline. The protective fencing may be comprised of snow fencing, orange vinyl construction fencing, chain link fence or other similar fencing with a four (4') foot approximate height. The protective fencing will be located as indicated on the Tree Protection Detail(s).*
13. *Bark Protection: In situations where a tree remains in the immediate area of intended construction, the tree shall be protected by enclosing the entire circumference of the tree's trunk with lumber encircled with wire or other means that does not damage the tree. Refer to Tree Protection Detail(s).*
14. *Construction Pruning: In a case where a low hanging limb is broken during the course of construction, the Contractor shall notify the Landscape Architect immediately. In no instance shall the Contractor prune any portion of the damaged tree without the prior approval by the Landscape Architect.*

EXISTING TREE LEGEND

EXISTING TREE TO REMAIN

EXISTING TREE TO BE REMOVED

TREE PROTECTION FENCING TO REMAIN DURING CONSTRUCTION REFER TO 01/L1.00

02 TREE PRESERVATION PLAN
SCALE 1"=20'-0"

0 10 20 40

LANDSCAPE ARCHITECT
STUDIO GREEN SPOT, INC.
1784 W. McDERMOTT DR.
SUITE 110
ALLEN, TEXAS 75013
(469) 369-4448
CHRIS@STUDIOGREENSPOT.COM

REGISTERED LANDSCAPE ARCHITECT
CHRIS TROWLANDS
2042
STATE OF TEXAS
07.28.2022

LAKESHORE RETAIL

ELDORADO PKWY.
LITTLE ELM, TEXAS

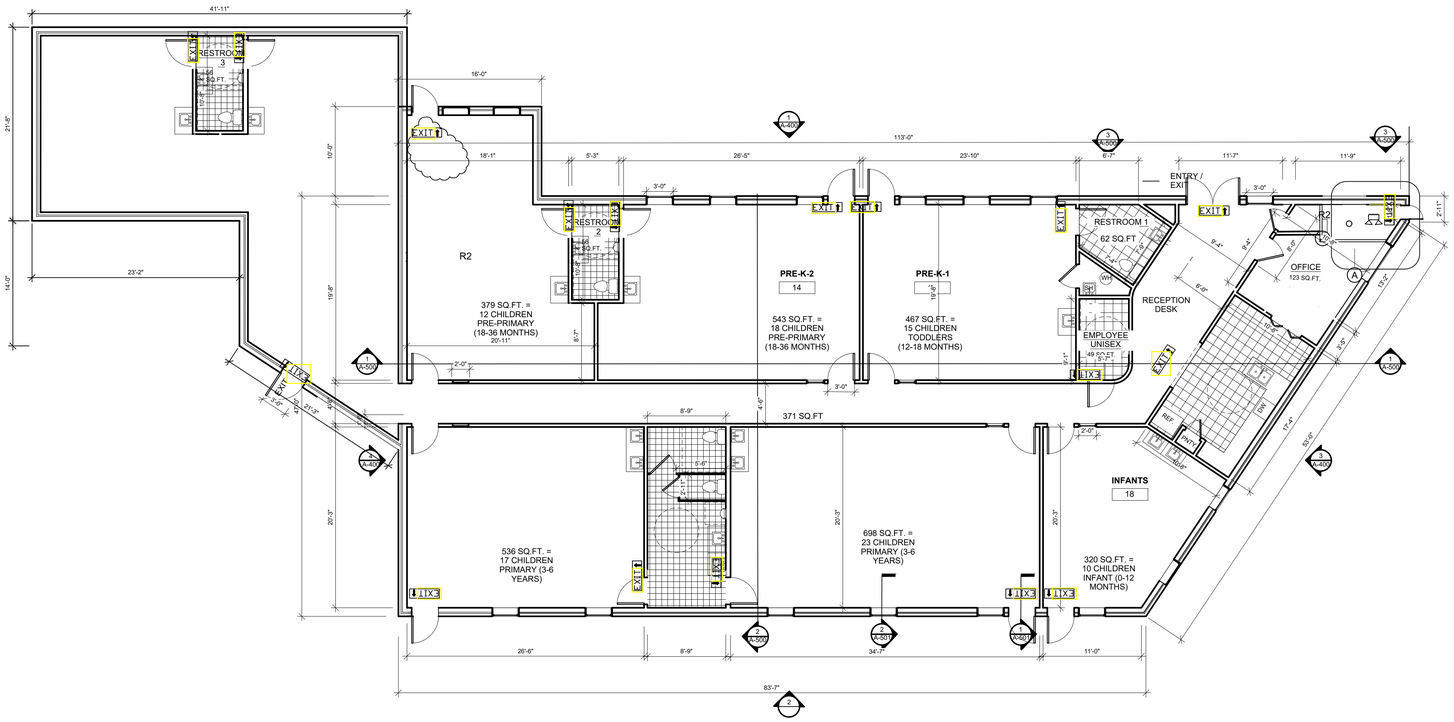
ISSUE:
FOR APPROVAL 07.28.2022

DATE:
07.28.2022

SHEET NAME:
TREE PRESERVATION PLAN

SHEET NUMBER:

L.1



Proposed Floor plan

CHILD CARE
AT LAKESHORE PLAZA, LITTLE ELM,
BUILDING "B"
ONE-STORY, WOOD-FRAMED
6070 SQ.FT.
TOTAL OCCUPANCY= 128

FLOOR PLAN GENERAL NOTES

1. ATTENTION ALL USERS OF THESE DRAWINGS,GENERAL CONTRACTORS,SUB-CONTRACTORS, MANUFACTURERS AND SUPPLIERS:CAREFULLY AND THOROUGHLY REVEIW THESE GENERAL NOTES .IT IS YOUR RESPONSIBILITY TO KNOW AND ADHERE TO THESE REQUIREMENTS .IF CONFLICT OCCURS , CONTACT ARCHITECT PRIOR TO COMMENCEMENT OF WORK.
2. EVERY EFFORT HAS BEEN MADE TO MAKE THESE DOCUMENT CONCISE AND COORDINATED ,TO DEFINE WORK IN THE MOST LOGICAL PLACE AND TO ELIMINATE REDUNDANCY, DO NOT PRESUME THAT YOUR SCOPE OF WORK IS DEFINED THROUGHOUT THE ENTIRE SET OF DRAWINGS AND SPECIFICATIONS . YOU MUST REVIEW THE ENTIRE SET OF CONTRACT DOCUMENTS TO DETERMINE YOUR SCOPE OF WORK. NO ADDITIONAL COST SHALL BE ACCESSED TO THE OWNER FOR NOT UNDERSTANDING SCOPE OF WORK. IF CONFLICT OCCURS, CONTACT THE ARCHITECT PRIOR TO COMMENCEMENT OF WORK.
3. DO NOT SCALE DRAWINGS
4. SEE THE PROJECT GENERAL NOTES LOCATED IN THE G-SERIES DRAWINGS
5. DIMENSION SHOWN FOR INTERIOR WALLS/PARTITION ARE FROM FACE OF GYPSUM BOARD ,OR CENTER OF COLUMN .EXTERIOR WALL DIMENSIONS ARE FROM FACE OF STUD AND/OR END OF STRUCTURAL SLAB U.N.O...SEE ENLARGED FLOOR PLANS FOR THR ADDITIONAL DIMENSIONS NOT INDICATED ON OVERALL DIMENTIONED PLANS
6. CONTRACTOR SHALL CROSS REFERENCE ALL SHEETS FOR WINDOW TYPES . ALL ALL HINGE SIDE DOOR JAMBS SHALL BE 5" FROM ADJACENT INTERSECTION,U.N.O
7. WINDOW TYPES MAY NOT APPEAR ON FLOOR PLANS
8. REFERENCE PLUMBING PLAN FOR FLOOR DRAINS.
9. FOR KITCHEN EQUIPMENT PLAN AND FOOD SERVICE EQUIPMENT/FURNITURE REFERENCE(K) SHEETS PROVIDED FROM FOOD SERVICE EQUIPMENT COMPANY /SUPPLIER /DESIGN/INSTALLATION .

S-2.021

FLOOR PLAN

PROJECT NORTH

NO.	DATE	DESCRIPTION

© 2018

CORE AND SHELL
ELDORADOPKWY & HILL
SIDE DR LITTLE ELX, TX 75068

Toptel llc 3899 Adams Ln FriscoTX 75034

PROJECT NO.00000

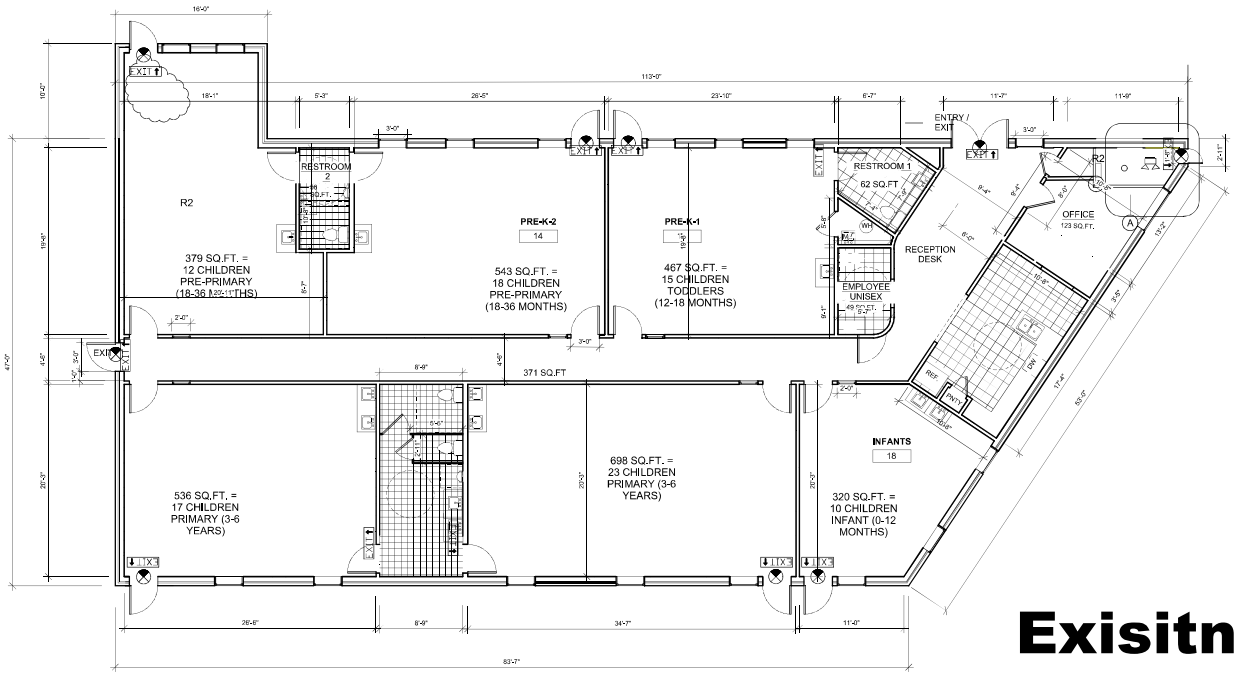
DIMENTIONED FLOOR PLAN

A-201

OF

DRAWN: Author CHECKED:

Project Status



Exisitng Floor plan

CHILD CARE
AT LAKESHORE PLAZA, LITTLE ELM,
BUILDING "B"
ONE-STORY, WOOD-FRAMED
4,850 SQ.FT.
TOTAL OCCUPANCY= 128

FLOOR PLAN GENERAL NOTES

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S-2.021

FLOOR PLAN

PROJECT NORTH

NO.	DATE	DESCRIPTION

© 2018

CORE AND SHELL
ELDORADOPKWY & HILL
SIDE DR LITTLE ELX, TX 75068

Toptel llc 3899 Adams Ln FriscoTX 75034

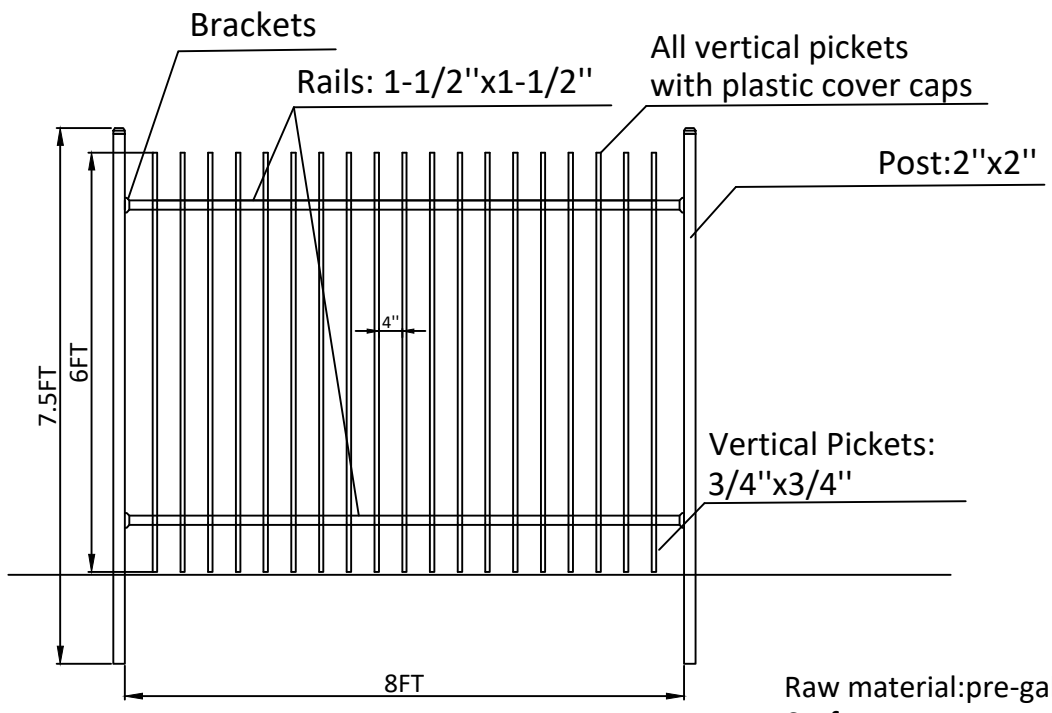
Project Status

PROJECT NO.:00000
DIMENTIONED FLOOR PLAN

A-201

OF

DRAWN: Author CHECKED:



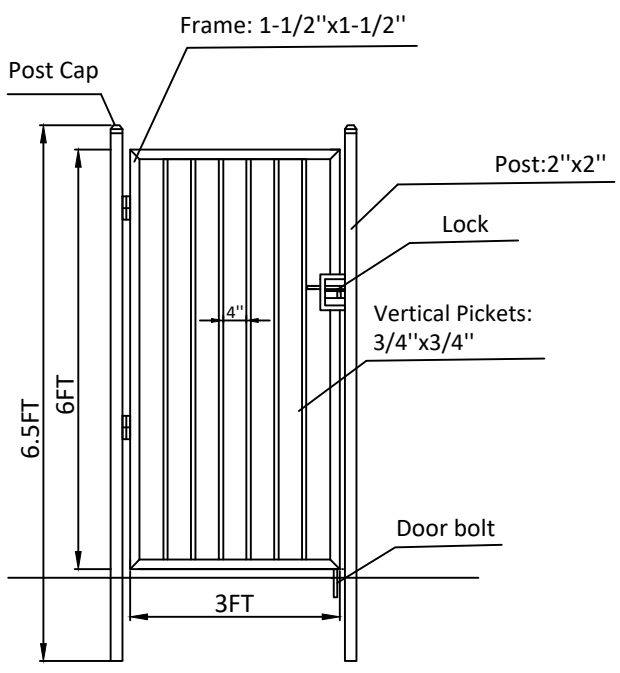
Raw material:pre-galvanized steel tube
Surface treatment:powder coated(black color)

Fence Drawing

REV	Date	Changed	By	Material	Client	Matt Shekari
01	n/a	n/a		Mass		
02						
03						
04						
05						
06				Status	Drawn By	Jack
07				Status By	Checked By	Winter
				DIN A3 / SCALE 1:1 — Hongye Metal	Date	20220822

Lakeshore Plaza
Shopping Dining Entertainment

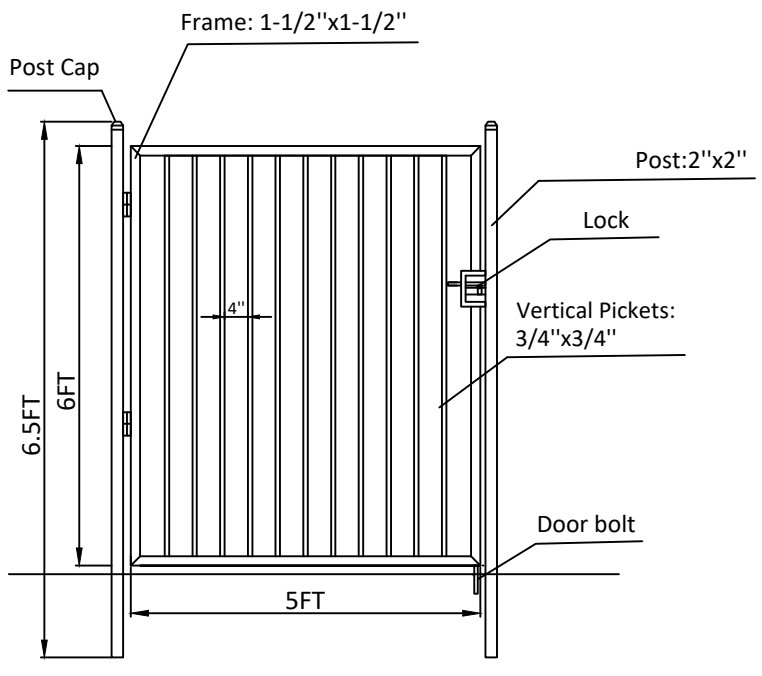
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REV	Date	Changed	By	Material	Client	Matt Shekari
01	n/a	n/a		Mass		
02						
03						
04						
05						
06				Status	Drawn By	Jack
07				Status By	Checked By	Winter
				DIN A3 / SCALE 1:1 — Hongye Metal	Date	20220822

Lakeshore Plaza
Shopping Dining Entertainment

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REV	Date	Changed	By	Material	Client	Matt Shekari
01	n/a	n/a		Mass		
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Lakeshore Plaza
Shopping Dining Entertainment

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LUX GARAGE DOORS





Colors

TRUE WHITE (TW) ALMOND (AL) WICKER TAN (WK) SANDTONE (ST) TERRATONE (TT) DARK BROWN (DN)



GOLDEN OAK (OK)‡ WALNUT (NT)‡ MAHOGANY (MY)‡

Amarr steel doors are pre-painted; for custom colors, exterior latex paint must be used.

Visit **amarr.com** for instructions on painting. Actual paint colors may vary from samples shown.

‡ Price upcharge applies.

SOJOURN
CASTLE HILLS

Whirlpool®
Appliance Package



36-inch Wide Side-by-Side Counter Depth Refrigerator with StoreRight™ Dual Cooling System—23 cu. ft.



