WORKSHOP & REGULAR MEETING
OF THE TOWN COUNCIL

Tuesday, June 18, 2024
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 and Discuss an **Update on the Parks, Recreation, & Open Space Master Plan.**

   B. Present the **Little Elm Apparel Line.**

   C. Present, Discuss, and Consider Action on **Updates to the Little Elm Governance Policy.**

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   C. Items to be Withdrawn from Consent Agenda.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. **Presentations.**

A. Recognition of the **Friends of the Little Elm Library Scholarship Recipient.**

B. Present a **Town Manager's Challenge Coin to John Doshier.**

C. Present a **Mayor's Challenge Coin to Huffines.**

D. Present **The Journey of a Thousand Miles Trophy between Prosper and Little Elm.**

E. Recognize the **Tourism & Business Development Team for Awards Received from the Texas Association of Municipal Information Officers.**

F. Recognize **The Lawn at the Lakefront for Receiving a Merit Award from the Texas Chapter of the American Society of Landscape Architects.**

4. **Public Comments**
Persons may address the Town Council on any issue for up to three (3) minutes. 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 551.007, Texas Government Code.

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.

A. Consider Action to Approve the **Minutes from the June 4, 2024, Regular Town Council Meeting.**

B. Consider Action to Approve **Change Order #3 with Red River Construction for Rental of a Temporary Belt Press Trailer for use During the Wastewater Treatment Plant Dewatering & Clarifier Improvements Project in an amount not to exceed $84,650.06.**

C. Consider Action to Approve **Appointments to the Veterans Committee.**

D. Consider Action to Approve a **Design Contract Amendment with Dunaway Associates for the Cottonwood Park Phase 1 Project.**

E. Consider Action to Approve the **Sixth Amendment of the Concession Agreement for Wakeboard Park between America's Cable Park and the Little Elm Economic Development Corporation.**

F. Present, Discuss, and Consider Action to Approve the **Tax Reimbursement Zone Number Three (TIRZ 3), Lakefront Business Reimbursement Agreement between Little Elm Lakefront Businesses located in the boundaries of TIRZ 3 and the Town of Little Elm.**

G. Consider Action to Approve **Expenditure Authority for a Professional Services Agreement with Bradley Tucker Investments for Inspection and Plan Review services for the Town, in the estimated annual amount of $125,000.**

6. **Regular Items.**

A. Hold a Public Hearing to Present, Discuss, and Consider Action on **Ordinance No. 1759 Accepting and Approving an updated Service and Assessment Plan and Assessment Roll for the Future Improvement Area of the Spiritas Ranch Public Improvement District and Levying Assessments.**

Open Public Hearing:
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1759

B. Present, Discuss, and Consider Action on **Ordinance No. 1760 Approving and Authorizing the Issuance and Sale of the Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects); and Approving and Authorizing Related Agreements.**

C. Consider Action to Approve **Resolution No 0618202401 Approving and Authorizing the Mayor to Execute an "Interlocal Cooperative Agreement" between the Town of Little Elm, Texas and Mustang Special Utility District**

D. Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1762 Regarding a Request to Rezone Approximately 4.9 Acres of Land, Currently Zoned Planned Development - Lakefront District (PD-LF), through Ordinance No. 1752, Generally Located on the North Side of Main Street at East Park Drive, within Little Elm's Town Limits, Amending the Existing PD-LF District to Establish Modified Development Standards for a Portion of the Concept Plan Area and Approve Development Plans for a 25-Townhome Development.**

- **Open Public Hearing:**
- **Receive Public Comments:**
- **Close Public Hearing:**
- **Take Action on Ordinance No. 1762:**

E. Present, Discuss, and Consider Action on a **Development Agreement between the Town of Little Elm and Solana Annex Flats, LLC.**

F. Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1763 Regarding a Proposed Amendment to the Town of Little Elm Comprehensive Plan, in Order to Update the Future Land Use Map, Future Land Use Categories, and the Town's Projected Population and Capacity.**

Open Public Hearing:
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1763:

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.

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.

9. **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 14th day of June 2024 before 5:00 p.m.

Date:	06/18/2024
Agenda Item #:	1. A.
Department:	Administrative Services
Strategic Goal:	Maximize community recreation and leisure activities
Staff Contact:	Chad Hyde, Director of Community Services

AGENDA ITEM:

Present and Discuss an **Update on the Parks, Recreation, & Open Space Master Plan.**

DESCRIPTION:

Town staff and the consultant, Dunaway Associates, LLC, will provide an update on the process for the Parks, Recreation, & Open Space Master Plan.

In September 2023, Town Council approved a professional services contract with Dunaway Associates, LLC (Dunaway) for the Parks, Recreation, & Open Space Master Plan update.

The Scope of Services will be performed in two (2) phases with Phase I including the Inventory and Needs Assessment, and Phase II the Parks, Recreation, & Open Space Master Plan. The estimated completion is late Fall 2024.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	06/18/2024
Agenda Item #:	1. B.
Department:	Community Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Drew Bailey, Managing Director of Business Development and Tourism

AGENDA ITEM:

Present the **Little Elm Apparel Line.**

DESCRIPTION:

Town staff will present the Little Elm apparel line to the Town Council, which is available to the public for purchase. Items include Town and Lakefront T-shirts, tank tops, hats, beach towels, and more.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	06/18/2024
Agenda Item #:	1. C.
Department:	Administrative Services
Strategic Goal:	Maintain operational integrity and viability
Staff Contact:	Town Council

AGENDA ITEM:

Present, Discuss, and Consider Action on **Updates to the Little Elm Governance Policy.**

DESCRIPTION:

At the May 21, 2024, Town Council meeting, Town Council discussed several updates to the Governance Policy. During this discussion, Town Council motioned to table this discussion to a future workshop.

At the May 14, 2024, Town Council meeting, Town Council discussed several updates to the Governance Policy.

The first was a request by Mayor Cornelious for the creation of a Deputy Mayor Pro Tem position. The following language was proposed:

"Within 30 days of the General Election, the Town Council shall elect one of its Members as Deputy Mayor Pro Tem, who shall perform the duties of Mayor in the case of the absence or inability of the Mayor and Mayor Pro Tem to perform the duties of the Mayor's office, and who shall, during that time, be vested with all the powers belonging to the Mayor. The term shall be for a period of one year and approved by resolution. The Deputy Mayor Pro Tem will be selected using the same process as the Council Liaison appointments."

After discussion, staff received guidance from the Council to further define the sequence of Council members standing in for the Mayor in the case of his or her absence. The following proposed language was added:

"If the Mayor, Mayor Pro Tem, and Deputy Mayor Pro Tem are all unavailable, the most senior Council Member will perform the duties of the Mayor. If there is a tie in seniority, a coin will be flipped with the most senior Council Member in the lowest numbered district/place calling heads or tails."

The second potential update was to add guidelines to the spending of public money for Council Member travel, training, and memberships as it relates to the performance of their official duties. The proposed changes included the following new language:

"Subject to the annual adoption of the budget, $3,000 is allocated for each Council Member and $5,000 is allocated for the Mayor for travel, training, individual memberships, and events related to their position on the Town Council.

These funds are not eligible to be used for private business purposes or political fundraisers. However, they can be used for non-profit organizations where the Council Member is acting in their official capacity.

If a Council Member spends all of their funds but expresses an interest in additional travel, training, individual memberships, and/or events related to their position on the Town Council."

After discussion, staff received guidance to clearly define that these funds would be available each year and add stronger language prohibiting the use of these funds for partisan political purposes. Language has been added to the proposed changes to reflect this guidance.

The third potential update came from a request by Council Member Norman to look at the timing of when positions are appointed. Staff received guidance to change the current language that requires Mayor Pro Tem/Liaison appointments to be made within 30 days of the general election. The proposed language would now require these appointments to be made at the second regular Council meeting following the canvassing of the general election.

Lastly, staff has proposed to replace the word "citizen" with "resident" to reflect our communication standards.

A copy of the Governance Policy with all proposed changes from the currently adopted version is attached.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff requests direction from Town Council.

Attachments

Little Elm Governance Policy - Red-line

LITTLE ELM GOVERNANCE POLICY

FORM OF GOVERNMENT

Refer to Section 2.01 in Form of Government and Powers in the Little Elm Code of Ordinances.

PURPOSE

The Little Elm Town Council, including Council Members and the Mayor, is the governing body for the Town of Little Elm. Therefore, it must bear the initial responsibility for the integrity of governance. The Council is responsible for its own development (both as a body and as individuals), its own discipline and its own performance. By adopting this policy, the Council acknowledges its responsibility to each other, to the professional Staff, and to the public.

GOVERNANCE GUIDELINES

The Town Council will govern the Town in a manner associated with a commitment to the preservation of the values and integrity of representative local government and democracy, and a dedication to the promotion of efficient and effective governing. The following statements will serve as a guide and acknowledge the commitment being made in this service to the community.

The Town Council shall:

- be responsive to the needs of the residents and the Little Elm Community by providing pro-active visionary and strategic leadership and focusing on the future rather than the past;
- recognize its responsibility to the future generations by developing goals that address the interrelatedness of the social, cultural, and natural characteristics of the community;
- be fiscally responsible with the taxpayer's dollars;
- communicate and serve with respect, dignity and courtesy in relations with Staff, all Council Members, members of the boards, commissions, committees, and the public;
- endeavor to keep the community informed on municipal affairs and encourage communication between residents and the Town Council;
- strive to develop strong working relationships among Little Elm, Denton County, Little Elm ISD, Frisco ISD, Denton ISD, Little Elm Chamber of Commerce, and other community and civic organizations;
- be committed to improve the quality of life for the individual and the community; and
- be dedicated to the faithful stewardship of the public trust and seek to improve the quality and image of public service.