1.7 cu. ft. Microwave Hood Combination with Electronic Controls



4.8 Cu. Ft. Freestanding Electric Range with FlexHeat™ Dual Radiant Element



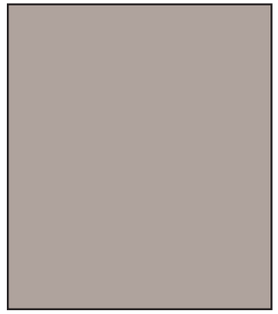
Heavy-Duty Dishwasher with 1-Hour Wash Cycle

Note: Subject to change based on availability

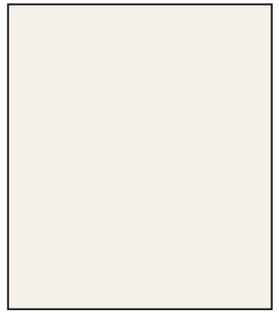
'LAKESHORE LOFT #1' - DARK MODERN CABINETS, INTRICATE COUNTER, WARM GRAYS

*FINISHES AND FIXTURES ARE SUBJECT TO CHANGE BASED ON AVAILABILITY

COLOR PALETTE



WALL
SHERWIN WILLIAMS
FUNCTIONAL GREY



TRIM
SHERWIN WILLIAMS
ALABASTER



ACCENT
SHERWIN WILLIAMS
URBANE BRONZE
*REFERENCE ONLY
NOT USED IN UNIT

FLOORING



LVT
NUCORE
LIGHT GRAY PLANK



CARPET
SHAW FLOORS
OUR HOME III - DOWNTOWN

LIGHTING FIXTURES



CEILING FAN
KITCHLER 330002NI
VASSAR 52" BRUSHED NICKEL



FIRE RATED RECESSED CAN FIXTURE
RP LIGHTING



ISLAND ACCENT LIGHTING
ELAN LIGHTING 84021-ZIN
9.75" HANGING GLOBE

LIGHTING FIXTURES



BATH/VANITY LIGHT
AFX LIGHTING-CHARLOTTE LED
VANITY 4.5"H x 3.375"W x 41.25"



MANHATTAN SLAB
SLATE



HARDWARE
#1600-96 CKP BRAND
LINEAR - BRUSHED NICKEL

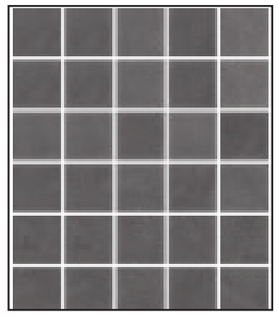
BATH



GRANITE COUNTERTOP
MSI STONE
LUNA PEARL



WALL TILE
FLORIDA TILE - EDGE
CARBON - BRICK LAY



SHOWER FLOOR TILE
FLORIDA - EDGE MOSAIC
CARBON



BATH FAUCET
MOEN GENTA
SINGLE-HANDLE



BATH SINK
KOHLER CAXTON
RECTANGLE UNDERMOUNT

BATH



FRAMED MIRROR
QUIOZEL LOCKPORT
24X36 BRUSHED NICKEL



HARDWARE
TOWEL RACK/RING
BRUSHED NICKEL

KITCHEN



MANHATTAN SLAB
SLATE



HARDWARE
#1600-96 CKP BRAND
LINEAR - BRUSHED NICKEL



GRANITE COUNTERTOP
MSI STONE
LUNA PEARL



BACKSPLASH
FLORIDA -PIECE OF MIND
BALANCE BEIGE - 11.75X11.75



KITCHEN FAUCET
KOHLER SIMPLCE
SINGLE-HANDLE - BRUSHED

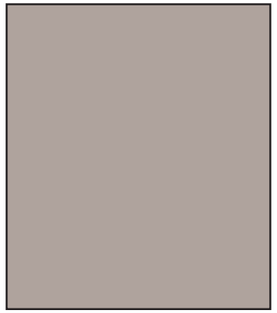


KITCHEN SINK
KOHLER VAULT
DUAL-MOUNT - STAINLESS

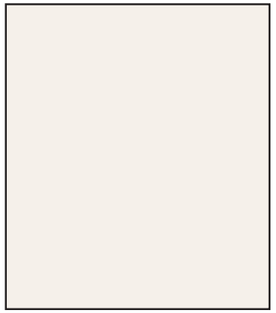
'LAKESHORE LOFT #2'- LIGHT MODERN CABINETS, LIGHT COUNTER, LIGHT/DARK CONTRASTS

*FINISHES AND FIXTURES ARE SUBJECT TO CHANGE BASED ON AVAILABILITY

COLOR PALETTE



WALL
SHERWIN WILLIAMS
FUNCTIONAL GREY



TRIM
SHERWIN WILLIAMS
ALABASTER



ACCENT
SHERWIN WILLIAMS
URBANE BRONZE
*REFERENCE ONLY
NOT USED IN UNIT

FLOORING



LVT
NUCORE
LIGHT GRAY PLANK



CARPET
SHAW FLOORS
OUR HOME III - DOWNTOWN

LIGHTING FIXTURES



CEILING FAN
KITCHLER 330002NI
VASSAR 52" BRUSHED NICKEL



FIRE RATED RECESSED CAN FIXTURE
RP LIGHTING



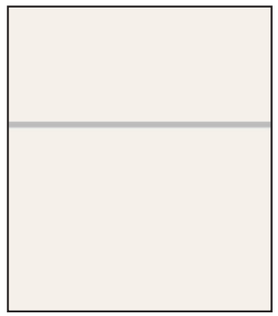
ISLAND ACCENT LIGHTING
KITCHLER 43853NI
10"W x 9.25" H BRUSHED NICKEL

LIGHTING FIXTURES



BATH/VANITY LIGHT
AFX LIGHTING-CHARLOTTE LED
VANITY 4.5"H x 3.375"W x 41.25"

BATH



MANHATTAN SLAB
MATTE WHITE



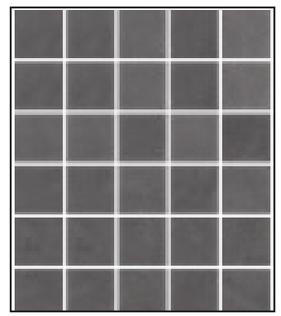
HARDWARE
#489-3 CKP BRAND
LINEAR - BLACK



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



WALL TILE
FLORIDA - STREAMLINE
ARCTIC MATTE - BRICK LAY



SHOWER FLOOR TILE
FLORIDA - EDGE MOSAIC
CARBON



BATH FAUCET
DELTA TRINSIC
SINGLE-HANDLE



BATH SINK
KOHLER CAXTON
RECTANGLE UNDERMOUNT

BATH

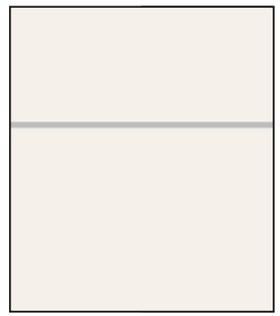


FRAMED MIRROR
QUIOZEL LOCKPORT
24X36 BRUSHED NICKEL



HARDWARE
TOWEL RACK/RING
BLACK

KITCHEN



MANHATTAN SLAB
MATTE WHITE



HARDWARE
#489-3 CKP BRAND
LINEAR - BLACK



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



BACKSPLASH
FLORIDA -PEACE OF MIND
BALANCE BEIGE 11.75X11.75



KITCHEN FAUCET
KOHLER SIMPLCE
SINGLE-HANDLE - BRUSHED

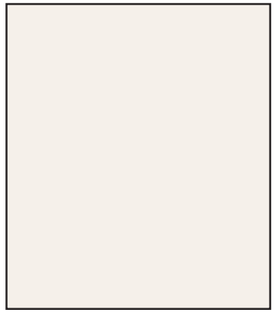


KITCHEN SINK
KOHLER VAULT
DUAL-MOUNT - STAINLESS

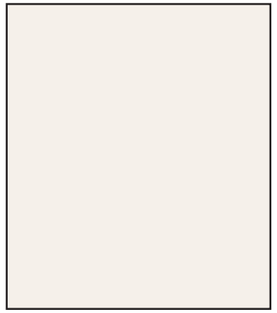
'LAKESHORE COTTAGE #1'- LIGHT CABINETS, LIGHT COUNTER, WHITE/BLACK CONTRASTS

***FINISHES AND FIXTURES ARE SUBJECT TO CHANGE BASED ON AVAILABILITY**

COLOR PALETTE



WALL
SHERWIN WILLIAMS
ALABASTER



TRIM
SHERWIN WILLIAMS
ALABASTER



ACCENT
SHERWIN WILLIAMS
INKWELL
*REFERENCE ONLY
NOT USED IN UNIT

FLOORING



LVT
NUCORE
COFFEE OAK PLANK



CARPET
SHAW FLOORS
OUR HOME III - SUNBLEACHED

LIGHTING FIXTURES



CEILING FAN
KITCHLER 330002WH
52” VASAR CEILING FAN
WHITE



FIRE RATED RECESSED CAN FIXTURE
RP LIGHTING



ISLAND ACCENT LIGHTING
ANP LIGHTING W516-BLC
BLACK SHADE 16” PENDANT

LIGHTING FIXTURES



BATH/VANITY LIGHT
KITCHLER 45458OZ
14.75”W x 10” H BRONZE

BATH



SHAKER
MATTE WHITE



HARDWARE
#55277 AMEROCK PULL
GOLDEN CHAMPAGNE

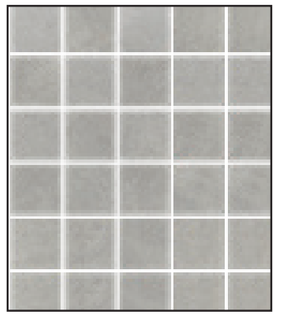


GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE

BATH



WALL TILE
FLORIDA - STREAMLINE
ARCTIC MATTE - BRICK LAY



SHOWER FLOOR TILE
FLORIDA - EDGE MOSAIC
SILVER

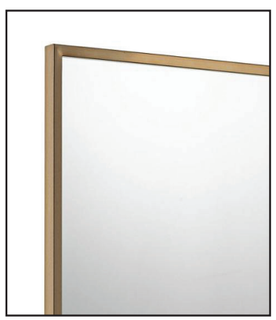


BATH FAUCET
DELTA TRINSIC
SINGLE HOLE - CHAMPAGNE



BATH SINK
KOHLER CAXTON
RECTANGLE UNDERMOUNT

BATH



FRAMED MIRROR
QUIOZEL LOCKPORT
24X36 ANTIQUE BRASS



HARDWARE
TOWEL RACK/RING
BLACK BRONZE

KITCHEN



SHAKER
MATTE WHITE



HARDWARE
#55277 AMEROCK PULL
BLACK BRONZE



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



BACKSPLASH
FLORIDA - PRECIOUS HDP
CALACATTA - HERRINGBONE



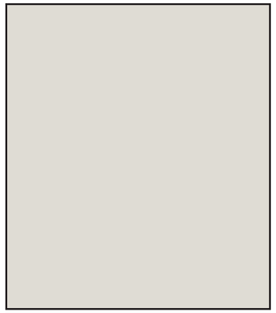
KITCHEN FAUCET
KOHLER SIMPLCE
SINGLE-HANDLE - BLACK



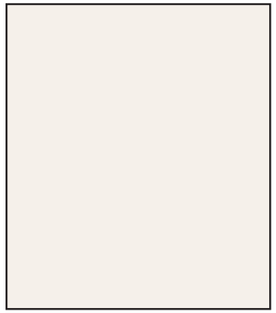
KITCHEN SINK
KOHLER VAULT
DUAL-MOUNT - STAINLESS

'LAKESHORE COTTAGE #2'- WARM GRAY CABINETS, LIGHT COUNTER, BLACK ACCENTS *FINISHES AND FIXTURES ARE SUBJECT TO CHANGE BASED ON AVAILABILITY

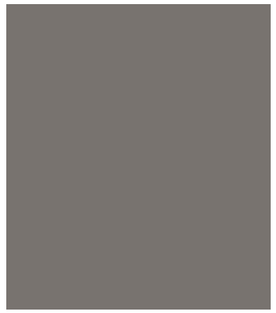
COLOR PALETTE



WALL
SHERWIN WILLIAMS
REPOSE GRAY



TRIM
SHERWIN WILLIAMS
ALABASTER



ACCENT
SHERWIN WILLIAMS
SW GAUNTLET GRAY
*REFERENCE ONLY
NOT USED IN UNIT

FLOORING



LVT
NUCORE
COFFEE OAK PLANK



CARPET
SHAW FLOORS
OUR HOME III - SUNBLEACHED

LIGHTING FIXTURES



CEILING FAN
KITCHLER 330002WH
52” VASAR CEILING FAN
WHITE



FIRE RATED RECESSED CAN FIXTURE
RP LIGHTING



ISLAND ACCENT LIGHTING
KITCHLER 44217CLP
INDUSTRIAL FRAMES PENDANT

LIGHTING FIXTURES



BATH/VANITY LIGHT
KICHLER 45973OZ
AVERY 24”W x 9.25” H BRONZE

BATH



SHAKER
SLATE



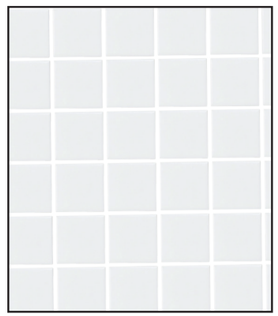
HARDWARE
#55277 AMEROCK PULL
BLACK BRONZE



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



WALL TILE
ERGON TREND
GRAY-5X10



SHOWER FLOOR TILE
FLORIDA-MOSAIC ART
WHITE

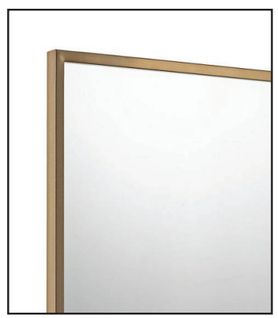


BATH FAUCET
DELTA TRINSIC
SINGLE HOLE - CHAMPAGNE



BATH SINK
KOHLER CAXTON
RECTANGLE UNDERMOUNT

BATH



FRAMED MIRROR
QUIOZEL LOCKPORT
24X36 ANTIQUE BRASS



HARDWARE
TOWEL RACK/RING
BLACK

KITCHEN



SHAKER
SLATE



HARDWARE
#55277 AMEROCK PULL
BLACK BRONZE



GRANITE COUNTERTOP
REPUBLIC ELITE
WHITE ROSE



BACKSPLASH
FLORIDA TILE
STREAMLINE DOVE GRAY-3X6



KITCHEN FAUCET
KOHLER SIMPLCE
SINGLE-HANDLE - BLACK



KITCHEN SINK
KOHLER VAULT
DUAL-MOUNT - STAINLESS

CONDOMINIUM DECLARATION
OF
LAKESHORE PLAZA CONDOMINIUMS

This Condominium Declaration is made and established to be effective as of _____ ___, 2021, by Declarant.

RECITALS:

A. Declarant is the fee simple owner of the Property.

B. Declarant desires to create a Condominium pursuant to the provisions of the Act.

C. Declarant intends hereby to establish a plan for the individual ownership of estates in real property consisting of Units and the appurtenant undivided interests in the Common Elements.

NOW, THEREFORE, Declarant does hereby submit the Property to the provisions of the Act and Condominium established hereby, and does hereby publish and declare that the following terms, provisions, covenants, conditions, easements, restrictions, reservations, uses, limitations and obligations are hereby established and shall be deemed to run with the Land and shall be a burden and benefit to Declarant, the Association, the Owners and their respective heirs, legal representatives, successors and assigns:

1. Definitions

1.1 Terms Defined. As used in this Declaration, the following terms shall have the meanings set forth below:

"Access Easement" means a perpetual, irrevocable and non-exclusive easement and right of access and entry on, over and across each Unit as may reasonably be necessary for: (i) the maintenance, repair or replacement of any of the Common Elements thereon or accessible therefrom; (ii) the making of emergency repairs therein necessary to prevent damage to the Common Elements or to any Unit; (iii) the evacuation of all or any part of the Property in the event of an emergency; and (iv) such other reasonable purposes as are deemed by the Association to be necessary for the performance of the obligations of the Association as described herein and in the Bylaws, and which is subject to the Access Easement and Shared Use Agreement.

"Access Easement and Shared Use Agreement" means the easement created under the Declaration of Access Easement and Shared Use Agreement.

"Declaration of Access Easement and Shared Use Agreement" means that certain Declaration of Access Easement and Shared Use Agreement recorded on _____ ___, 2021, under Instrument No. _____ of the Official Public Records of Denton County, Texas.

"Act" means the Uniform Condominium Act, Texas Property Code, Chapter 82, Section 82.001 et seq., as amended from time to time.

"Allocated Interests" means the undivided interests in the Common Elements and the Common Expenses allocated to each Unit, as reflected on Exhibit C.

"Assessments" means monthly Assessments and Special Assessments, together with dues, fees, charges, interest, late fees, fines, collection costs, attorneys' fees, and any other amount due to the Association by an Owner or levied against a Unit by the Association.

"Association" means Lake Shore Plaza Condominium Association, Inc., a Texas nonprofit corporation, to be organized under the Act and created for the purposes and possessing the rights, powers and authority set forth herein and in the Certificate.

"Board of Directors" means the board of directors of the Association named in the Certificate, and their successors as duly elected and qualified from time to time.

"Budget" means a budget prepared by the Association and delivered to all Owners that includes, among other things, the anticipated Common Expenses for the ensuing year and a statement setting forth each Owner's monthly share thereof.

"Building" means any structure located on the Land, including all elements thereof, but excluding those elements otherwise within the definition of a Unit.

"Bylaws" means the bylaws of the Association adopted by the Board of Directors as amended from time to time.

"Center Wall Measurement Method" means the method of measurement of a Unit using the following boundary designations: (a) vertical boundary lines between Units and between a Unit and a Common Element hallway are the centerline of the wall between such Units, or the centerline of the wall between such Unit and the Common Element hallway, respectively, thereby including within each Unit all studs, lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, and any other materials constituting any part of the wall assembly located on that Unit's side of the centerline; (b) vertical boundary between a Unit and the exterior wall of the building is the interior face of the exterior curtain wall glass, and the vertical boundary between a Unit and the concrete core is the greater of 6" of such core or such lesser amount if the core is less than 12" in which case the vertical boundary between a Unit and the concrete core is 1/2 of the width of such concrete core, thereby including within the Unit all studs, lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, and any other materials constituting any part of the finished surface of the wall or core; and (c) horizontal boundary lines of the Units are from the top of the unfinished surface of the floor to the bottom of the ceiling joist, including within the Unit all carpets, carpet pads, wood or tile flooring or subflooring on the floors and all lath, furring, wallboard, plasterboard, plaster, paint, and any other materials constituting any part of the ceiling (or false ceiling).

"Certificate" means the certificate of formation of the Association to be filed with the Secretary of State of Texas.

"Commercial Unit" means the Unit designated for commercial purposes, as more particularly described in Subsection 2.2 (a) of this Declaration, and as shown on the Map.

"Common Elements" means all portions of the Condominium, including both the General Common Elements and the Limited Common Elements, but excluding the Units.

"Common Elements Easement" means a perpetual, irrevocable and non-exclusive easement over the General Common Elements for ingress to and egress from each Unit together

with the non-exclusive right to access, use and enjoy the Limited Common Elements appurtenant to such Owner's Unit (subject to the rights of other Owners to use and enjoy such Limited Common Elements if appurtenant to more than one Unit).

"Common Expenses" means all costs and expenses, including Working Capital Contributions, reserves, or financial liabilities of the Association that are incurred pursuant to the provisions of the Declaration, the Bylaws or a resolution duly adopted by the Board of Directors or the Owners.

"Condominium" means the form of real property established by this Declaration with respect to the Property, in which portions of the Property are designated for individual ownership or occupancy and the remainder of the Property is designated for common ownership or occupancy solely by the owners of such remainder, and containing a maximum of twenty-six Units, being the one Commercial Unit and twenty-five Residential Units.

"Condominium Information Statement" means the condominium information statement prepared by Declarant in accordance with the provisions of the Act.

"County" means Denton County, Texas.

"Declarant" means Lake Shore Plaza, LLC, a Texas limited liability company, whose address for notice is 3899 Adams Lane, Frisco, Texas 75034, and any assignee of Declarant evidenced by a written instrument filed for record in the Official Public Records of the County, assigning the rights, powers, privileges and prerogatives of Declarant hereunder.

"Declarant Control" means the period commencing on the date of the Declaration and continuing until the date that is 120 days after the date that deeds to not less than 75% of the combined square footage of the Units that may be created have been recorded in the Official Public Records of the County.

"Declaration" means this Condominium Declaration for Lakeshore Plaza Condominiums and all recorded amendments thereto, which shall be recorded in the Official Public Records of the County.

"Development Rights" means a right or combination of rights to: (i) add real property to the Condominium; (ii) create Units, General Common Elements or Limited Common Elements within the Condominium; (iii) subdivide Units, combine Units, or convert Units into Common Elements; or (iv) withdraw real property from the Condominium. The Development Rights so reserved may be exercised by Declarant to the extent and only if permitted by the Act and at all times while Declarant owns any Unit or other real property interest in the Condominium, or for such lesser time as may be permitted by the Act.

"Easements" collectively, the Access Easement, the Common Elements Easement, the Parking Easement, the Support Easement, the Utility Easement, and the Vertical Access Easement and those easements described in Section 3 of this Declaration, which are subject to the Access Easement and Shared Use Agreement.

"Exceptions to Title" means the Governing Documents, and any and all matters encumbering or affecting title to the Condominium and/or the Land that are recorded in the Official Public Records of the County, but only to the extent same remain in full force and effect.

"General Common Elements" means all portions of the Common Elements that are not Limited Common Elements, including those more particularly described in Subsection 2.2(f) of this Declaration.

"Governing Documents" means this Declaration, the Certificate, the Bylaws, and the Regulations.

"Governmental Impositions" means all real estate and personal property taxes, charges, assessments, standby fees, excises and levies, and any interest, costs or penalties with respect thereto, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which at any time prior to or after the execution hereof, may be assessed, levied or imposed upon the Condominium or any Unit by any governmental agency or quasi-governmental agency.