GOVERNANCE PRINCIPLES

The office of elected official is one of trust and service to the residents of Little Elm. This position creates a special responsibility for the Little Elm Council Members, and the following principles shall govern the conduct of each Council Member. A Council Member shall:

- be loyal to the interests of the residents of Little Elm, superseding conflicting loyalty to advocacy or interest groups, membership on other boards, employment with other organizations, and personal interests as an individual resident of the Town;

- be dedicated to the highest ideals of honor and integrity in all public and personal relationships and conduct themselves, both inside and outside the Town's service, so as to give no occasion for the distrust of their integrity, impartiality or of their devotion to the best interests of the Town and the public trust, to merit the respect and confidence of the residents of Little Elm;
- refrain from any activity or action that may hinder the ability to be independent, objective, and impartial on any matter coming before the Council, such as accepting gifts or special favors;
- not condone any unethical or illegal activity, such as using confidential information for personal gain or misusing public funds or time;
- recognize that public and political policy decisions, based on the approved Strategic Plan, are ultimately the responsibility of the Town Council;
- comply with the Town's Ethics Ordinance (Chapter 2 Article VI of the Little Elm Code of Ordinances) and other applicable rules and state laws governing the conduct of elected officials; and
- conduct business in open meetings for transparency and direct accountability to the residents of Little Elm.

LITTLE ELM

TOWN COUNCIL

Little Elm Governance Policy
Adopted 11/07/2023

MAYOR: ROLES AND RESPONSIBILITIES

The Mayor presides at Council meetings and formally exercises a legislative role equal to that of his or her colleagues. In conjunction with legislative roles, the Mayor may be involved in the preparation of the Council agenda. The Mayor is a member of the Town Council with a vote equal to other members. As part of his or her role, the Mayor shall perform the following duties:

- Preside over the Town Council and serve as the Chair at meetings
- Work to minimize conflict between Council Members and seek to accommodate common ground and consensus among Members when possible
- Represent the Town in meetings with other governmental entities, businesses, community groups, developers, and other entities but realize that the Town is not obligated to any course of action without consideration from the full Council
- Ensure that all members of the Council have the opportunity to be heard during discussion of issues or agenda items
- Issue proclamations to provide groups or individuals special recognition

COUNCIL MEMBER: ROLES AND RESPONSIBILITIES

The main responsibility of the Town Council is to make policy. By definition, a policy is a course of action for a community. The Town Council serves as the legislative body and adopts policies that determine the broad functions of the Town of Little Elm. The Council has the power to enact ordinances and policies, consistent with state law, usually through the enactment of ordinances and resolutions. In the process of policy making the Council shall:

- Focus on the Vision, Strategic Goals, and Long Term Objectives identified in the Council Strategic Plan
- Analyze community needs, program alternatives, and available resources and arrive at meetings well-informed and prepared
- Make timely and courageous decisions
- Make decisions based on community goals and interest, and not based on personal or political ambitions
- Provide the Town Manager clear direction and expectations to achieve Town goals and objectives
- Give the Town Manager adequate authority to take administrative actions and not interfere with personnel decisions or management functions of the Town
- Hold the Town Manager responsible for the administration of Council policies
- Participate in meetings

MAYOR PRO TEM: ROLES, RESPONSIBILITIES, AND SELECTION

At the second regular Town Council meeting after the canvassing of the General Election results~~Within 30 days of the General Election~~, the Town Council shall elect one of its Members as Mayor Pro Tem, who shall perform the duties of Mayor in the case of the absence or inability of the Mayor to perform the duties of the Mayor's office, and who shall, during that time, be vested with all the powers belonging to the Mayor. The term shall be for a period of one year and approved by resolution. The Mayor Pro Tem will be selected using the same process as the Council Liaison appointments.

DEPUTY MAYOR PRO TEM: ROLES, RESPONSIBILITIES, AND SELECTION

At the second regular Town Council meeting after the canvassing of the General Election results, the Town Council shall elect one of its Members as Deputy Mayor Pro Tem, who shall perform the duties of Mayor in the case of the absence or inability of the Mayor and Mayor Pro Tem to perform the duties of the Mayor's office, and who shall, during that time, be vested with all the powers belonging to the Mayor. The term shall be for a period of one year and approved by resolution. The Deputy Mayor Pro Tem will be selected using the same process as the Council Liaison appointments.

If the Mayor, Mayor Pro Tem, and Deputy Mayor Pro Tem are all unavailable, the most senior Council Member will perform the duties of the Mayor. If there is a tie in seniority, a coin will be flipped with the most senior Council Member in the lowest numbered district/place calling heads or tails.