"Individual Assessments" means the assessments levied by the Board of Directors against one of more but less than all Owners pursuant to Subsection 6.3 of this Declaration.

"Insurance Proceeds" means any and all proceeds that any Owner or the Association is entitled to receive from an insurance company as a result of a casualty or loss in connection with any Unit or the Common Elements, respectively.

"Improvements" means the Building, pavement, fencing, landscaping, recreational facilities, plumbing, electrical and telephone lines and computer cables and man-made objects of every type, existing or in the future placed on the Land including all cable television, telephone, cellular telephone, internet and other utility or communication installations or equipment.

"Land" means that certain real property located in the County and more particularly described in Exhibit A attached to this Declaration, together with all and singular the rights and appurtenances pertaining thereto.

"Legal Requirements" means any and all present and future judicial, statutes, rulings, rules, regulations, permits, certificates or ordinances of any federal, state or municipal authority in any way applicable to any Owner, any Unit or the Property, including all applicable restrictive covenants, zoning ordinances, subdivision and building codes, flood disaster laws and applicable architectural barrier, health and environmental laws and regulations.

"Lien Indebtedness" means any bona fide indebtedness, which is the result of an arm's length negotiation, that is secured by a lien or encumbrance upon a Unit or any part thereof incurred by Declarant or any Owner, including any indebtedness extended in connection with the purchase, development, finish-out, construction, remodeling or rehabilitation of any Unit.

"Limited Common Elements" means those portions of the Common Elements that are allocated by this Declaration and the Map for the exclusive use of any Unit, as more particularly described in Subsections 2.2(b), (c), (d), and (e) of this Declaration.

"Maintenance Standard" means maintenance in good repair and in an attractive and clean condition, including the operation, upkeep, repair and restoration necessary to maintain the Condominium or Units, as applicable, in a condition reasonably suitable for its intended purpose.

"Manager" means any experienced and professional manager or management company with whom the Association contracts for the day-to-day management of the Property and/or the administration of the Association and the Condominium.

"Map" means the plats and plans described and/or depicted on Exhibit B, attached hereto and made a part hereof.

"Monthly Assessment" means the monthly assessment established pursuant to Subsection 6.1 of this Declaration by the Board of Directors to pay Common Expenses when due.

"Mortgagee" means any Person, which is the holder or insurer of Lien Indebtedness, and which has provided the Association with written notice of its name, address and description of the Owner's Unit upon which it holds the Lien Indebtedness. Any required percentage of Mortgagees in this Declaration shall mean and refer to such percentage of the total of all outstanding Lien Indebtedness held by such Mortgagees and not the number of such Mortgagees.

"Owner" means any Person (including Declarant) owning fee title to a Unit, but does not include any Person having an interest in a Unit solely as security or an obligation.

"Paint to Paint Measurement Method" means the method of measurement of a Unit whereby the vertical boundary lines are measured from the interior painted surfaces of the walls that encompass the Unit's interior living space and the horizontal boundary lines of the Units are measured from the interior painted surface of the ceiling to the interior concrete surface of the floor and consist solely of the volumetric air space between the walls, ceiling and floor.

"Parking Area" means the parking area of the Condominium as shown on the Map (exclusive of the Parking Spaces within the Limited Common Elements of the Residential Units) used for the parking of automobiles by the Owners, Tenants and other occupants.

"Parking Easement" means a perpetual, irrevocable and non-exclusive easement covering the Parking Area, as shown on the Map, for the purposes of maintenance, repair and security of and relating to such area.

"Parking Space" means a physical portion of the Condominium used exclusively for parking of automobiles by an Owner and which is a Limited Common Element appurtenant to a Unit (collectively, the "Parking Spaces").

"Past Due Rate" means the maximum lawful rate of interest under Texas law or, if there is not a maximum lawful rate, the rate of 18% per annum.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Property" means the Land and the Improvements.

"Regulations" means the rules and regulations of the Association adopted by the Board of Directors and relating to the appearance, use and occupancy of the Property, including exterior appearance, use and occupancy of the Units and Common Elements, as amended from time to time.

"Rents" means any and all rental or other income received by any Owner in connection with the leasing of its Unit.

"Residential Units" means the twenty-five Units designated for residential purposes (each being a "Residential Unit"), as more particularly described in Subsection 2.2 (c) of this Declaration, and as shown on the Map.

"Special Assessments" means assessments established by the Board of Directors under the provisions of Subsection 6.2 and Section 7 of this Declaration from time to time.

"Special Declarant Rights" means rights reserved for the benefit of Declarant to: (i) complete Improvements shown on the Map; (ii) exercise any Development Right; (iii) make the Condominium a part of a larger condominium of planned community; (iv) maintain signs advertising the Units of the Condominium; (v) use Easements through any Common Elements for the purpose of making improvements within the Condominium or the Property; (vi) appoint or remove any officer or board member of the Association during any period of Declarant Control; or (vii) exercise the rights and powers enumerated in Subsection 3.3.

"Structure" means all foundations, footings, columns, flat slabs, sheer walls, girders, support beams, post tension cables or rods, including any and all other structural members that support, uphold or are a part of the Building, as shown on the Map. A structure shall be deemed a single Structure hereunder, even though divided into separate Units.

"Support Easement" means a perpetual, irrevocable and non-exclusive easement for support of all foundations, footing, columns, girders, support beams and any and all other structural members that support, uphold or are a part of any Building.

"Systems" means all fixtures, equipment, pipes, lines, wires, computer cables, conduits, circuits, junction boxes, hangers, pull boxes, terminal points, electronic devices, air compressors, air handlers, chillers and other systems used in the production, heating, cooling, and/or transmission of air, water, gas, electricity, communications, wastewater, sewage, and audio and video signals.

"Taking" means the taking or threat of taking of all or a portion of the Property for any public or quasi-public use, by eminent domain proceedings or otherwise, by a governmental agency or quasi-governmental agency or by an action in the nature of eminent domain (whether permanent or temporary) or the sale or other transfer of the Property in lieu thereof.

"Tenant" means any Person having the right to occupy a Unit or a portion of a Unit pursuant to a lease granted by an Owner.

"Unit" means a physical portion of the Condominium that is designated for separate ownership or occupancy (the boundaries of which are depicted on the Map) with the unrestricted right of ingress thereto and egress therefrom, and which includes: (i) all Systems that exclusively serve such Unit though such Systems may exist outside the boundaries of such Unit, (ii) the finish materials, fixtures and appliances contained in the Unit, but excludes (x) any of the structural components of the Building in which such Unit is located and (y) Systems that serve more than one Unit, all as subject to and further described in Section 82.052 of the Act, and (iii) an undivided interest, appurtenant to the Unit, in and to the Common Elements, and (iv) the Parking Space that is part of each the Residential Unit.

"Utility Easement" means a perpetual and irrevocable easement for supplying utility service to any part of the Condominium.

"Vertical Access Easement" means a perpetual and irrevocable easement for access to the Condominium through the stairways located within the Building to use and enjoy the stairways.

"Working Capital Contribution" means an amount equal to one-half percent (0.5%) of the purchase price paid by an Owner in purchasing a Unit is to be contributed by each Owner (other than Declarant) into a fund maintained by the Association as provided in Subsection 9.3 of this Declaration.

1.2 Number and Gender. Whenever the context requires, references in this Declaration to the singular number shall include the plural, and, likewise, the plural number shall include the singular, and words denoting gender shall include the masculine, feminine, and neuter.

2. General Provisions

2.1 Creation of Units; Map.

(a) Units. The Property is hereby divided into fee simple estates composed of separately designated Units, and such Units' undivided interest in and to the Common Elements. Each Unit, together with such Unit's undivided interest in the Common Elements, is for all purposes a separate parcel of and estate in real property. The separate parcels of and estates in real property designated hereby shall be created on the date of filing of this Declaration in the Official Public Records of the County, and shall continue until this Declaration is revoked or terminated in the manner herein provided.

(b) Map. The Map sets forth, inter alia, the following: (1) a general description and diagrammatic plan of the Condominium; (2) the location and dimension of all real property subject to Declarant's Development Rights; (3) all Improvements, including each Unit showing its Building location, floor, and number, and, by identifying Unit number as applicable, the Limited Common Elements appurtenant thereto; and (4) such other information as is desirable or required pursuant to Section 82.054 of the Act, including a certification as to compliance with Section 82.059 of the Act. The dimensions set forth on the Map as to each Unit were measured using vertical boundary lines described in the Paint to Paint Measurement Method. DECLARANT SHALL NOT BE LIABLE TO ANY OWNER AS A RESULT OF ANY DISCREPANCIES IN ACTUAL UNIT MEASUREMENT FROM THOSE SET FORTH ON THE MAP, AND EACH OWNER, BY ACCEPTING A DEED TO A UNIT, WAIVES ANY SUCH CLAIM OR CAUSE OF ACTION AGAINST DECLARANT.

2.2 Description of Units. Subject to the reservations and Easements created by Declarant in this Declaration, the Units shall include the following:

(a) Commercial Unit. The Commercial Unit consists of Unit 101 located on level 1 of the Building located on the Land as shown on the Map.

(b) Commercial Unit Limited Common Elements. The Limited Common Elements appurtenant to the Commercial Unit shall include the following:

(1) Exclusive Use Areas: all entrances, walls, floors, ceilings, hallways, and windows of the Building and Improvements that serve the Commercial Unit exclusively.

(2) Systems: all Systems serving the Commercial Unit exclusively.

(c) Residential Units. The Residential Units are comprised of Units 201, 202, 203, 204, 205, 207, and 208 located on level 2 of the Building, Units 301, 302, 303, 304, 305, 307, and 308 located on level 3 of the Building, Units 401, 402, 403, 404, 405, 407, and 408 located on level 4 of the Building, and Units 501, 503, 504, and 505 located on level 5 of the Building, as shown on the Map.

(d) Residential Units Limited Common Elements.

(1) The Limited Common Elements appurtenant to Units 201, 202, 203, 204, 205, 207, and 208, shall include all hallways that serve Units 201, 202, 203, 204, 205, 207, and 208.

(2) The Limited Common Elements appurtenant to Units 301, 302, 303, 304, 305, 307, and 308, shall include all hallways that serve Units 301, 302, 303, 304, 305, 307, and 308.

(3) The Limited Common Elements appurtenant to Units 401, 402, 403, 404, 405, 407, and 408, shall include all hallways that serve Units 401, 402, 403, 404, 405, 407, and 408.

(4) The Limited Common Elements appurtenant to Units 501, 503, 504, and 505, shall include all hallways that serve Units 501, 503, 504, and 505.

(5) Systems: all Systems serving the Residential Units exclusively.

(e) Individual Unit Limited Common Elements. The Limited Common Elements appurtenant to each Unit shall include the following:

(1) Exclusive Use Areas: all entrances, walls, floors, ceilings, hallways, balconies and windows that serve each Unit exclusively;

(2) Systems: all Systems serving each Unit exclusively; and

(3) Parking Space: Parking Space numbers that are reserved for each Unit as shown on the Map.

(f) General Common Elements. The General Common Elements shall include the Land, Structure, outdoor play area, outdoor amenity areas, walkways and trails, lobby, gym, the roof, including any rooftop amenity area, the sidewalks, landscaping, driveways, the Parking Area (exclusive of the Parking Spaces within the Limited Common Elements of the Residential Units). and all other walls, floors, ceilings, hallways and Systems that serve all Units, to the extent any such items are not otherwise designated as a Limited Common Element for any Unit or part of any Unit.

(g) Declarant's Intention. The detailed descriptions of the Units, the Limited Common Elements, and the General Common Elements provided in this Subsection 2.2 represent the general intention of Declarant. However, in the event of a discrepancy between the above descriptions and the Map, the Map shall control.

2.3 Alteration of Boundaries of Units. If one or more Owner(s) (including Declarant) own Units which adjoin horizontally (on the same floor), such Owner(s) shall have the right to relocate the boundaries

between such adjoining Units by removing and relocating all of any part of any intervening partition notwithstanding the fact that such partition may in whole or in part be a Common Element, so long as no portion of any bearing wall of bearing column is weakened or removed and no portion of any Common Element (other than the partition) is damaged, destroyed of endangered; provided, however, that the Owner(s) shall have the right to relocate certain Common Elements which are located within the said partition (such as pipes, flues, conduits, shafts, vents, ducts, wiring and the like) so long as such relocation is performed in a good and workmanlike manner by a capable and experienced workman and such Common Elements are fully operational upon the completion of such relocations. Notwithstanding the above, prior to the commencement of any such alterations, such Owner(s) shall submit to the Board of Directors for its approval full and complete plans and specifications relating to such alterations. The Board of Directors may request such additional information as it deems necessary to evaluate the alteration request. Within a reasonable period of time following its receipt of the plans and specifications and all such other requested information, the Board of Directors shall provide to the Owner(s) written acknowledgment of the Board of Director's receipt of the alteration request and the Board of Directors shall be deemed to have disapproved such plans and specifications if it fails to approve of such plans and specifications in writing within 15 business days after the Owner's receipt of the Board of Director's written acknowledgment of the receipt of request for alterations. If approved, the Association shall cause an appropriate instrument of amendment to this Declaration to be prepared, executed and recorded in the Official Public Records of the County. The instrument of amendment shall (i) contain such plats and floor plans as are necessary to show the boundaries between the Units involved, which shall be certified as to their accuracy by a registered architect or engineer, (ii) recite the occurrence of any conveyance between the Owners of the Units affected, (iii) specify any reasonable reallocation of the aggregate percentage ownership interest in the Common Elements pertaining to the Units affected, and (iv) specify any reallocation of Parking Spaces appurtenant to either of the Units affected. The Association hereby agrees to cooperate reasonably with such Owner(s) in effectuating such amendment to this Declaration, provided that all costs and expenses incurred by the Association in connection therewith including all professional fees such as architects', engineers' and attorneys' fees shall be paid exclusively by such Owner(s). In the event any damage is caused to any bearing wall, Common Element (other than the partition), or another Unit as a result of the exercise of the rights granted hereunder, all such damage shall be repaired at the sole cost and expense of the Owner(s) exercising such rights. The Board of Directors review and approval rights specified in this Subsection shall not be applicable to Declarant during the period of Declarant Control.

2.4 Allocation of Interests in Common Elements. The undivided interest of the Owners in and to the Common Elements shall be allocated based on the percentages set forth in the definition of "Allocated Interests" in Subsection 1.1, and was determined by dividing the area of each Unit measured in square feet using the vertical boundary lines described in the Center Wall Measurement Method by the total area of all Units measured in square feet using the vertical boundary lines as described in the Center Wall Measurement Method and shall be the Allocated Interests shown opposite the Unit numbers in Exhibit C. The Common Elements shall remain undivided.

2.5 Inseparability of Units; No Partition. Each Unit shall be inseparable, and shall be acquired, owned, conveyed, transferred, and encumbered only as an entirety. In no event shall a Unit held by more than one Owner be subject to physical partition and no Owner or Owners shall bring or be entitled to maintain an action for the partition or division of a Unit or the Common Elements. Any purported conveyance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the Common Elements without the Unit to which such Common Elements are allocated is void ab initio.

2.6 Permissible Relationships; Description.

(a) Ownership of Unit. A Unit may be acquired and held by more than one Person in any form of ownership recognized by the laws of the State of Texas.

(b) Description of Unit. Any contract or other instrument relating to the acquisition, ownership, conveyance, transfer, lease or encumbrance of a Unit shall legally describe such Unit by its identifying Unit designation followed by the words "Lakeshore Plaza Condominiums, located in the City of Little Elm, Denton County, Texas" with further reference to the recording data for this Declaration (including the Map and any amendments to the Declaration). Each such description shall be good and sufficient for all purposes to acquire, own, convey, transfer, lease, encumber or otherwise deal with such Unit, and any such description shall be construed to include all incidents of ownership relating to a Unit.

2.7 Mortgage of a Unit. Any Owner shall be entitled from time to time to mortgage or encumber such Owner's Unit by creating a lien covering such Unit under the provisions of a deed of trust, but any lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder that acquires the Owner's Unit through judicial foreclosure, public sale or any other means shall be subject to the terms and provisions of this Declaration, except as specifically provided to the contrary herein.

3. Uses, Reservations, and Restrictions

3.1 Permitted Uses.

(a) Residential Units. The Residential Units shall be used or occupied solely for residential purposes and related uses; provided, however, that this restriction will not prohibit a Tenant or a Residential Unit Owner, from using such Tenant's apartment or such Residential Unit Owner's Unit for personal business or professional purposes so long as such use is in compliance with this Declaration, the Regulations, and all Legal Requirements.

(b) Commercial Unit. The Commercial Unit shall be used or occupied solely for general office use, bar and restaurant use, and for the sale of retail goods and services that shall be compatible with the operation of the Condominium as a high quality, multi-purpose commercial and residential project. Without limiting the foregoing, the following uses shall be prohibited in the Commercial Unit: (1) residential use; (2) dry cleaning plant; (3) intentionally deleted; (4) flea market, swap shop, second hand or "outlet store" selling merchandise that is used, damaged or discontinued (except vintage or upscale re-sale and the sale or swapping of second hand albums, which is expressly permitted); (5) sidewalk markets (except for special events); (6) meeting hall or place of worship; (7) pawn shop; (8) check cashing service; (9) intentionally omitted; (10) massage parlor (except for a in connection with the operation of a spa or a Massage Envy or similar establishment, which is not prohibited), pornographic materials store or the showing of hardcore pornographic films; (11) beauty or barber college; (11) health club (personal training studios permitted); (12) place of instruction or any operation catering primarily to students or trainees rather than to customers; (13) funeral parlor; (14) facility for the sale of paraphernalia for use with illicit drugs; (15) off-track betting parlor; (16) any use that emits an obnoxious odor that can be smelled outside of the Commercial Unit (normal smells associated with restaurant use are specifically allowed); (17) pet kennel; (18) any animal medical services establishment; or (19) any uses that are prohibited by any Legal Requirements.

(c) Leasing of Units. Units may be leased in accordance with the Regulations, as may be amended by the Board of Directors from time to time. No portion of the Commercial Unit shall be leased for residential purposes, and no portion of the Residential Units shall be leased for commercial purposes. No Residential Unit Owner may lease less than an entire Residential Unit. A copy of each lease shall be submitted to the Association promptly following execution (provided that the financial terms of a lease may be redacted from the copy submitted to the Association).

(d) Parking Spaces shall be used exclusively for parking purposes. The Parking Spaces designated on the Map as Limited Common Elements shall be designated as being appurtenant to a particular Residential Unit in each deed conveying a Residential Unit to an Owner and such Residential Unit Owner shall have the exclusive right to use such designated Parking Space.

(e) The Parking Area use by Owners, Tenants and other occupants of a Residential Unit shall be limited to one space per Residential Unit between the hours of 11:00 a.m. and 8 p.m.

(f) Smoking inside the Building is prohibited, including inside any Unit or indoor Common Element.

3.2 Architectural Control. Each Unit shall also be subject to limitations on use, occupancy, signage, architectural standards and such other matters as shall be determined by the Board of Directors and as set forth in the Regulations, which shall at all times be consistent and in compliance with applicable zoning and Legal Requirements.

3.3 Reservations by Declarant. To the extent and only if permitted by the Act, and at all times while Declarant owns any Unit or any other real property interest in the Condominium or for such lesser time as may be permitted by the Act, Declarant reserves, as a part of the Special Declarant Rights, the following rights: (i) to make and record corrections to the Map to conform the same to the actual location of the Improvements, the actual size and location of the Units and/or the proper designation of the elements of the Improvements as Units, General Common Elements or Limited Common Elements, including, without limitation, the right to record changes to the Map appropriate to reflect the exercise by Declarant of any Development Right; (ii) to establish, vacate, relocate and use the Easements as set forth in this Declaration; provided, however, that no modification of any Easement shall have the effect of altering or destroying a Unit or a Limited Common Element unless consented to by the Owner of such Unit or by the Owner to whose Unit such Limited Common Element is appurtenant, as well as by the Mortgagee of any such Unit; (iii) to include, in any instrument initially conveying a Unit, such additional reservations, exceptions and exclusions as it may deem consistent with and in the best interests of the Owners and the Association; (iv) to have and use an easement over, under and across any and all of the Common Elements to the extent that same may be necessary or useful in constructing, repairing or completing the Units and Common Elements or as may be reasonably necessary for the exercise of any Special Declarant Rights or the performance of any obligations of the Declarant; (v) to assign, sell or lease any Parking Spaces upon such terms as Declarant shall determine; and (vi) to exercise any Development Rights. Notwithstanding anything herein to the contrary, Declarant reserves and retains the right to unilaterally amend this Declaration and any exhibit in connection with the exercise of any of the foregoing Development Rights to the extent permitted by the Act.

3.4 Compliance with the Governing Documents. The Owners, by accepting or possessing title to a Unit and any Tenant having the right to occupy any portion of a Unit pursuant to a lease granted by any Owner, shall automatically be deemed to have agreed to strictly comply with the provisions of the Governing Documents and all Legal Requirements. A failure or refusal to so comply with the provisions of any such instrument, after written notice, shall be grounds for imposition of fines by the Association after due process and an action to recover damages or sums due, with interest thereon at the Past Due Rate, or for injunctive relief, or both, and for reimbursement of all attorneys' fees incurred in connection therewith, which action shall be maintainable by the Board of Directors or the Manager, if any, in the name of the Association on behalf of all of the owners or, in a proper case, by an aggrieved Owner. In addition, an Owner's voting rights in the Association and Owner's or Owner's lessee's right to use and enjoy the General Common Elements or receive services may by written notice be suspended by the Association during the period of such noncompliance.

3.5 Parking. The Parking Area shall be subject to the reasonable procedures and regulations adopted for the same from time to time by the Association. The Parking Area (exclusive of the Parking Spaces within the Limited Common Elements of the Residential Units) shall be used for automobile parking purposes and those uses appurtenant to parking purposes by the Owners and their respective Tenants, guests, invitees and employees.

3.6 Easements.

(a) Declarant hereby reserves the Parking Easement, Access Easement and Utility Easement for the benefit of all Units, Owners, the Association and its agents, employees and representatives, including the Manager and the Manager's agents and employees as the case may be, and reserves the Support Easement and Vertical Access Easement for the benefit of the Association and each Unit and Owner. Each Owner shall by virtue of this Declaration, accept the deed to such Unit subject to the Parking Easement, Access Easement and the Utility Easement and further subject to the Support Easement and Vertical Access Easement as may be applicable. Declarant hereby reserves for the benefit of each Owner, the Common Elements Easement and declares that by virtue of this Declaration the Common Elements shall be subject to the Common Elements Easement. Each Owner shall provide the Association with a key to its Unit which may be used in such Owner's absence for Access Easement purposes. Declarant may, in addition to the rights to relocate set forth in this Subsection 3.6, record an easement agreement or easement relocation agreement in the Official Public Records of the County, specifically locating or relocating the Utility Easement subsequent to the recordation of this Declaration, and the Owner of each Unit, by acceptance of the deed to a Unit, hereby grants Declarant during the period of Declarant Control and to the Association thereafter an irrevocable power of attorney, coupled with an interest, with full power and authority to relocate the Utility Easement. The Easements granted herein are subject to the Access Easement and Shared Use Agreement.

(b) Declarant hereby reserves for both the Declarant, prior to the termination of Declarant Control, and the Association, after the termination of Declarant Control, the right to grant easements for purpose of utilities over any and all of the Common Elements.

(c) The Association may dispense chemicals for the extermination of insects and pests within the Units and Common Elements. In the event that the Association chooses to provide such pest control, the Association and its duly authorized contractors, representatives and agents shall have an easement to enter Units for the purpose of dispensing chemicals for the exterminating of insects and pests within the Units and Common Elements. Neither the Association nor the Declarant shall be liable for any illness, damage, or injury caused by the dispensing of these chemicals for this purpose.

3.7 Encroachments. If, as a result of the original construction, reconstruction, repair, shifting, settlement or other circumstance, any portion of the Common Elements encroaches upon any Unit, an irrevocable and perpetual easement for such encroachment and for the maintenance of the same is hereby granted and conveyed to the Association by the Declarant. If, as a result of the original construction, reconstruction, repair, shifting, settlement or other circumstance, any portion of any Unit encroaches upon the Common Elements, or upon the other Unit, an irrevocable and perpetual easement for such encroachment and for the maintenance of the same is hereby granted to the Owner of the encroaching Unit. Such encroachments and easements shall not be considered or determined to be encumbrances either upon a Unit or upon the Common Elements.

3.8 Roof. The roof, including any amenity areas thereon, of the Building is a General Common Element of the Condominium. No Owner shall lease or license any portion of the roof for the purpose of installing any equipment that does not serve primarily the Building (for example, leases to cellular phone service providers are prohibited). No Owner shall have the right to use any portion of the roof (for example,

to install a satellite dish) unless such use is approved in writing by the Declarant or the Association in advance.

3.9 Signage Obligations. No Owner of a Residential Unit may install signs on the Building. The Commercial Unit Owner may install signage on the Building pursuant to the Regulations or pursuant to any other agreement between the Commercial Unit Owner and the Association. The Commercial Unit Owner shall, at its expense, be responsible for (i) obtaining and maintaining all necessary permits and approvals required, both under applicable Legal Requirements and otherwise, with respect to the erection and maintenance of the signs, (ii) keeping and maintaining the sign in good condition and repair, and (iii) keeping all lighting and other equipment in connection with such signage in good working order and condition. The Association may, as a Common Expense, temporarily remove signage, fixtures and/or improvements, as necessary, to maintain, repair, or replace the outside walls or may require the Commercial Owner to do so, with the cost to be paid by the Owners as a Common Expense. The Commercial Unit Owner shall be responsible for the cost of repairing Common Elements or Units if such repairs are necessitated by use or misuse of its rights to signage specified herein or in any other agreement between them. The Association does not insure fixtures or improvements installed pursuant to such rights to signage and is not liable to any Person for any loss or damage from any cause to the signage, fixtures or improvements installed.

4. Matters Regarding the Association.

4.1 General. The Association will be incorporated as a nonprofit corporation under the Texas Nonprofit Corporation Act. In addition to the powers conferred on the Association under the Governing Documents, the Association may take all actions authorized by Section 82.102 of the Act. Any and all actions taken by the Association pursuant to the Governing Documents are binding on all Owners.

4.2 Allocation of Votes in the Association. All Owners shall automatically be members of the Association and entitled to vote, as follows: The Owner (whether one or more) of each Residential Unit shall be entitled to cast one vote, and the Owner (whether one or more) of the Commercial Unit shall be entitled to cast three votes. Any matter described as requiring approval by a stated percentage or majority of Owners shall mean a stated percentage or a majority of the vote of the Owners. In the event of a tie, the Board of Directors shall have the authority to cast the deciding vote.

4.3 Board of Directors. The Board of Directors shall be initially established by Declarant as set forth in the Bylaws and shall consist of individuals who need not be Owners. Each member of the Board of Directors shall be entitled to one vote each and each vote shall be of equal weight and shall be cast in accordance with the provisions of the Bylaws and the Certificate of the Association.

4.4 Right of Action by Owners. Owners, acting collectively or individually, shall have the right to maintain actions against the Association or any other Owner for its failure to comply with the provisions hereof or to perform its duties and responsibilities hereunder.

5. Maintenance, Alterations, Insurance, Taxes, and Utilities.

5.1 Maintenance.

(a) Each Owner shall be responsible for and shall maintain and repair, at the Owner's sole cost and expense in accordance with the Maintenance Standard, such Owner's Unit including, and without limitation, all Systems that serve only or are a part of the Unit, fixtures and appliances therein contained, and all interior Unit doors and interior windows (but no exterior doors or windows which shall be

maintained and replaced by the Association) and the replacement thereof (including but not limited to hardware and glass). The Association shall be responsible for all structural repairs and repair and maintenance of the Parking Area. No Owner shall be required to directly pay the cost and expense of structural repairs to the Unit, the Parking Area, or to the Common Elements unless necessitated by the willful or negligent misuse therefor by the Owner, the occupants or the invitees of such Unit, in which event such costs and expenses shall constitute the sole obligation of the Owner whose occupants and/or invitees were guilty of such willful or negligent misuse. Any maintenance and repair work to a Unit done by or on behalf of the Owner shall be done in a good and workmanlike manner using materials of equal or better quality than the material removed and shall be done in such a manner as not to impair the structural soundness or integrity or to alter the exterior appearance of any Building or Unit. In the event an Owner fails to discharge the Owner's maintenance obligations hereunder, the Association shall be entitled (but not obligated) to cause such work to be done, and the cost and expense thereof shall be and constitute a lien upon such a Unit which lien may be enforced in the same method as is provided for the enforcement of Assessment liens pursuant to the provisions of Subsection 6.5 of this Declaration. Damage to the interior of any Unit resulting from such maintenance, repair and replacement activities by the Association, whether by reason of any emergency of otherwise, shall constitute a Common Expense and be payable by the Association; provided, however, that if such maintenance, repairs or replacement are the result of the misuse of negligence of any Owner, or its guests or invitees, then such Owner shall be responsible and liable for all such damage.

(b) Except as provided in (a) above, all Common Elements (exception only those portions of the Systems that serve only or are a part of an individual Unit) shall be maintained by Association in accordance with the Maintenance Standard, in good condition and repair, the cost and expense of which shall constitute a Common Expense and be payable by the Association. The Association shall establish and maintain an adequate reserve fund for such purposes, to be funded by Monthly Assessments rather than by Special Assessment. Nothing herein shall be deemed or construed as relieving any Owner from liability or responsibility for damage to the Common Elements caused by the negligence or misconduct or Owner or Owner's occupants or invitees. Notwithstanding the foregoing, the Association shall have no obligation to maintain alterations, additions or improvements made by an Owner to a Limited Common Element appurtenant to such Unit. No Owner may make such alterations, additions or improvements to Limited Common Elements without the prior written consent of the Association in accordance with Subsection 5.2 hereof.

(c) The Association shall not be liable for injury or damage to any Person or property caused by the elements or by the Owner of any Unit, or any other Person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to any Owner, Tenant or other occupant of any Unit, or any guest or family of same, for loss or damage, by theft or otherwise, of any property, which may be stored in or upon any Common Elements. The Association shall not be liable to any Owner, Tenant, or other occupant for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Subsection where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities.

(d) In the event a dispute shall arise among Owners as to the proper party to bear a maintenance cost or expense, the Board of Directors shall be entitled to resolve such dispute; provided, however, that nothing herein shall be deemed or construed as limiting an Owner's right to have the provisions of this Subsection interpreted by a court of competent jurisdiction; provided further, however, that any such cost or expense so disputed shall be paid in accordance with the determination of the Board of Directors pending final judgment in any such legal proceedings.

5.2 Alterations. No Owner shall be entitled to alter, add to or improve the Unit, or the Limited Common Elements appurtenant thereto, in a manner as will or might reasonably be expected to affect the structural soundness or integrity or the exterior appearance of any of the Improvements, any System that services more than one Unit, or any warranty in favor of the Association, without the prior written consent of the Association and being in compliance with all Regulations established by the Association. No Owner may alter the size or location of any Parking Space without the prior written consent of the Association. Further, no Owner shall be entitled to make any alteration, addition or improvement to a Limited Common Element appurtenant to more than the Unit unless (i) the prior written approval of all Owners having an interest in such Limited Common Element is obtained, and (ii) the plans and specifications for such alteration, addition or improvement to the Limited Common Element have been approved in writing by the Board of Directors. Once alterations, additions and improvements have been made to a Limited Common Element pursuant to plans and specifications approved in writing by the Board of Directors, neither the Association, the Board of Directors nor any Owner shall have the right to cause such alterations, additions or improvements to be removed or altered without the written consent of the Owner or Owners of the Unit or Units to which such Limited Common Element is appurtenant. Any alterations, additions and improvements made pursuant to this Subsection shall be made at the individual cost and expense of the Owner making such alteration, addition, or improvement. Each Owner, by acceptance or possession of a title to a Unit, indemnifies and holds harmless Declarant, the Association, Board of Directors, Manager, and their respective officers, employees, representatives, agents and successors from and against any and all claims, demands, judgments, losses, damages, liability, and costs and expenses, including reasonable attorneys' fees, directly or indirectly arising from or attributable to the review and approval of any alteration pursuant to this Subsection 5.2.

5.3 Mechanic's Liens; Indemnification. No labor performed or materials furnished and incorporated in a Unit with the consent or at the request of an Owner or an Owner's agents or representatives, shall be the basis for the filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against all liabilities and obligations arising from the claim of any lien against the Unit of such other Owners or the Common Elements. All contracts for labor, services, and/or materials with respect any of the Units shall be in compliance with the provisions hereof.

5.4 Insurance.

(a) Commencing upon the first conveyance of any Unit to an Owner other than the Declarant, the Association shall obtain and maintain, as a Common Expense, insurance coverage required pursuant to Section 82.111 of the Act and such additional coverage as the Association deems appropriate.

(b) Insurance policies shall provide that:

(1) each Owner is an insured person under such policies with respect to liability arising out of the Owner's ownership of an undivided interest in the Common Elements or membership in the Association;

(2) insurance trust agreements will be recognized;

(3) any right of subrogation of the issuer against individual Owners is waived;

(4) the coverage of the policy is not prejudiced by any act or omission of an individual Owner to the extent that such act or omission is not within the collective control of all Owners;

(5) such policy is primary insurance if at the time of a loss under the policy any Owner has other insurance covering the same property covered by the policy;

(6) no action or omission by any Owner, unless validly exercised on behalf of the Association, will void the policy or be a condition to recovery under the policy;

(7) the policy may not lapse, be cancelled, or have renewal refused, or be materially modified, except after thirty days prior to the written notice to the Association and the Manager, if any, and fifteen days' prior written notice to each Mortgagee listed as such in such insurance policy, except in the case of non-payment of premium in which case ten days written notice of cancellation shall be given to the Association, the Manager, if any, and each listed Mortgagee.

(c) The Manager, if any, shall be reflected as additional insured on any commercial general liability insurance policy carried by the Association.

(d) The Board of Directors shall have the express authority, on behalf of the Association, to name as insured an authorized representative, including any trustee (or successor thereto) with whom the Association has entered into any insurance trust agreement, which authorized representative shall have exclusive authority to negotiate losses under any policy providing the property or liability insurance required to be provided herein.

(e) By acceptance of a deed to a Unit, each Owner shall be deemed to have irrevocably appointed the Association (which appointment shall be deemed a power coupled with an interest), together with any insurance trustee, successor trustee or authorized representative designated by the Association, as such Owner's attorney-in-fact for the purpose of purchasing and maintaining the insurance required hereunder as well as for submission of and adjustment of any claim for loss, the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purpose. The Association or such trustee, successor trustee or authorized representative must receive, hold or otherwise properly dispose of any proceeds of insurance in trust for the Owners and the Mortgagees as their interests may appear based on the fair market value of the interests damaged or destroyed. Any proceeds paid under such policy shall be disbursed first for the repair or restoration of any damaged Common Elements and Units, and no Owner or Mortgagee or other lienholder shall receive payment of any portion of such proceeds unless a surplus remains after the Condominium has either been completely restored or the Condominium has been terminated.

(f) The Association shall be entitled to obtain and maintain such additional insurance coverages hereunder as the Board of Directors may deem necessary or appropriate including, without limitation, insurance covering all alterations, additions, betterments and improvements to Owners' Units, liability insurance for all officers, directors, trustees and employees of the Association. The premiums for all insurance coverages maintained by the Association pursuant to this Section shall constitute a Common Expense and be payable by the Association.

(g) Each Owner shall be obligated to obtain and maintain, at such Owner's sole cost and expense, a standard Texas insurance policy for betterments and improvements covering structural components related to such Owner's Unit to the extent not covered by insurance maintained by the Association and each Owner shall be required to furnish a copy of such insurance to the Association. If an Owner shall fail to provide evidence of such insurance, the Association may purchase such insurance on behalf of the Owner and assess the cost to the Owner as an Individual Assessment. Each Owner shall be responsible for obtaining and maintaining at such Owner's sole cost and expense such other insurance covering alterations, additions,

betterments and improvements to such Unit and all other personal property located at the Unit or constituting a part thereof and shall furnish the Association with a copy of such insurance. An Owner shall be responsible for obtaining and maintaining at such Owner's sole cost and expense such liability insurance as may be appropriate. Nothing herein shall be deemed or construed as prohibiting an Owner, at such Owner's sole cost and expense, from obtaining and maintaining such further and supplementary insurance coverages as such Owner may deem necessary or appropriate.

5.5 Taxes. Each Owner shall be responsible for and shall pay when due all taxes, assessments and other governmental impositions lawfully levied or assessed with respect to such Owner's Unit. Any taxes, assessments or other governmental impositions lawfully levied or assessed with respect to the Property not separately billed to the Owners shall constitute a Common Expense and be payable by the Association.

5.6 Utilities. Each Owner shall be responsible for and shall pay all water and wastewater usage, audio or visual communications, electricity, gas, and internet connectivity charges relating to such services used or consumed at or with respect to the occupancy of the Unit. To the extent such charges are separately metered by the respective utility companies or submetered by the Association, the amount payable by the Unit Owner shall be in accordance with the usage thereof as specified by the utility company or Association, as applicable. Any such charges not separately metered or submetered and charges relating to such services used in connection with the use and maintenance of the Common Elements, shall constitute a Common Expense and be payable by the Association.

6. Assessments

6.1 Monthly Assessments; Budget

(a) The Association shall possess the right, power, authority and obligation to establish a regular Monthly Assessment sufficient in the judgment of the Board of Directors to pay all Common Expenses when due. No consent or approval of the Owners shall be required for the establishment of the Monthly Assessments. Such Monthly Assessments so established shall be payable by the Owners on the first day of each calendar month, and shall be applied to the payment of charges for which the Association is responsible, including, without limitation, charges relating to maintenance and repair of elements of the Property not the responsibility of the Owners, care of the Common Elements, any common area expenses under any recorded declarations or easement agreements encumbering the Property, casualty, public liability and other insurance coverages required or permitted to be maintained by the Association, governmental impositions not separately levied and assessed, utilities relating to the Common Elements or not separately metered, professional services, such as management, accounting and legal, and such other costs and expenses as may reasonably relate to the property maintenance, care, operation and management of the Property, and the administration of the Association and the Condominium established hereby, including an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements

(b) Prior to the commencement of each fiscal year of the Association, the Board of Directors shall prepare and deliver to all of the Owners a Budget setting forth the anticipated Common Expenses for the ensuing year. Such Budget shall be in sufficient detail so as to inform all Owners of the nature and extent of the Common Expenses anticipated to be incurred and shall be accompanied by a statement setting forth each Owner's monthly share thereof and the date as of which such Monthly Assessment commences to be payable. No further communication shall be necessary to establish the amount of each Owner's obligation regarding the Monthly Assessment payable hereunder, and the failure of the Board of Directors to timely deliver the Budget provided for herein shall in no event excuse or relieve any Owner from the payment of the Monthly Assessments contemplated hereby. Any Budget prepared and delivered to the

Owners as hereby contemplated may be amended as and to the extent reasonably necessary and the amount of each Owner's Monthly Assessment changed to correspond therewith. If the proposed Budget for a fiscal year increases more than ten percent above the Budget for the preceding fiscal year, such Budget must be approved by a majority of the Owners except as described in Subsection 6.1(c), below. Any funds collected by the Association pursuant to the Budget and not expended in any fiscal year shall be applied to reduce Monthly Assessments otherwise payable by Owners in the next fiscal year.

(c) If the Budget increases by more than ten percent as a result of an uncontrollable expense, the increase shall be allowed regardless of whether it is approved by the Board of Directors or all of the Owners. For purposes of this Declaration, an "uncontrollable expense" is an expense payable to a third party, the rates of which are not controlled by or reasonably capable of being controlled by, the Association or any Owner, such as taxes, insurance, and utilities. Further, if circumstances make additional or different security measures a necessary or desirable addition to or increase in the Budget, the cost of the additional security or the increased cost thereof shall also be an uncontrollable expense so long as such cost reflects a fair market price for the services rendered.

(d) Notwithstanding Subsections 6.1(a)-(c) above or any other provision of this Declaration to the contrary, it is acknowledged and agreed by the Owners that the initial Budget has been prepared and agreed to by a majority of the Owners at a point in time when the parties have limited operating history for the Property. There will be a transition period of approximately twenty-four months from the time the first Unit is conveyed by Declarant. During this transition period and until such time as 50% percent of the Residential Units have been conveyed by the Declarant (the "Base Period"), the ten percent caps described in Subsections 6.1(b) above shall not apply, it being the intention of the Owners to take into account actual operating expense increases and adjustments of every kind. After the Base Period, the Budget will be established for the year following the Base Period, using the Base Period numbers adjusted as reasonably required to take into account expected operating expenses increases and adjustments. Further, if an expense of the Base Period makes it reasonably clear that any line item should be re-allocated among the Owners, then the Owners shall in good faith determine the extent to which a reallocation is appropriate.

6.2 Special Assessments.

In addition to the Monthly Assessments contemplated by Subsection 6.1, the Association shall possess the right, power and authority to establish Special Assessments to pay non-recurring Common Expenses relating to the proper maintenance, care, alteration, improvement, operation and management of the Property, and the administration of the Association and the Condominium established hereby. Except as contemplated by Section 7, no consent or approval of the Owners shall be required for the establishment of a Special Assessment as contemplated by this Subsection, except for any Special Assessment relating to the alteration or improvement of any element of the Property or an expenditure in excess of $10,000 per item or $20,000 in the aggregate in any year, which in each case must be approved by an affirmative vote of a majority of Owners.

6.3 Individual Assessments. In addition to the Monthly Assessments and Special Assessments contemplated in Subsection 6.1 and Subsection 6.2, the Association shall possess the right, power and authority to establish or levy Individual Assessments in accordance with the provisions of this Declaration against an individual Owner of a Unit for charges properly borne solely by one or more but less than all Owners, such as (without limitation) charges for additional services, damages, fines or fees, Unit insurance, or insurance deductible payments. Individual Assessments shall be the personal obligation of the Owner against whom the Individual Assessment is assessed and shall constitute a lien against the Unit in the same

manner and with the same consequences as the Monthly Assessment and any duly authorized Special Assessment.

6.4 Obligation to Pay Assessments. Each Owner shall be personally obligated to pay their respective Assessments duly established pursuant to this Section 6 and Section 7. Unpaid Assessments due as of the date of the conveyance or transfer of a Unit shall not constitute a personal obligation of the new Owner (other than such new Owner's pro rata share of any reallocation thereof); however, the former Owner shall continue to be personally liable for such unpaid Assessment. No Owner shall be entitled to exemption from liability for the Owner's obligation to pay such Assessments by waiver of the use and enjoyment of the Common Elements, by an abandonment of the Owner's Unit or by any other action whatsoever. Any Assessment not paid within fifteen days of the date due shall bear interest at the Past Due Rate, and after written notice of the delinquency and an opportunity to cure within five additional days thereof is provided to the Owner, the Assessment shall be recoverable by the Association, together with interest as aforesaid and all costs and expenses of collection, including reasonable attorneys' fees, by suit in a court of competent jurisdiction sitting in the County. It shall be the responsibility of the Board of Directors to collect any such delinquent Assessment, the existence of which shall be made known by written notice delivered to the defaulting Owner and, where requested, the Owner's Mortgagee.

6.5 Lien to Secure Payment of Assessments.

Declarant hereby reserves and assigns to the Association a lien, pursuant to the provisions of Section 82.113 of the Act, against each Owner's Unit, the Rents, if any, payable to any Unit Owner and Insurance Proceeds to which a Unit Owner may be entitled, to secure the payment of all Assessments, which lien shall be and constitute a lien and encumbrance in favor of the Association, upon such Owner's Unit, the Rents, and any Insurance Proceeds. The liens established herein shall be prior and superior to all other liens and encumbrances subsequently created upon such Owner's Unit, Rents and Insurance Proceeds, regardless of how created, evidenced or perfected, other than the lien securing the payment of Lien Indebtedness (provided such lien was recorded prior to the date on which the Assessment became delinquent) and the liens for unpaid taxes, assessments and other governmental impositions. The liens and encumbrances created herein may be enforced by any means available at law or in equity, including a non-judicial foreclosure sale of the Unit of a defaulting Owner. Any such sale (including notice thereof) shall comply with the applicable requirements, at the time of the sale, of Section 51.002 of the Property Code or, if and to the extent such statute is not then in force, with the applicable requirements, at the time of the sale, of the successor statute or statutes, if any, governing sales of Texas real property under powers of sale conferred by deeds of trust or other contract liens. Each Unit Owner, by acquisition of such Owner's Unit grants to the Association a power of sale in connection with the Association's liens. By written resolution, the Board of Directors may appoint, from time to time, an officer, agent, trustee or attorney of the Association to exercise the power of sale on behalf of the Association. The Association may bid for and purchase the Owner's Unit, as a Common Expense, at any such foreclosure sale. The foreclosure by a Mortgagee of any Owner's Unit in order to satisfy Lien Indebtedness will extinguish the subordinate lien for any Assessments which became payable prior to the date of such foreclosure sale, provided that in no event shall a defaulting Owner be relieved from liability incurred for past Assessments.

6.6 Commencement of Obligation to Pay Assessments.

Each Owner shall be obligated to commence payment of all Assessments against their respective Unit on the date this Declaration is recorded in the Official Public Records of the County, or the date such Owner takes title to a Unit, whichever is later. If such date is other than the first day of a month, then such Owner shall be obligated to pay only a prorated share of the Assessment against such Owner's Unit based on the number of days during such month that the Owner will hold title to the Owner's Unit.

6.7 Notice of Default.

If the Owner of a Unit defaults in the Owner's monetary obligations to the Association, the Association may notify the other lien holders of the default and the Association's intent to foreclose its lien.

6.8 Alternative Actions.

Nothing contained in this Declaration shall prohibit the Association from taking a deed in lieu of foreclosure or from filing suit to recover a money judgment for sums that may be secured by the lien.

6.9 Statement of Common Expenses and Access to Records.

The Association shall promptly provide any Owner, contract purchaser, or Mortgagee so requesting the same in writing with a written statement of all unpaid Assessments for Common Expenses due with respect to such Unit. The Board of Directors may impose a reasonable charge for the preparation of such statement to the extent permitted by the Act. The Association shall make available during normal business hours for inspection, upon request by Owners, Mortgagees, Tenants, prospective purchasers, and any of their authorized agents, current copies of the books, records, and financial statements of the Association (including, if such is prepared, the most recent annual audited financial statement available). Any Owner or Mortgagee may have an audited statement of the Association prepared at its own expense.

7. Loss and Obsolescence.

7.1 Loss or Damage.

The following provisions shall govern in the event the Improvements, or any part thereof, are damaged or destroyed by fire or other casualty:

(a) Notice to Mortgagees. Prompt written notice of any such substantial damage or destruction shall be given to all Mortgagees.

(b) Restoration and Repair. Pursuant to Section 82.111(i) of the Act, the Association shall promptly proceed with the full restoration and repair of such damage or destruction unless (i) the Condominium is terminated; (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) Owners holding not less than 67% of the Allocated Interests (including each Owner of a Unit or assigned Limited Common Element that will not be rebuilt or repaired) vote not to rebuild.

(c) Special Assessment. The amount by which such restoration and repair costs exceed collectible Insurance Proceeds shall be and constitute a Special Assessment payable by the Owners within thirty days of the date notice of such Special Assessment is delivered by the Association.

(d) Excess Proceeds. Any excess Insurance Proceeds remaining after such restoration and repair, or any insurance or sales proceeds available absent such restoration and repair, shall be received and held in trust by the Association in separate accounts for each Owner according to the Allocated Interests of the Owners, and be applied, without contribution from one such account to another, as follows:

(1) first, to the payment of any taxes and special assessment liens or other governmental impositions in favor of any assessing entity having authority with respect to such Owner's Unit;

(2) second, to the payment of the balance of the Lien Indebtedness of such Owner;

(3) third, to the payment of any delinquent Assessment with respect to such Owner's Unit; and

(4) the balance, if any, to such Owner or such other parties as shall be entitled thereto.

7.2 Damaged Units.

The following provisions shall govern if any Unit or any part thereof, is damaged or destroyed by fire or other casualty ("Damaged Unit"):

(a) Notice to Mortgagees. Prompt written notice of any such substantial damage or destruction shall be given to the Mortgagees of the Damaged Unit.

(b) Restoration and Repair. The Owner of the Damaged Unit shall promptly proceed with the full restoration and repair of such damage or destruction and shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the net proceeds of the collectible Insurance Proceeds unless: (i) the Condominium is terminated; (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) Owners holding not less than 67% of the Allocated Interests vote not to rebuild.

7.3 Matters Relating to Restoration and Repairs.

Any restoration and repair work undertaken by the Association pursuant to Subsection 7.1 shall be performed in a good and workmanlike manner with a view to restoring the Improvements to a condition similar to that existing prior to such damage or destruction; provided, however, that in no event shall the Association be responsible for restoring, repairing or replacing any improvements to a Unit made by any Owner, or the contents located in such Owner's Unit. All such restoration and repair work whether done by the Association or any Owner, shall be affected in a manner so as to observe all vertical and horizontal Unit boundaries existing prior to such damage or destruction.

7.4 Obsolescence of Common Elements.

If the Owners holding not less than 67% of the Allocated Interests shall vote, at a meeting of the Association duly called for purposes of considering same, that the Common Elements, or any part thereof, (including any Systems that serve only, or are a part of, individual Units), are obsolete, the Association shall promptly proceed with the necessary replacements and improvements thereto pursuant to a budget established for such purpose, and the cost thereof shall be and constitute a Special Assessment payable by each Owners within thirty days of the date notice of such Special Assessment is delivered to them by the Association.

7.5 Obsolescence of the Property.

If the Owners holding not less than 80% of the Allocated Interests shall determine, at a meeting of the Association duly called for purposes of considering same, that the Property is obsolete, the Association, after first obtaining the written consent of 51% of Mortgagees, shall promptly proceed with the sale thereof in its entirety. Any proceeds from such sale shall be received, held and applied for and on account of the Owners as provided in Subsection 7.1(b).

7.6 Association as Attorney-in-Fact.

Each Owner, by possession or acceptance of title to a Unit, hereby irrevocably makes, constitutes and appoints the Association, and each and every of its successors in interest hereunder, as their true and lawful attorney-in-fact, for and in such Owner's name, place and stead, upon the damage or destruction of the Property, or any part thereof, or upon any determination by the Owners made pursuant to this Section 7, to take any and all actions, and to execute and deliver any and all instruments, as the Board of Directors may, in its sole and absolute discretion, deem necessary or advisable to effect the intents and purposes of this Section 7, hereby gives and grants unto the Association full power and authority to do and perform all and every act whatsoever requisite or necessary to be done in and about the Property as fully, to all intents and purposes, as any Owner might or could do, hereby ratifying and confirming whatsoever the Association may do by virtue hereof. The Association is hereby authorized in the name and on behalf of all Owners, to do and perform all actions necessary or appropriate to effect the intent and purposes of this Section 7 as aforesaid, including, without limitation, the power and authority to make and settle claims under any insurance policies maintained by the Association, contract for and with respect to restoration and repair work, contract for and with respect to replacements and improvements to the Common Elements (to the extent authorized as contemplated by Subsection 7.4 of this Declaration), to contract for and with respect to a sale of the Property (to the extent contemplated by Subsection 7.5 of this Declaration), and to execute and deliver all instruments necessary or incidental to any such actions.

8. Condemnation

8.1 General Provisions

If all or any part of the Property is the subject of a Taking, the Board of Directors and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Board of Directors shall give such notice as it receives of the existence of such proceeding to all Owners and to all Mortgagees. The expense of participation in such proceedings by the Board of Directors shall be a Common Expense. The Board of Directors is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board of Directors in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such Taking shall be deposited with the Board of Directors, acting as trustee, and in any case such damages or awards shall be applied or paid as herein provided. Any restoration or repair of the Property following a partial Taking shall be performed in accordance with the provisions of this Declaration and shall follow, as nearly as possible, the original plans and specifications for the Property, unless otherwise approved by 51% of Mortgagees.

8.2 Taking of One Unit.

If one Owner's Unit (or a substantial part thereof such that ownership, operation, or occupancy of the remaining portion of the Unit in accordance with the originally intended use of the Unit is impossible or undesirable), is the subject of a Taking, and such Owner shall vacate and abandon the Owner's Unit by virtue of such Taking, the Owner and any Mortgagee of such Owner shall be entitled to the award for such Taking, including the award for the value of such Owner's interest in the Common Elements, whether or not such Common Element interest is acquired, and after payment thereof, such Owner and Owner's Mortgagee shall be divested of all interest in the Property. The condemned Unit's entire Allocated Interest shall be automatically reallocated to the remaining Units in proportion to the respective Allocated Interest of those Units before the Taking. If any portion of any Owner's Unit is the subject of a Taking, such that ownership, operation, or occupancy of the remaining portion of the Unit may be continued in accordance with the originally intended use of the Unit, the Owner may not vacate the remaining portion of the Unit.

In such case, the Owner shall be entitled to the award for such Taking, and the Allocated Interest of the condemned Unit shall be reduced in proportion to the reduction in the size of the Unit. The portion of the Allocated Interest divested from the partially-acquired Unit shall be automatically reallocated to that Unit and the other Units in proportion to the respective Allocated Interests of the Units before the Taking, with the partially-acquired Unit participating in the reallocation on the basis of its reduced Allocated Interest. If any repair or rebuilding of the remaining portions of the Property is required as a result of such Taking, the remaining Owners shall determine by affirmative vote or written consent of the remaining Owners owning a majority of the re-allocated Allocated Interest either to rebuild or repair the Property or to take such other action as such remaining Owners may deem appropriate. If no repair or rebuilding shall be required, or if none be undertaken, the remaining portion of the Property shall be resurveyed, if necessary, and the Declaration shall be amended to reflect such Taking. The Declaration shall in all circumstances be amended to reflect the re-allocated Allocated Interests following the condemnation.

8.3 Taking of Common Elements.

If an action is brought to effect a Taking of the Common Elements together with or apart from any Unit, the Board of Directors, in addition to the general powers set out herein, shall have sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceeding unless the action involves a material portion of the Common Elements in which case the agreement of a majority of the Owners shall be required. With respect to any Taking of Common Elements only, all damages and awards shall be determined for such Taking as a whole and not for any Owner's interest therein. After the damages or awards for such Taking are determined, such damages or awards shall be held by the Board of Directors, acting as trustee for each Owner, or Owner's Mortgagee or Mortgagees, as their interests shall appear, in proportion to such Owner's percentage interest in the Common Elements, except that the portion of any such award attributable to the condemnation of a Limited Common Element shall be allocated among the Owners of the Units served by such Limited Common Elements, as such Owner's interests existed in the Limited Common Elements condemned. The Board of Directors may, if it deems advisable, call a meeting of the Owners, at which meeting the Owners, by the vote of a majority of the Owners, shall decide whether to replace or restore as far as possible the Common Elements taken or damaged. If it is determined that such Common Elements should be replaced or restored by obtaining other land or building additional structures, this Declaration and the Map attached hereto shall be duly amended by instrument executed by the Board of Directors on behalf of the Owners and duly recorded.

8.4 Taking of All Units.

If a Taking occurs that results in the Taking of all Units comprising less than two-thirds of the total square footage of the Land, then the damage and awards for such Taking shall be determined for each Unit and the following shall apply:

(a) The Board of Directors shall determine which of the Units damaged by such Taking may be operational or habitable for the purposes set forth in the Declaration, taking into account the nature of the Property and the reduced size of each Unit so damaged.

(b) The Board of Directors shall determine whether it is reasonably practicable to operate the remaining portions of the Units as a mixed-use condominium project in the manner provided in this Declaration.

(c) If the Board of Directors determines, with the consent of 51% of the Mortgagees, that it is not reasonably practicable to operate the remaining portions of the Units which can be made operational or habitable as a mixed use condominium project, then the Property shall be deemed to be regrouped and

merged into a single estate owned jointly in the undivided interest by all Owners, as tenants-in-common, in the percentage of the Allocated interest of each Owner.

(d) If the Board of Directors determines that it will be reasonably practicable to operate the portions of the Units which can be made operational or habitable as a condominium project, then the damages and awards made with respect to each Unit shall be applied to repair and reconstruct the Units or portions thereof so that they are made operational or habitable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owners in accordance with their Allocated Interests. If the amount of the award exceeds the cost of such work, the excess portion of the award made with respect to each such Unit shall be paid to the Owners of such Units or their Mortgagees, as their interest may appear. The remaining portion of any Unit which cannot be made operational or habitable, if any, shall become a part of the Common Elements and repair and use of such portion shall be determined by the Board of Directors.

8.5 Taking of Entire Property.

If the entire Property is taken or damaged by such Taking, the proceeds received in relation to all damages and awards shall be held for the accounts of all Owners, and their respective Mortgagees, as their interests shall appear, as provided herein, in proportion to their Allocated Interests, and this Condominium shall automatically terminate upon payment of such proceeds to the Owners and their respective Mortgagees.

8.6 Payment of Awards and Damages.

Any damages or awards provided in this Section to be paid to or for the account of any Owner by the Board of Directors, acting as trustee, shall be applied first to the payment of any taxes or assessments by governmental authorities past due and unpaid with respect to that Unit; secondly, to amounts due under any mortgage instruments duly perfected; thirdly, to the payment of any Assessments charged to or made against the Unit and unpaid; and finally to the Owner.

9. Development Period

9.1 Initial Directors. The Board of Directors shall be initially established by Declarant as set forth in the Bylaws.

9.2 Period of Declarant Control.

(a) Except as is provided below, Declarant shall have the right to appoint and remove members of the Board of Directors during the period of Declarant Control. If Declarant voluntarily surrenders control prior to the termination of the period of Declarant Control, Declarant may require that specified actions of the Board of Directors be subject to Declarant approval until the expiration of the period of Declarant Control.

(b) Not later than 120 days after Declarant has conveyed to Owners other than Declarant title to 50% of the Units that may be created in the Condominium, an election shall be held by the Association, pursuant to the Bylaws, for the election of not less than 1/3 of the members of the Board of Directions by Unit Owners other than Declarant.

(c) At least thirty days prior to the termination of the period of Declarant Control, the Association shall elect a Board pursuant to the Bylaws, the terms of such directors to commence as of the date on which the period of Declarant Control terminates.

9.3 Working Capital Contribution. Each Owner shall, at the time such Owner purchases a Unit from Declarant or from a subsequent Owner of a Unit, contribute an amount to the Association equal to the Working Capital Contribution. Such amount shall be a contribution of working capital to the Association and shall not be considered as an advance payment of the Monthly Assessments.

10. Miscellaneous

10.1 Revocation or Termination of Declaration.

This Declaration may be revoked or the Condominium established hereby may be terminated, but only by an instrument in writing, duly approved, executed and acknowledged by those Owners holding not less than 80% of the Allocated Interests and not less than 51% vote of the Mortgagees or if the entire Property is Taken. Any such instrument of revocation or termination shall be duly filed of record in the County. If the Property is to be sold upon termination, the agreement effecting such termination shall also set forth the terms of such sale and comply with the provisions of Section 82.068(c) of the Act.

10.2 Amendment to Declaration.

This Declaration may be amended at a meeting of the Owners at which the amendment is approved by all Owners and by the vote of not less than 51% of the Mortgagees. Such amendment shall be evidenced by a written instrument executed and acknowledged by an officer of the Association on behalf of the Owners and by the consenting Mortgagees and filed of record in the County. Any such amendment so effected shall be binding upon all of the Owners and the Mortgagees.

10.3 Partial Invalidity.

In the event any provision of the Governing Documents shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall in no way impair or affect the validity or enforceability of the remainder of such instruments.

10.4 Conflicts.

If any of the provisions of the Governing Documents shall be in conflict with the provisions of the Act or the Texas Nonprofit Corporation Act or the Texas Business Corporation Act, the provisions of such statutes shall control. If a conflict exists between the provisions of the Governing Documents; the documents shall control in the following order:

1. This Declaration;
2. The Certificate;
3. The Bylaws; and
4. The Regulations

10.5 Captions and Exhibits.

Captions used in the various sections of this Declaration are for convenience only, and they are not intended to modify or affect the meaning of any of the substantive provisions hereof. All exhibits are incorporated in and made a part of this Declaration for all purposes. The exhibits attached to this Declaration are:

Exhibit A – Legal Description of Land
Exhibit B – Map
Exhibit C – Allocated Interests

10.6 Usury.

It is expressly stipulated and agreed to be the intent of the Declarant that at all times the terms of this Declaration, the Bylaws and the Regulations shall comply strictly with the applicable Texas law governing the maximum rate or amount of interest payable under any provision of this Declaration, the Bylaws, or the Regulations. If the applicable law is ever judicially interpreted so as to render usurious any amount contracted for, charged, taken, reserved or received pursuant to this Declaration, the Bylaws, the Regulations or any other communication or writing by or between the Association and the Owners related to the matters set forth in this Declaration, the Bylaws, or the Regulations or any other communication or writing by or between the Association and the Owners related to the matters set forth in this Declaration, the Bylaws, or the Regulations, then it is the express intent of Declarant that all amounts charged in excess of the maximum rate allowed by Texas law shall be automatically canceled, *ab initio*, and all amounts in excess of the maximum rate allowed by Texas law theretofore collected shall be refunded, and the provisions of this Declaration, Bylaws, or the Regulation shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law. Owners hereby agree that as a condition precedent to any claim seeking usury penalties against the Association or any billing Owner, any Owner will provide written notice to the Association or any billing Owner, advising the Association or any billing Owner in reasonable detail of the nature and amount of the violation, and the Association or any billing Owner shall have sixty days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to the Owner or crediting such excess interest against the obligation then owing by such Owner to the Association or any billing Owner.

10.7 Use of Number and Gender.

Whenever used herein, and unless the context shall otherwise provide, the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall include all genders.

10.8 Governing Law.

THE GOVERNING DOCUMENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS. VENUE FOR ANY ACTION BROUGHT IN CONNECTION WITH THE CONDOMINIUM SHALL BE IN DENTON COUNTY, TEXAS.

10.9 Estoppel Certificates.

Each Owner, from time to time, but no more often than three times per calendar year, shall have the right to require the Association to deliver to the requesting Owner a written statement addressed to the requesting Owner and its Mortgagee or purchaser of its Unit, as applicable, without payment of any fee or reimbursement of any cost certifying:

(a) that this Declaration is unmodified and in full force and effect (or, if modified, that this Declaration as so modified is in full force and effect);

(b) that this Declaration attached to the certificate is a true and correct copy of this Declaration and all amendments hereto;

(c) that, to the knowledge of the certifying party, the requesting party is not in default of any of its obligations under this Declaration (or if the certifying party knows the requesting party to be in default, specifying the defaults and any remaining cure period, if any);

(d) that the certifying party holds no then existing liens against the requesting party's Unit;

(e) the date through which all Assessments have been paid by the requesting Owner; and

(f) such other matters as are reasonably requested by the requesting Owner.

10.10 Non-Liability of Association and Declarant for Security. Without limitation of any other provision of this Declaration, each Owner (by acceptance or possession of title to a Unit) and their Tenants and family (by occupancy and possession of the Unit), guests and invitees, covenant and agree with respect to any and all security services, systems and facilities provided directly or indirectly by the Association as follows:

(a) Security is the sole responsibility of local law enforcement agencies and individual Owners, their Tenants, and their respective guests and invitees. It is acknowledged that the Association has no obligation whatsoever to provide security. Security services, systems and facilities shall be provided at the sole discretion of the Board of Directors. The provision of any security services, systems and facilities at any time shall in no way prevent the Board from thereafter electing to discontinue or temporarily or permanently remove such security service, systems and facilities or any part thereof.

(b) Any third party providers of security services (including those providing maintenance and repair of security systems and facilities) shall be independent contractors, the acts or omissions of which shall not be imputed to the Association or its officers, directors, committee members, agents or employees.

(c) Providing of any security services, systems and facilities shall never be construed as an undertaking by the Association to provide personal security or as a guarantee or warranty that the presence of any security service, system or facilities will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause.

(d) EACH OWNER, BY ACCEPTANCE OF A DEED TO A UNIT, SHALL BE DEEMED TO HAVE WAIVED, ON BEHALF OF SUCH OWNER AND SUCH OWNER'S TENANTS, AND THEIR RESPECTIVE FAMILY MEMBERS, GUESTS AND INVITEES, ANY AND ALL CLAIMS, NOW OR HEREAFTER ARISING AGAINST THE DECLARANT AND THE ASSOCIATION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, AGENTS AND EMPLOYEES ARISING OUT OF OR RELATING TO ANY INJURIES, LOSS OR DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION ANY INJURY OR DAMAGES CAUSED BY

THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, TO ANY PERSON OR PROPERTY ARISING, DIRECTLY OR INDIRECTLY, FROM THE PROVIDING OR FAILURE TO PROVIDE ANY SECURITY SERVICES, SYSTEMS AND FACILITIES, OR THE DISCONTINUATION, DISRUPTION, DEFECT, MALFUNCTION, OPERATION, REPAIR, REPLACEMENT OR USE OF ANY SECURITY SERVICES, SYSTEMS AND FACILITIES, WHETHER CAUSED OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE DECLARANT OR THE ASSOCIATION, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, AGENTS, CONTRACTORS OR EMPLOYEES.

(e) To the extent the release in this Section is not deemed effective as to any Tenant, or any family member, guest or invitee of an Owner or Tenant of a Unit, the Owner of each Unit (by acceptance of a deed to a Unit), hereby indemnifies and agrees to defend and hold harmless the Declarant and the Association, and their respective officers, directors, committee members, agents, and employees from and against any and all claims, actions, suits, judgments, damages, costs and expenses (including attorney fees and court costs) arising from bodily injury (including, without limitation, mental anguish, emotional distress and death) and/or loss or damage to property suffered or incurred by any such Tenant of such Unit, or any family member, guest or invitee of the Owner or Tenant of such Unit, as a result of criminal activity within or in the vicinity of the Condominium, WHETHER CAUSED OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE DECLARANT, THE ASSOCIATION OR THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, AGENTS, CONTRACTORS OR EMPLOYEES.

(f) Any obligation or liability of the Association which is borne by the Association because of an Owner not abiding by such waiver, release and indemnity obligations under this Subsection 10.10 shall be assessed by the Association as an Individual Assessment against the Owner and the Unit of the Owner who failed to perform such obligation giving rise to such liability. Nothing herein shall make any Owner liable to the Association or any other Owner for any bodily injury and/or loss or damage to property of the Tenant, family member, guest or invitee of any other Owner.

10.11 Waiver. No failure of the Declarant or the Association to exercise any right or power under this Declaration, the Bylaws or the Regulations or to insist upon strict compliance therewith and no custom or practice not strictly in accordance with the terms of the Declaration, Bylaws or Regulations shall constitute a waiver of the right to thereafter demand strict compliance with the terms of the Declaration, Bylaws and Regulations.

10.12 Additional Disclosures. Declarant makes the following additional disclosures relating to the Unit and the Condominium:

(a) The Condominium is located adjacent to thoroughfares that may be affected by traffic and noise from time to time and may be improved or widened in the future.

(b) The views and natural light from an Owner's Unit can change over time due to, among other things, additional development and the addition or removal of landscaping.

(c) No representations are made regarding the uses or zoning of adjacent property, or that the present uses of adjacent property may not change in the future.

(d) No representations are made regarding which schools may now or hereafter serve the Condominium.

(e) Any Unit Owner who is concerned about any representations regarding the Map should do its own investigation as to the dimensions, measurements and square footage of its Unit.

(f) Owners should expect that Assessments can and will increase over time due in part to inflation and increases in the cost of certain items beyond the control of the Association, such as the cost of insurance premiums.

(g) It is acknowledged that there may be conditions outside of the Condominium which an Owner or Tenant finds objectionable and that it shall be the sole responsibility of the Owners and Tenants to become acquainted with the neighborhood conditions which could affect their enjoyment of the Unit.

(h) Concrete surfaces in the Building are subject to cracking due to (1) water penetration, (2) expansion and contraction of the concrete with temperature changes, (3) building settlement, or (4) other causes.

(i) Condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows, glass and framing. If left unattended and not properly maintained by Owners and occupants, the condensation may result in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially, mildew and/or mold.

(j) No representations are made that the Systems in a Unit, including, by way of example only, heating and air conditioning and electrical systems, will operate or perform at the level or standard equal to or greater than the minimum specifications of the manufacturer of such Systems.

(k) Water may pond or puddle on various portions of the Common Elements, including without limitation, the Parking Area.

(l) EACH OWNER, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE OF THEIR UNIT, HEREBY ACKNOWLEDGES AND AGREES THAT SOUND AND IMPACT NOISE TRANSMISSION IN A MULTI-LEVEL BUILDING SUCH AS THE CONDOMINIUM IS VERY DIFFICULT TO CONTROL AND THAT NOISES FROM ADJOINING OR NEARBY UNITS AND/OR MECHANICAL EQUIPMENT CAN AND WILL BE HEARD IN UNITS. DECLARANT DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE LEVEL OF SOUND OR IMPACT NOISE TRANSMISSION BETWEEN AND AMONG UNITS AND THE OTHER PORTIONS OF THE CONDOMINIUM, AND EACH OWNER HEREBY WAIVES AND EXPRESSLY RELEASES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, ANY SUCH WARRANTY AND CLAIM FOR LOSS OR DAMAGES RESULTING FROM SOUND OR IMPACT NOISE TRANSMISSION.

(m) UNITS MAY INCLUDE ONE OR MORE COLUMNS RUNNING THROUGH THE INTERIOR AIRSPACE OF THE UNIT. EACH OWNER SHOULD CONFIRM THAT THE LOCATION OF ANY COLUMNS IN THE UNIT BEING PURCHASED WILL NOT INTERFERE WITH THE OWNER'S INTENDED OCCUPANCY AND USE OF THE UNIT.

(n) The Building has a low-sloping T.P.O. roof system. Rainwater and refuse may accumulate on various portions of the Building's roof system and possibly cause water intrusion and water penetrations and should be anticipated by the Owners and occupants.

(o) The Condominium is or may be in the future located in an area in which there are a number of entertainment venues including those offering live music and/or dancing and which may have late-night hours. This environment may create excessive noise, traffic and other conditions associated with such an entertainment district.

11. Mortgagee Protections

11.1 Notice to Mortgagees.

All Mortgagees shall be entitled to receive the following notices in writing from the Association or any Owner exercising rights granted to it under this Declaration, which notice shall be sent promptly following the occurrence of the applicable event:

(a) Notice of any proposed action which requires the consent of Mortgagees, which notice shall be given not less than thirty days prior to the desired effective date of such action;

(b) Notice of default by the Owner or grantor of a Lien Indebtedness on a Unit (the beneficial interest in which is held by that Mortgagee) in the performance of such Owner's or grantor's obligations, or delinquency in the payment of Assessments or charges owed by such Owner, which remains uncured for a period of thirty days;

(c) Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond required to be maintained hereunder by the Association or by any Owner;

(d) Notice of any damage or destruction to or condemnation of any portion of the Condominium that affects either a material portion of the Property or the Unit securing a Mortgagee's Lien Indebtedness, which notice shall be given promptly upon the Association's obtaining knowledge of such damage or destruction; and

(e) Sixty days' notice prior to the Association instituting any foreclosure action on any Unit.

11.2 Cure Rights.

Any Mortgagee shall have the right, but not the obligation, at any time prior to the termination of this Declaration, and without payment of any penalty, to do any act or thing required of such Mortgagee's borrower; and to do any act or thing which may be necessary or proper to be done in the performance and observance of the agreements, covenants and conditions hereof. All payments so made and all things so done and performed by any Mortgagee shall be effective to prevent a default under this Declaration as the same would have been if made, done and performed by the Owner instead of by said Mortgagee. Any event of default under this Declaration that in the nature thereof cannot be remedied by Mortgagee shall be

deemed to be remedied if (i) within thirty days after receiving written notice from the non-defaulting party setting forth the nature of such event of default, or prior thereto, the Mortgagee shall have acquired the property owned by the defaulting party (the "Acquired Property") or shall have commenced foreclosure or other appropriate proceedings in the nature thereof; (ii) the Mortgagee diligently prosecutes any such proceedings to completion; (iii) the Mortgagee shall have fully cured any default in the payment of any monetary obligations owed the non-defaulting party hereunder within such thirty day period and shall thereafter continue to perform faithfully all such non-monetary obligations which do not require possession of the acquired Property; and (iv) after gaining possession of the Acquired Property following a foreclosure or deed in lieu thereof, the Mortgagee performs all other obligations of the defaulting party hereunder as and when the same are due.

11.3 No Invalidity of Mortgage Lien.

No violation of this Declaration by, or enforcement of this Declaration against, any party shall impair, defeat or render invalid the lien or any mortgage.

11.4 Cooperation with Mortgagee.

The Association shall cooperate reasonably with any requesting party in regard to the satisfaction of requests or requirements by a Mortgagee; provided, however, such cooperation shall be at the sole cost and expense of the requesting party, and provided, further, that no party shall be deemed obligated to accede to any request or requirement that materially and adversely affects its rights under this Declaration.

11.5 Unpaid Assessments.

Each Mortgagee holding a mortgage encumbering any Unit, which Mortgagee obtains title to such Unit pursuant to judicial foreclosure or the powers provided in such mortgage, shall take title to such Unit free and clear of any claims for unpaid assessments or charges against such Unit that accrued prior to the time such Mortgagee acquires title to such Unit.

11.6 Books and Records.

All Mortgagees, upon written request, shall have the right to:

(a) examine the books and records of the Association, including current copies of the Declaration, Regulations, and financial statements, during normal business hours;

(b) require the Association to submit an annual audited financial statement for the preceding fiscal year within 120 days of the end of the Association's fiscal year, if one is available, or have one prepared at the expense of the requesting entity if such statement is not otherwise prepared by the Association;

(c) receive written notice of all meetings of the Owners; and

(d) designate in writing a representative to attend all such meetings.

11.7 Material Changes.

All Mortgagees, upon written request, shall be given thirty days' written notice prior to the effective date of (i) any proposed material amendment to this Declaration or the Map; (ii) any termination of an

agreement for professional management of the Property following any decision of the Owners to assume self-management of the Property, and (iii) any proposed termination of the Condominium.

11.8 Priority of Rights.

No provision of the Declaration shall be construed or applied to give any Owner priority over any right of any Mortgagee in the case proceeds or awards are not applied to restoration but are distributed to Owners in the case of a casualty loss, or condemnation of, a Unit and/or Common Element.

[signature page and exhibits follow]

EXECUTED to be EFFECTIVE on the date first written above.

DECLARANT:

LAKE SHORE PLAZA, LLC,
a Texas limited liability company

By:_____
Mahdi Matt Shekari, Chief Executive Officer

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2021, by Mahdi Matt Shekari, as Chief Executive Officer of LAKE SHORE PLAZA, LLC, a Texas limited liability company, on behalf of said limited liability company.

_____
Notary Public, State of Texas

CONSENT OF MORTGAGEE

The undersigned, being the owner and holder of a first lien Deed of Trust affecting the Property, does hereby CONSENT to all of the provisions, restrictions and obligations contained in this Declaration.

_____
a _____

By:_____
_____, _____

THE STATE OF TEXAS §
§
COUNTY OF_____ §

This instrument was acknowledged before me on the _____day of _____, 2021, by _____, its _____.

_____
Notary Public, State of Texas

EXHIBIT A

LEGAL DESCRIPTION OF LAND

A portion of Lot 1, Block A, of Lakeshore Plaza, an Addition to the Town of Little Elm, Denton County, Texas, according to the Plat thereof recorded in Document No. 2016- 2091, Plat Records, Denton County, Texas.

[TO BE UPDATED UPON FILING OF REPLAT]

EXHIBIT B

MAP

[TO BE ATTACHED PRIOR TO RECORDING]

EXHIBIT C

ALLOCATED INTERESTS

UNIT #	Square Footage	Allocated Interest
101	3,220	8.2%
201	975	2.5%
202	920	2.3%
203	1,595	4.1%
204	970	2.5%
205	1,550	3.9%
207	1,550	3.9%
208	1,470	3.7%
301	975	2.5%
302	920	2.3%
303	1,595	4.1%
304	970	2.5%
305	1,550	3.9%
307	1,550	3.9%
308	1,470	3.7%
401	975	2.5%
402	920	2.3%
403	1,595	4.1%
404	970	2.5%
405	1,550	3.9%
407	1,550	3.9%
408	1,470	3.7%
501	1,970	5.0%
503	2,330	5.9%
504	2,245	5.7%
505	2,520	6.4%
Total Square Footage	39,375	100.00%

DECLARATION OF ACCESS EASEMENT AND SHARED USE AGREEMENT

THIS DECLARATION OF ACCESS EASEMENT AND SHARED USE AGREEMENT (this "Agreement") is made as of the ____ day of _____, 2021 (the "Effective Date"), by Lake Shore Plaza, LLC, a Texas limited liability company, whose address for notice is 3899 Adams Lane, Frisco, Texas 75034 ("Declarant").

W I T N E S S E T H:

A. Declarant is the owner of those certain two tracts of real property situated in the Town of Little Elm, Denton County, Texas, more particularly described as follows:

Lot 1R ("Lot 1R"):
Lot 1R, Block A, of Lakeshore Plaza, an Addition to the Town of Little Elm, Denton County, Texas, according to the Replat thereof recorded under Instrument No. 2021-_____, Plat Records, Denton County, Texas.

Lot 4 ("Lot 4"):
Lot 4, Block A, of Lakeshore Plaza, an Addition to the Town of Little Elm, Denton County, Texas, according to the Plat thereof recorded under Instrument No. 2021-_____, Plat Records, Denton County, Texas.

B. Lot 4 is located immediately adjacent to Lot 1R. Lot 1R and Lot 4 are collectively referred to herein as, the "Property."

C. Declarant desires to grant a non-exclusive perpetual easement over, across, and upon a portion of Lot 1R for access to and shared use of a dumpster located on Lot 1R for the benefit of Lot 4, as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the above premises and the provisions herein contained, Declarant hereby covenants and agrees as follows:

1. Definitions. For purposes hereof:

1.1 The term "Owner" shall mean the person or entity that holds fee title from time to time to each of the Lots or any portion thereof, and any and all successors or assigns of any such persons or entities who hold title thereto. The term "Owners" (unless the context otherwise dictates) shall collectively mean each present and/or future Owner of a Lot comprising the Property. Declarant shall be deemed to be the Owner of each Lot comprising the Property until such time as it conveys such Lot or any portion thereof to a person or entity not a party hereto.

1.2 The term "Permittees" shall mean the tenant(s) or occupant(s) of each Lot or any portion thereof, and the respective employees, agents, contractors, customers, invitees and licensees of: (i) the Owner of such Lot or any portion thereof, and/or (ii) such tenant(s) or occupant(s).

2. Grant of Easement. Declarant, for itself and all future Owners of the Property, or any portion thereof, hereby grants, establishes, covenants and agrees that Lot 1R shall be burdened by a non-exclusive perpetual easement (the "Easement") over, across, and upon those portions of Lot 1R in the area depicted on Exhibit "A" attached hereto and incorporated herein (the "Easement Area") for the benefit of Lot 4.

3. Purpose. The purpose of the Easement is for vehicular and pedestrian ingress and egress over and across the Easement Area to the area depicted on Exhibit "B" attached hereto and incorporated herein ("Dumpster Area"). The Dumpster Area may be used by the Owner and Permittees of Lot 4 on a non-exclusive basis, for the use of the dumpster and/or compactor located within the Dumpster Area; provided that such use does not interfere or disturb the free-flow and access of traffic within the Easement Area. The Easement Area may not be used by the Owner or any Permittee of Lot 4 for parking or any use other than vehicular and pedestrian access.

4. Construction and Maintenance for Exterior Improvements. Declarant will design and construct on the Property, among other things, the access driveway and trash collection area (the "Exterior Improvements"). After construction, Declarant, by and through the association managing Lot 1R from time to time pursuant to that certain "Condominium Declaration of Lakeshore Plaza Condominiums" recorded on _____ ____, 2021, under Instrument No. 2021-_____, in the Official Public Records of Denton County, Texas, will be responsible for maintaining, repairing, and replacing the Exterior Improvements, including, without limitation, maintaining the surface of the access drives and maintaining the trash collection area and contracting for trash removal, and paying for the electricity connected to any of the Exterior Improvements, and any and all such other duties and obligations as are necessary to maintain such Exterior Improvements in a good, clean, safe and orderly condition.

5. Reimbursement of Maintenance Expenses. All actual, reasonable out-of-pocket costs necessarily and directly incurred in the maintenance, repair, and replacement of the Exterior Improvements, as provided in Section 5, along with reasonable administration fees or management fees are referred to as "Maintenance Expenses."

6. Contributions for Maintenance Expenses. From time to time at Declarant's discretion, Declarant will deliver to the Owners an itemized statement of Maintenance Expenses (with reasonable detail) incurred during the preceding period since the last period of reimbursement. Within 10 days of receipt of the itemized invoice, the Owners will reimburse the Declarant for their respective proportionate share of the Maintenance Expenses incurred (as provided below). The Maintenance Expenses shall be allocated among the Lots comprising the Property based on the square footage of the interior spaces of the buildings and shall be as follows:

Lot 1R: 80.3% (40,098 square feet)
Lot 4: 19.7% (9,820 square feet)

7. Assignment by Declarant. Declarant may assign its rights and responsibilities under Sections 4, 5, and 6 herein by filing of record an assignment and assumption of same, executed by Declarant and the party assuming such rights and responsibilities, in the Official Public Records of Denton County, Texas.

8. Miscellaneous.

8.1 Duration of Easement. The Easement shall be for a term commencing with the date hereof and continue perpetually.

8.2 Covenants to Run with Land. It is intended that each of the easements, covenants, conditions, restrictions, rights and obligations set forth herein shall run with the land and create equitable servitudes in favor of the real property benefited thereby, shall bind every person or entity having any fee, leasehold or other interest therein and shall inure to the benefit of the respective Owners and Permittees and their respective successors, assigns, heirs, and personal representatives.

8.3 Declarant's Right to Replat Property. Declarant expressly reserves the right to replat any one or more Lots from time to time so as to enlarge or reduce the size of any Lot owned by Declarant, or to combine any adjacent Lot owned by Declarant, provided that the resulting replat does not materially affect the express purpose and benefits derived from the access drives or does not otherwise materially interfere with the use and enjoyment of the other Lot comprising the Property.

8.4 Taxes and Assessments. Each Owner shall pay all taxes, assessments, or charges or any type levied or made by any governmental body or agency with respect to its Lot.

8.5 No Rights in Public; No Implied Easements. Nothing contained herein shall be construed as creating any rights in the general public or as dedicating for public use any portion of the Lots including, without limitation, the access driveway. No easements, except: (i) those expressly set forth in Paragraph 2 hereof, and/or (ii) an easement over, upon or across any Lot so as to enable the construction of the access driveway and other improvements required for the initial development of a Lot covered hereby, shall be implied by this Declaration; and in that regard, and without limiting the foregoing, no easements for storage, staging, signage, drainage or utilities are granted hereby or implied herein other than those expressly granted or referred to herein.

8.6 All Legal and Equitable Remedies Available. In the event of a breach or threatened breach by an Owner or its Permittees of any of the terms, easements, covenants, restrictions or conditions hereof, the other affected Owner(s) shall be entitled forthwith to full and adequate relief by injunction and/or all such other available legal and equitable remedies from the consequences of such breach, including payment of any damages or other amounts due and/or specific performance.

8.7 No Termination for Breach. Notwithstanding the foregoing to the contrary, no breach hereunder shall entitle any Owner to cancel, rescind, or otherwise terminate this Declaration. No breach hereunder shall defeat or render invalid the lien of any mortgage or deed of trust upon any Lot made in good faith for value, but the easements, covenants, conditions and restrictions hereof shall be binding upon and effective against any Owner of such Lot covered hereby whose title thereto is acquired by foreclosure, trustee's sale, or otherwise.

8.8 Amendment. Declarant hereby declares that the provisions of this Declaration may be modified or amended, in whole or in part, or terminated, only by the written consent of all record Owners of the Lots, evidenced by a document that has been fully executed and acknowledged by all such record Owners and recorded in the Official Public Records in Denton County.

8.9 Grantee's Acceptance. The grantee of fee title to any Lot, or any portion thereof, by acceptance of a deed conveying title thereto or the execution of a contract for the purchase thereof, whether from the Declarant or from a subsequent Owner of such Lot, shall accept such deed or contract upon and expressly subject to each and all of the easements, covenants, conditions, restrictions and obligations contained herein. By such acceptance, any such grantee shall for itself and its successors, assigns, heirs, and personal representatives, covenant, consent and agree to and with the other party, to keep, observe, comply with, and perform the obligations and declarations set forth herein with respect to the Lot so acquired by such grantee.

8.10 Separability. Each provision of this Declaration and the application thereof to the Property are hereby declared to be independent of and severable from the remainder of this Declaration. If any provision contained herein shall be held to be invalid or to be unenforceable or not to run with the land, such holding shall not affect the validity or enforceability of the remainder of this Declaration. In the event

the validity or enforceability of any provision of this Declaration is held to be dependent upon the existence of a specific legal description, the parties agree to promptly cause such legal description to be prepared. Ownership of one or more Lots by the same person or entity shall not terminate this Declaration not in any manner affect or impair the validity or enforceability of this Declaration.

8.11 Time of Essence. Time is of the essence of this Declaration.

8.12 Governing Law and Venue. The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of this Declaration.

8.13 Attorney's Fees. Any party who is the prevailing party in any legal proceeding against any other party brought under or in connection with this Declaration or the subject matter hereof, is additionally entitled to recover reasonable attorney's fees, expert fees, and all other litigation expenses.

8.14 Notices**.** Any notice required or permitted under this Declaration must be in writing. Any notice required by this Declaration will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Declaration. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

8.15 No Joint Venture or Partnership. The parties do not intend by this Declaration to create a partnership or joint venture among themselves, but merely set forth the terms and conditions of the obligations set forth in this Declaration regarding the Lots, the development of same, and other related matters. No party to this Declaration is authorized to act as agent for any other party or to otherwise act on behalf of any other party.

8.16 Default. In the event of a breach, or attempted or threatened breach, by any owner of any portion of the Lots of any of the terms, covenants, and conditions hereof, any one or all of the other owners of the Lots shall be entitled forthwith to injunctive relief and/or all such other available legal and equitable remedies from the consequences of such breach. All costs and expenses incurred by an owner in any such suit or proceedings shall be assessed against the defaulting owner and shall constitute a lien against the defaulting owner's portion of the Lots effective upon recording notice thereof in the Office of the County Clerk of Denton County, Texas. The remedies of any one or all such Owners to the Lots shall be cumulative as to each Owner and as to all other remedies permitted at law or in equity.

[**SIGNATURES ON FOLLOWING PAGE**]

EXECUTED as of the date first written above.

DECLARANT:

LAKE SHORE PLAZA, LLC,
a Texas limited liability company

By:_____
Mahdi Matt Shekari, Chief Executive Officer

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2021, by Mahdi Matt Shekari, as Chief Executive Officer of LAKE SHORE PLAZA, LLC, a Texas limited liability company, on behalf of said limited liability company.

_____
Notary Public, State of Texas

[Remainder of Page Intentionally Left Blank]

CONSENT OF MORTGAGEE

The undersigned, being the owner and holder of a first lien Deed of Trust affecting the Property, does hereby CONSENT to all of the provisions, restrictions and obligations contained in this Declaration.

_____
a _____

By:_____
_____, _____

THE STATE OF TEXAS §
§
COUNTY OF_____ §

This instrument was acknowledged before me on the _____day of _____, 2021, by _____, its _____.

_____
Notary Public, State of Texas

Exhibit A

Depiction of Easement Area

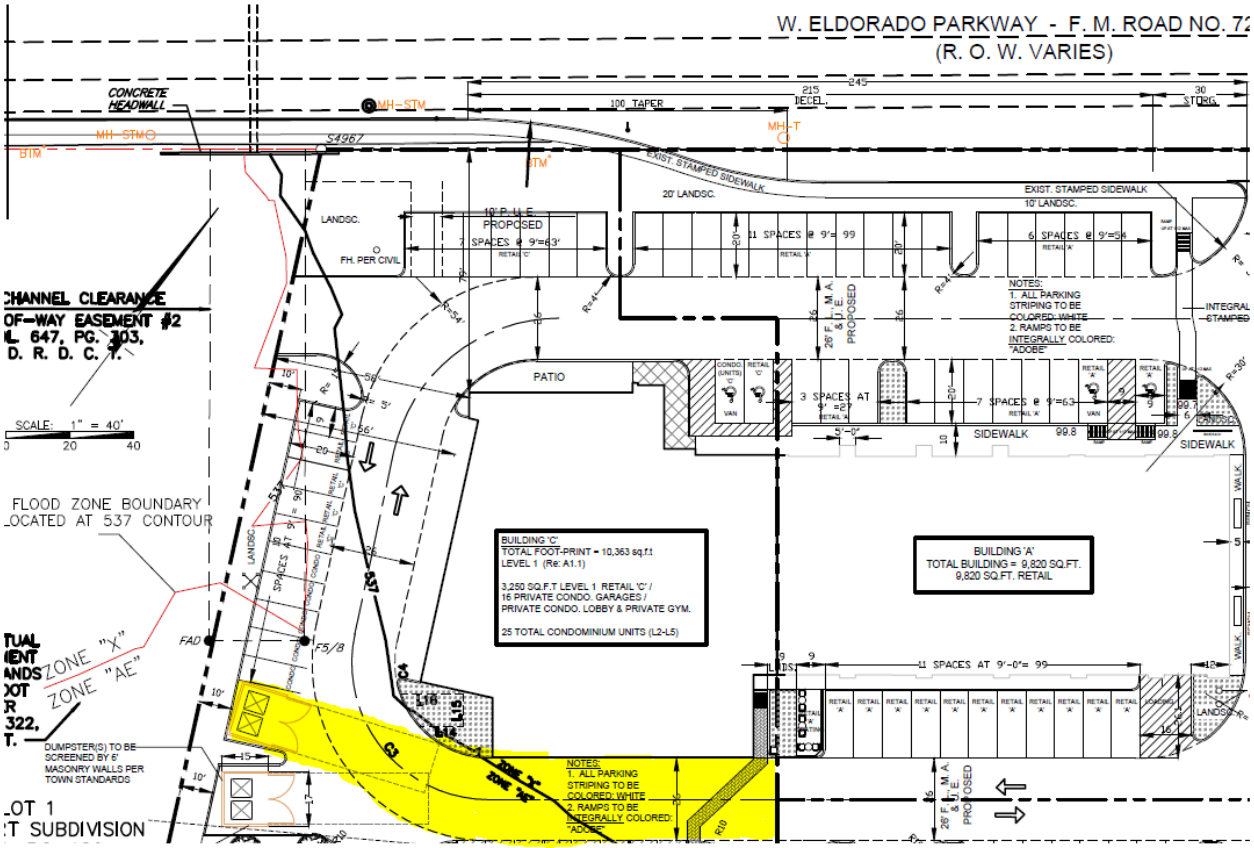
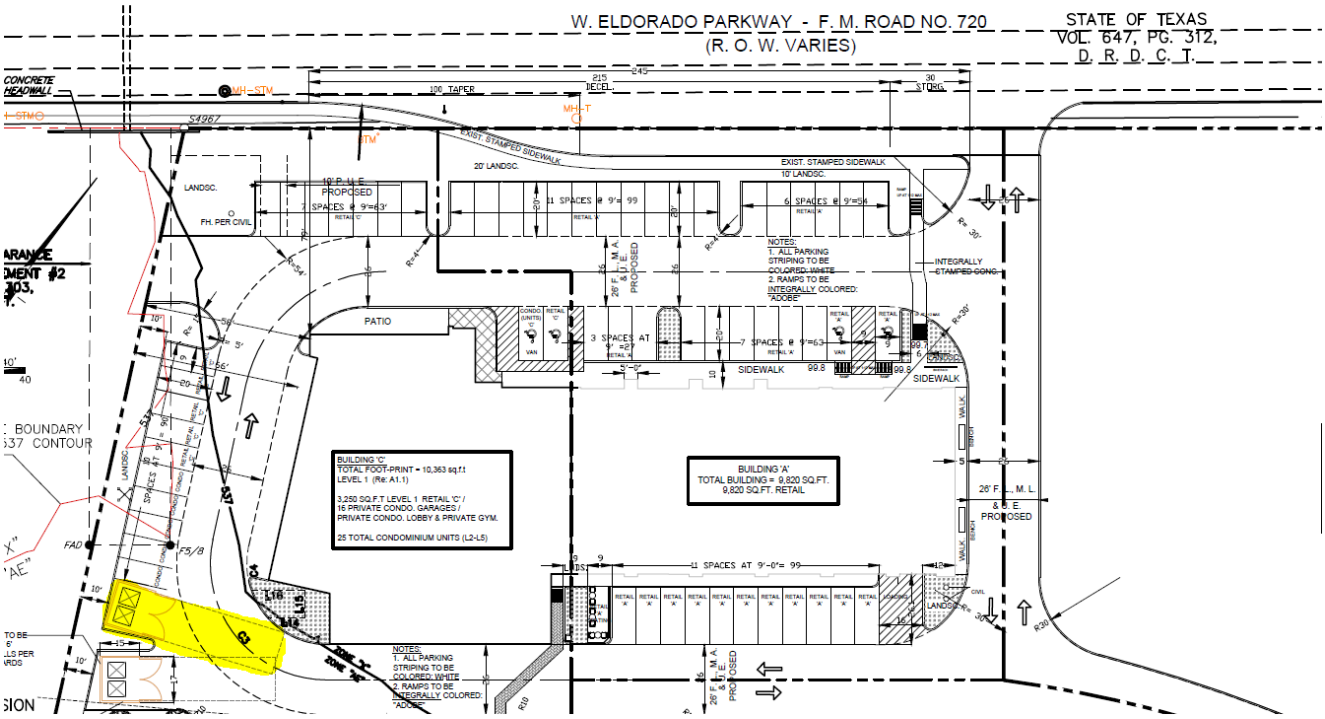


Exhibit B

Depiction of Dumpster Area



Date:	11/01/2022
Agenda Item #:	5. E.
Department:	Development Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Fred Gibbs, Director of Development Services

AGENDA ITEM:

Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1690 Regarding Establishes a New Specific Use Permit at 14111 King Road, Suite 2100, Approximately 2,114 sq ft. in Size, Currently Zoned as Light Commercial (LC), in Order to Allow for a New Smoking Establishment, with on Premise Sales and Smoking of Hookah Products, as well as the Sale of Alcoholic Beverages for on Premise Consumption Only.**

Open Public Hearing:
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1690:

DESCRIPTION:

Location
Located at 14111 King Road, Suite 2100, on the south side of King Road, approximately 500 feet west of FM 423, within Little Elm Town limits.

Background. Subject property is zoned Light Commercial (LC) and currently houses a total of six newly constructed, single-story buildings. The two buildings in the front of the property are primarily intended for retail purposes, while the four buildings in the rear of the property are primarily office and medical uses. Most of the retail spaces are currently still vacant.

The proposed smoking establishment and bar would occupy one of the end-cap spaces in the eastern-most retail building, a currently vacant 2,114 square-foot Suite 2100.

> A smoking establishment is defined as "an establishment that sells products and devices primarily for the purpose of smoking or vaping in various forms. These establishments sometimes provide a contained area with a separate ventilation system for the purpose of smoking within the associated structure."

> A bar is defined as “an establishment principally for the sale and consumption of alcoholic beverages on the premises that derives 75 percent or more of its gross revenue on a quarterly (three-month) basis from the sale or service of alcoholic beverages, as defined in the Texas Alcoholic Beverage Code, for on-premises consumption.”

Typically, smoking is prohibited where other uses are involved, however, Sec. 70-208. - Places Where Smoking is Not Prohibited lists smoking establishments, where the primary use is retail of smoking products, and the sale of alcoholic beverages is incidental. Therefore, the two proposed uses would be allowed to co-habitate in accordance with the Town's requirements as long as the criteria of this section is met.

> "Retail tobacco stores, hookah lounges, or other smoking establishments that are permitted to sell alcohol, where the sale of tobacco products, and accessories is the primary retail use and in which the sale of other products is merely incidental. Separate ventilation and HVAC systems that prevent the commingling of air with other businesses, common areas, hallways and other non-smoking areas shall be required."

The applicant, Habibi Hookah, is proposing a hookah lounge and bar focusing on providing hookah for on-premise consumption, a sampling of foods, and alcoholic beverages for on-premise consumption. The applicant does not currently own any similar establishments, so this would be their first location.

Chapter 106 of the Little Elm Code of Ordinances requires a Specific Use Permit (SUP) be issued for smoking establishment use as well as a bar use within the Light Commercial District. Because a smoking establishment and a bar require a Specific Use Permit, the applicant is requesting a Specific Use Permit in order to be able to occupy and operate within this space.

Proposal.
The applicant is requesting approval of a smoking establishment and bar as allowed uses on the subject property, within Suite 2100, for the purposes of establishing a hookah lounge, with sale of alcoholic beverages for on-premise consumption only.

The proposal includes a total SUP area of 2,114 square feet. The submitted floor plan depicts a large open lounge area with chairs and couches set around coffee tables. The rest of the suite has a large service counter and display area, and kitchen in the back; no bar area is being proposed. The proposed hours of operation are Sunday through Thursday, 3 pm to -12 am, and Friday through Saturday, 3 pm through 2 am.

The applicant has also provided sample concepts of the interior space, which will be adopted as part of the SUP Ordinance.

The proposed request is similar to the recently approved Good Cigar, at the southeast corner of Eldorado Parkway and Little Elm Parkway, which is also a smoking establishment with on-premise alcohol sales and consumption. While no food is offered for sale, the Good Cigar focuses primarily on showcasing specialty cigar product rather than being a bar. Hours of operation are 11am to 11pm.

Parking.
The proposed use is required to be parked at a ratio of one parking space per 200 square feet of floor area. The existing site was developed with a total of 44,425 square feet of commercial space, providing a total of 178 parking spaces, with the intent to split the uses in order to fit within the

parking requirements. SUP requests are required to provide Site Plan, which among other important information, includes a data table showing the breakdown of all the potential, and currently occupied, uses and square footages. While at this time, most of the suites are vacant and parking should not be an issue, the submitted parking analysis, in place of a Site Plan, does not provide sufficient, nor accurate, information, therefore Staff is unable to determine parking compliance at this time.

Development Standards.
This site was developed following the Light Commercial building standards and since the applicant is not making any exterior changes or site improvements in order to accommodate the proposed use, no additional site requirements were reviewed at this time.

Comprehensive Plan.
The Future Land Use Plan (FLUP) designates the subject property with a retail/commercial land use category, which is appropriate for the proposed establishment. Therefore, the requested SUP, if approved, would not be in conflict with the Town's vision for this area.

Recommendation to Planning and Zoning Commission.
Staff have worked with the applicant over the last several months, in order to obtain all the needed documents and plans to enable Staff to properly evaluate the proposed SUP. There are outstanding items that still need to be addressed. That being said, at this time, the applicant has voiced concerns over the extensive review process and has requested to move forward and present the proposal to the Administration.

Concept Site Plan
All zoning requests require a Concept Site Plan that follow's the Concept Site Plan Checklist as outlined within the Town's Development Handbook. The Site Plan provides information necessary for the review and evaluation of a request, and is ultimately captured within the Ordinance for record and tracking purposes. Instead of a Site Plan, the applicant provided a parking analysis schematic, which does not provide the necessary information, and the information that is provided is not accurate.

Letter of Intent
Additionally, all zoning requests require a letter of intent. This serves as the applicant's introduction, to the Town, of their specific request, background in that particular business, proposed business operation for this particular location, and commitments to uphold certain standards and requirements. Staff does not believe that the provided letter of intent relays all the information pertinent to the evaluation of the request.

Hours of Operation
Staff has concerns about the proposed hours of operation being outside of the typical establishments in this area, most of which close by 12am. This area primarily offers neighborhood level retail, restaurant, and entertainment, and the subject property, while not direct adjacent, is still in close proximity to low density residential; late night hours potentially open the door for the type of use that might not be fitting within this area's context. Staff believes the hours of operation should be capped at 12am.

Food Menu
The provided menu has a very small selection of food offerings and without fully understanding the business operation, Staff has concerns that without more focus on food, the establishment will provide more of a late night and alcohol driven atmosphere. In an

effort to avoid any potential nuisances and better fit into the context of the surrounding area, Staff believes that the menu should be expanded and a minimum percentage established for the revue derived from food sales.

The purpose of an SUP is to add or modify specific land use rights to those already granted within a zoning district. Section 106.02.17 provides that each request considers the intensity of the proposed use within the context of the proposed location based on compatibility and suitability, and in evaluating the compatibility of the proposed use within the existing area context, "the town council may impose such additional development standards and safeguards as the conditions and locations indicate important to the welfare and protection of adjacent property from noise, vibration, dust, dirt, smoke, fumes, odor, gas, explosion, glare, offensive view, or other undesirable or hazardous conditions."

Given the purpose of a Specific Use Permit, as well as the several outstanding items and Staff concerns, Staff recommended that if the Planning and Zoning Commission considered supporting this request, the below conditions be included. These conditions help to make the request more appropriate within the context of the existing shopping center, as well as its proximity to other uses.

Commission Findings.
At their regular meeting on October 6, 2022, the Planning and Zoning Commission discussed their different comfort levels of the proposed business hours, with most of the Commissioners indicating preference for the recommended 12am cut off, and whether food sales were an important component of the request, with most of the Commissioners indicating they had no concerns with the requested establishment being more of a lounge than a restaurant; since the applicant intends to operate as a restaurant anyway, there was no concern over staff recommendation of minimum 25% food sales. The applicant was agreeable to all the conditions listed by Staff, so the Planning and Zoning Commission unanimously recommended **approval** of the request with the conditions listed below.

BUDGET IMPACT:

This item has not budget impact.

RECOMMENDED ACTION:

Planning and Zoning Commission recommends **approval** of the request with the following conditions:

1. Concept Site Plan shall be provided at least one week prior to Town Council meeting.
2. Letter of Intent shall be provided at least one week prior to Town Council meeting.
3. Hours of Operation shall not exceed 12 am on any given day.
4. Food menu shall be expanded and the establishment shall derive at least 25 percent of its gross revenue on a quarterly (three-month) basis from the sale or service of food items.
5. SUP shall be specific to a hookah smoking establishment.
6. All windows shall remain clear, especially from shelving and product display, and maintain and active storefront.
7. Applicant must provide a separate ventilation system and must comply with the requirements listed in Chapter 70, Article IX. Smoking.
8. Prior to issuance of a certificate of occupancy, the business owner shall provide the town with a copy of its state permit to operate as a bar, brewpub, or similar use.
9. All alcohol-related activities must meet all standards found in Chapter 10, Alcoholic

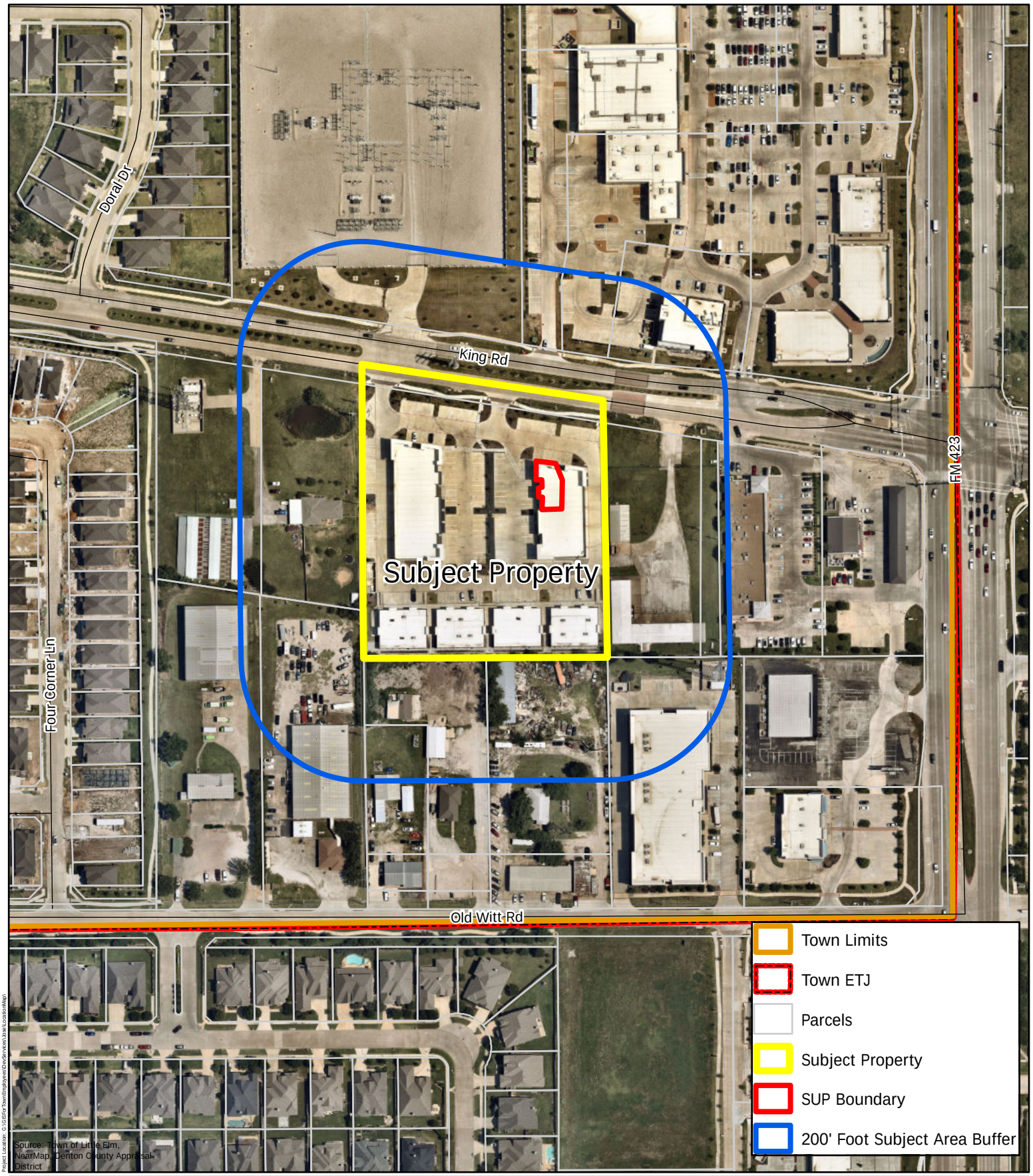
Beverages, of the Little Elm Code of Ordinances.

At this time, the applicant requests to table the item until November 15th Council meeting in order to allow additional time to address the outstanding items.

Attachments

Location Map

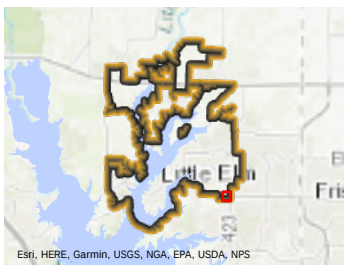
Ordinance No. 1690



LITTLE ELM

SUP:22-04373
Habibi Hookah King Plaza Property

0 0.02 0.04 0.08 Miles



Town of Little Elm
Denton County, Tx
Date: 9/12/2022

This product is to be used for graphical representation only. The accuracy is not to be taken/used as data produced for engineering purposes or by a Registered Professional Land Surveyor for the State of Texas. For this level of detail, supervision and certification of the produced data by a Registered Professional Land Surveyor for the State of Texas would have to be performed. Town of Little Elm and its members assume no responsibility for the accuracy of said data.

TOWN OF LITTLE ELM

ORDINANCE NO. 1690

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE TO GRANT A NEW SPECIFIC USE PERMIT FOR A HOOKAH SMOKING ESTABLISHMENT AND BAR USE, ON PROPERTY LOCATED AT 14111 KING ROAD; PROVIDING A PENALTY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Little Elm ("Town") is a home rule municipal corporation organized and existing by virtue of the Constitution and laws of the State of Texas and by its Charter adopted on May 1, 2001; and

WHEREAS, the Town possesses all the rights, powers, and authorities possessed by all home rule municipalities, including the authority to regulate land uses under Chapter 211 of the Texas Local Government Code; and

WHEREAS, Chapter 106 (Zoning) of the Little Elm Code of Ordinances, requires a Specific Use Permit be granted by Town Council in order to legally operate and occupy the subject property with a hookah smoking establishment and bar use while it is zoned Light Commercial (LC); and

WHEREAS, a request for a Specific Use Permit for a hookah smoking establishment and bar use has been submitted by Samer Abuaita, on property located at 14111 King Road, Building #2, Suite 2100; and

WHEREAS, Section 106.02.17 of the Little Elm Code of Ordinances provides that Town Council may impose such additional development standards and safeguards as the conditions and locations indicate important to the welfare and protection of adjacent property from noise, vibration, dust, dirt, smoke, fumes, odor, gas, explosion, glare, offensive view, or other undesirable or hazardous conditions; and

WHEREAS, Town Council and the Planning & Zoning Commission of the Town of Little Elm, in compliance with the laws of the State of Texas and the ordinances of the Town of Little Elm, have given the required notices and held the required public hearings and afforded a full and fair hearing to all property owners generally and to all persons interested in and situated in the affected area and in the vicinity thereof regarding the requested planned development amendment described herein; and

WHEREAS, at its regular meeting held on October 6, 2022 the Planning & Zoning Commission considered and made recommendations on a request grant a Specific Use Permit for a hookah smoking establishment and bar within end-cap suite, the north west corner of Building 2 of the subject property, totaling 2,114 square-feet (Case No. SUP-22-04373); and

WHEREAS, after due deliberations and consideration of the recommendation of the Planning & Zoning Commission and any other information and materials received at the public hearing, the Town Council of the Town of Little Elm, Texas, has determined that the request would be in the interest of public health, safety and welfare of the citizens of the Town of Little Elm.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, 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. AMENDMENT. That Ordinance No. 226 of the Town of Little Elm, Texas, the same being the Comprehensive Zoning Ordinance of the Town, as amended, is hereby amended by the following:

A. Granting a Specific Use Permit authorizing a hookah smoking establishment and bar on the property located at 14111 King Road, subject to the following conditions:

1. Prior to the issuance of a Certificate of Occupancy, said Property shall be improved in accordance with the site plan and floor plan, which are attached hereto as Exhibit A and made a part hereof for all purposes.

2. The Specific Use Permit granted herein specifically for a hookah smoking establishment and bar shall be limited to that particular area designated on the approved site plan, end-cap suite, the north west corner of Building 2, encompassing a total area not to exceed 2,114 square feet.

3. Prior to issuance of a certificate of occupancy, the business owner shall provide the town with a copy of its state permit to operate as a bar.

4. All alcohol-related activities must meet all standards found in Chapter 10, Alcoholic Beverages, of the Little Elm Code of Ordinances.

5. Applicant must provide a separate ventilation system and must comply with the requirements listed in Chapter 70, Article IX. Smoking.

6. All windows shall remain clear, especially from shelving and product display, and maintain and active storefront.

7. Hours of Operation shall not exceed 12 am on any given day.

8. The establishment shall derive at least 25 percent of its gross revenue on a quarterly (three-month) basis from the sale or service of food items.

SECTION 3. SAVINGS. This Ordinance (which includes the New Zoning Ordinance) shall be cumulative of all other ordinances of the Town, and shall not repeal any of the provisions of those ordinances except in those instances where the provisions of those ordinances are in direct conflict with the provisions of this Ordinance; provided, however, that any complaint, notice, action, cause of action, or claim which prior to the effective date of this Ordinance has been initiated or has arisen under or pursuant to such other ordinance(s) shall continue to be governed by the provisions of that ordinance or those ordinances, and for that purpose that ordinance or those ordinances shall be deemed to remain and shall continue in full force and effect.

SECTION 4. PENALTY. Any person, firm, or corporation violating any of the provision of this Ordinance shall be punished by a penalty of a fine not to exceed the sum of Two Thousand Dollars ($2,000) for each offense and each and every day such offense shall continue shall be deemed to constitute a separate offense.

SECTION 5. SEVERABILITY. The sections, paragraphs, sentences, phrases, and words of this Ordinance are severable, and if any section or provision of this ordinance or the application of that section or provision to any person, firm, corporation, situation or circumstance is for any reason judged invalid or unconstitutional, the adjudication shall not affect any other section or provision of this Ordinance or the application of any other section or provision to any person, firm, corporation, situation or circumstance, nor shall adjudication affect any other section or provision of the New Zoning Ordinance of the Town of Little Elm, Texas, and the Town Council hereby declares that it would have adopted the valid portions and applications of this Ordinance (which includes the New Zoning Ordinance) without the invalid parts and to this end the provisions of this Ordinance shall remain in full force and effect.

SECTION 6. REPEALER. That all ordinances of the Town of Little Elm in conflict with the provisions of this Ordinance are hereby repealed to the extent of that conflict.

SECTION 7. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its adoption in accordance with and as provided by law and the Town Charter.

PASSED AND APPROVED by the Town Council of the Town of Little Elm, Texas on the 1st day of November, 2022

The Town of Little Elm, Texas

_____

Curtis J. Cornelious, Mayor

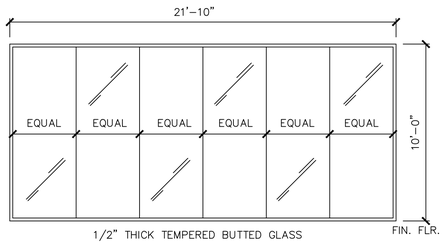
ATTEST:

_____

Caitlan Biggs, Town Secretary

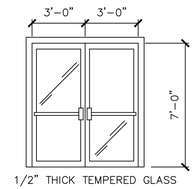
ATTACHMENT – EXHIBIT A

WINDOW TYPES

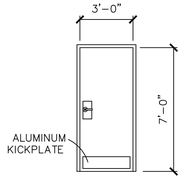


A FIXED GLASS

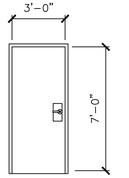
DOOR TYPES



A FULL GLASS



B HOLLOW METAL
INTERIOR



C STEEL
EXTERIOR

Note:

1. EXISTING FIRE SPRINKLER SYTEMS TO REMAIN CHECK OR ADJUST HEADS AS REQUIRED, TYP.
2. EXISTING ELECTRICAL METER AND PANELS TO BE FILLED WITH NEW CIRCUITS PER LANDLORD MAIN IN UTILITY RISER ROOM, PER CODE. EXTERIOR LIGHTING AND ENTRY LITES, TO REMAIN ON AUTOMATIC DAYLITE SENSOR DEVICE CIRCUITS, TYP.

Additional Notes:

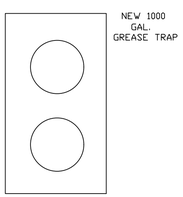
1. REFERENCE SHEET A3 FOR A.D.A. DETAILS ACCESSIBILTY DETAILS THROUGHOUT.
2. TOTAL SEATS = 66, TOTAL SUP S.F. = 2,548
3. SEPARATE VENTILATION SYSTEM TO COMPLY WITH REQUIREMENTS LISTED IN CHAPTER 70 ARTICLE IX. SMOKING

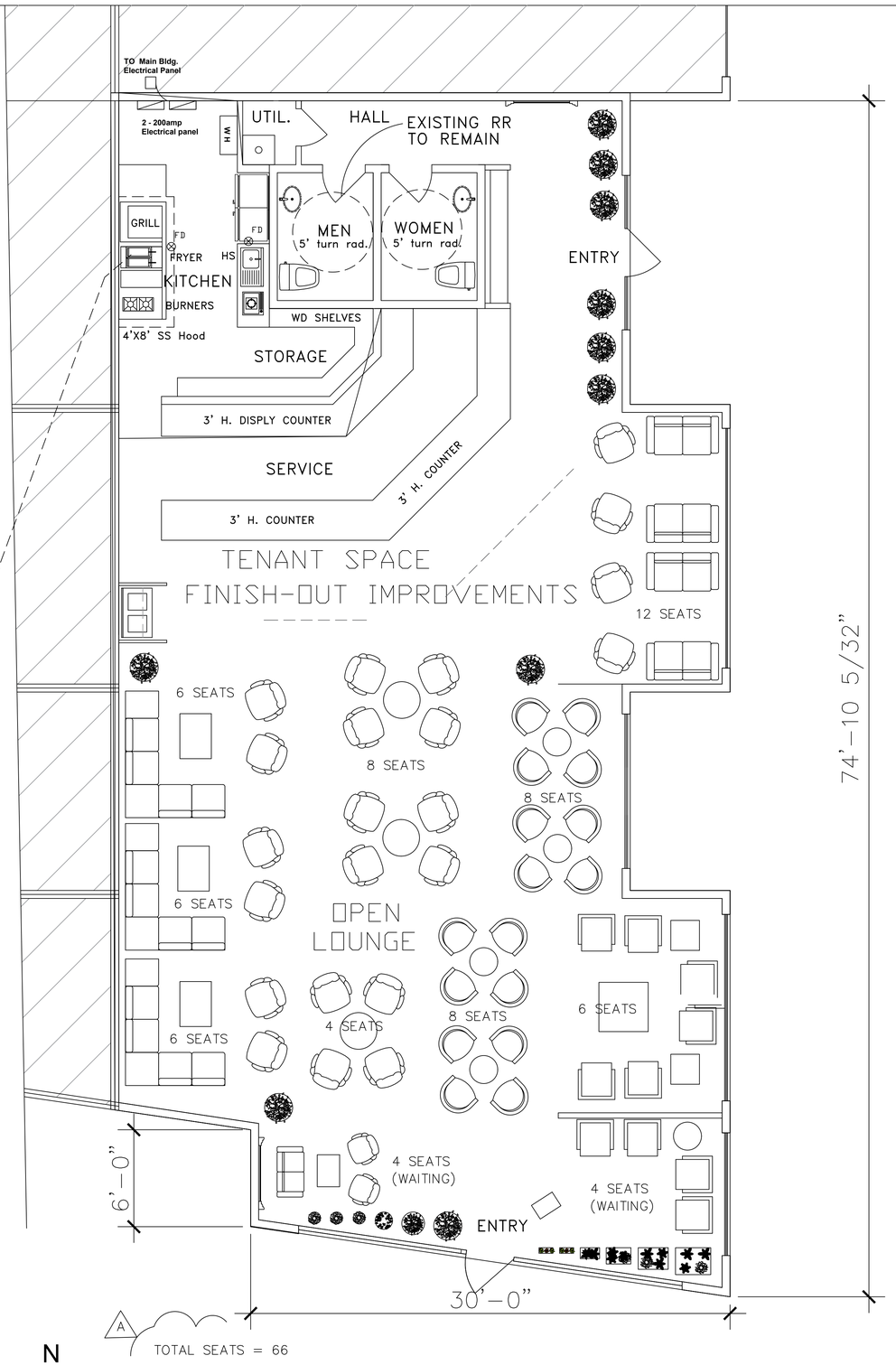
DOOR SCHEDULE		DOOR TYPE	ALUMINUM	HOLLOW METAL	STEEL	WOOD	FRAMES	ALUMINUM	HOLLOW METAL	STEEL	HARDWARE	DOOR CLOSER	KEY LOCK	THUMB LOCK	PANIC HRDWR	THRESHOLD	REMARKS
ITEM	SIZE																
D100	3'-0" x 7'-0"	A	●					●				●	●				
D101	3'-0" x 7'-0"	B		●					●			●		●			1 HOUR FIRE DOOR SYSTEM
D102	3'-0" x 7'-0"	C				●			●			●					

General Notes:

1. ALL ICE MAKERS, COFFEE MAKERS AND SOFT DRINK DISPENSERS TO HAVE A BACK FLOW PREVENTER PER CITY OF LITTLE ELM SPECIFICATIONS.
2. ALL ICE MAKERS, COFFEE MAKERS AND SOFT DRINK DISPENSERS TO HAVE A ONE INCH (1") AIR GAP AT FLOOR SINKS.
3. ALL EQUIPMENT SHOWN TO BE COMMERCIAL GRADE EQUIPMENT.
4. PROVIDE SOAP AND TOWEL DISPENSERS FOR ALL HANDWASH SINKS.
5. ALL WALLS MUST BE LIGHT IN COLOR, SMOOTH FINISH AND EASY TO CLEAN.
6. CEILING OVER COFFEE MAKER, SOFT DRINK DISPENSER AND ICE MAKER MUST BE SMOOTH FINISH AND EASY TO CLEAN.
7. ALL FLOORS MUST BE WATER TIGHT AND SEALED.
8. ALL RESTROOMS TO BE PROPERLY VENTED TO OUTSIDE.
9. SELF CLOSING DOORS REQUIRED FOR ALL RESTROOMS.
10. ALL LIGHT FIXTURES MUST BE PLASTIC COATED.
11. FOOD PREP SINK MUST HAVE ONE INCH (1") AIR GAP AT FLOOR SINK.
12. WALK-IN COOLER BOX (insulated prefab.).
13. OUTSIDE TRASH DUMPSTER MUST BE LOCATED ON CONCRETE PAD.
14. CEILING AND WALLS IN DRY STORAGE AREA MUST BE SMOOTH FINISH AND LIGHT IN COLOR AND EASY TO CLEAN.

Grease Trap





1 / A3 PROPOSED FLOOR PLAN — SCALE: 1/4"=1'-0"

2,114 SF
Ste. 200

Project Design :

PSA Design Development
RESIDENTIAL & COMMERCIAL CUSTOM SERVICES
Patrick Saucedo
PROJECT MANAGER
(817) 808-2664
Dallas, FTW/TEXAS
Patmanwill@gmail.com

Cad Tech's, & Planners, As-Built and Re-model Code Design Integrations

Owner :

Bedford Food Brands, Inc.
Bradley Garsee
817 994-2624

King Hookah

TFO Remodel Project

14111 King Road, #200 Little Elm, Denton Co., Tx 75068

REVISION

-ISSUE FOR REVIEW 07-11-2020
-REVISED TO 2 RESTRMS 07-29-2020

DRAWN BY:	CHECKED BY:
ORIG. DATE:	REV. DATE:
JOB NO.	SHEET NO. A1
SCALE:	