COUNCIL LIAISON: ROLES, RESPONSIBILITIES, AND SELECTION

At the second regular Town Council meeting after the canvassing of the General Election results~~Within 30 days of the General Election~~, the Council shall select its liaisons to boards, commissions, or committees. Liaisons shall serve a term of one year. Prior to each selection process, each Council Member shall submit a questionnaire expressing their desired appointments, qualifications, and availability. The Mayor may put forth a proposal of appointments to the Council using information received from the questionnaire. The Council will receive the proposal and the results from the questionnaire prior to the meeting where appointments are considered. No more than two Council Members including the Council Liaison shall serve on each board, commission, and/or committee at one time. Council Liaisons should review the agendas of their board, commission, or committee, understand its projects and activities, and provide reports to the Town Council as necessary. The Council Liaison shall:

- Serve as the primary contact and two-way communications channel between Council and the board, commission, or committee
- Help resolve questions the board, commission, or committee may have about the role of Council, the Council's goals and objectives, municipal government, and the board, commission, or committee
- Establish formal or informal contact with the chairperson of the board, commission, or committee and effectively communicate the role of the liaison
- Provide procedural direction and relay Council's position or previous action to the board, commission, or committee, and communicate to the board, commission, or committee that the liaison's role is not to direct the board, commission, or committee in its activities or work
- Serve as Council contact rather than as an advocate for or ex-officio member of the board, commission, or committee
- Identify and help resolve any problems that may exist with respect to the functioning of the board, commission, or committee
- Facilitate training of new board, commission, or committee members by providing suggestions and relevant information to the Town staff members responsible for providing such training
- Attend board, commission, and/or committee meetings and report back on performance of board members to the Town Council

ATTENDANCE REQUIREMENTS

A Council Member or the Mayor shall forfeit his or her office if the official lacks at any time during the official's term of office any qualification for the office prescribed by the Charter or by State law, or if the official violates any express prohibition of this section or any other provision of the Charter, or if the official fails to attend three (3) consecutive regular Town Council meetings without being excused by the Town Council. The Town Council shall be the final judge in matters involving forfeiture of office by a Council Member or the Mayor. (Town Charter, Section 3.05)

TRAINING AND MEMBERSHIPS

The Town Manager's Office shall coordinate and facilitate the orientation of new Council Members and continuing education for the Mayor and Council Members. Each Council Member should make their best attempt to attend one seminar per year. First-time office holders are encouraged to attend trainings specifically related to newly elected officials.

~~Funds are budgeted on an annual basis for the Mayor and Council Members to attend the annual Texas Municipal League conference~~. Subject to the annual adoption of the budget, $3,000 is allocated for each Council Member and $5,000 is allocated for the Mayor for travel, training, individual memberships, and events related to their position on the Town Council per fiscal year. ~~and for new Council Members to attend the Newly Elected Officials training.~~ Town staff will register the Mayor and/or Council Members that are interested in attending these events. The Town will cover the following expenses, if applicable:

- Registration
- Lodging
- Airfare
- Mileage Reimbursement
- Per Diem for Meals
- Rideshare Reimbursement

These funds are not eligible to be used for private business purposes, campaigning, or any event related to political parties/fundraising. However, they can be used for non-profit organizations where the Council Member is acting in their official capacity.

The Town will not cover ticketed events for social or recreational activities at a training or conference. A complete list of non-allowable expenses is included in the Town's Personnel Policy Manual, section 2.16 – Travel Policy.

If a Council Member spends all of their funds but expresses an interest ~~is expressed~~ in additional travel, training, individual memberships, and/or events related to their position on the Town Council, ~~an additional training or conference and there are funds available,~~ the request must be brought forward to the Council for approval. The Mayor and/or Council Member shall email Town staff to place the item on an agenda for discussion and consideration.

Town-wide ~~and individual Council Member~~ memberships will be brought forward to Town Council. The Mayor and/or Council Member shall email Town staff to place the item on an agenda for discussion and consideration.

REQUEST PROCESS FOR THE COVE AT THE LAKEFRONT™

If the Mayor and/or Council Members desire to request passes and/or rentals for The Cove at the Lakefront™ for non-profit organizations or donations, they shall contact the Town Manager's Office. The

Mayor and each Council Member are able to request one (1) package per fiscal year that includes 5 passes and 1 weekday cabana rental. Complimentary passes are not intended for personal use.

TICKETS FOR TOWN EVENTS

From time to time, it may be necessary to provide the Council with complimentary tickets to Town events so that the members can perform their official duties, volunteer, or interact with stakeholders. The use of complimentary tickets shall be outlined in the Town's Special Events policy. All requests should be coordinated through the Town Manager's Office.

USE OF TOWN FACILITIES AND AMENTITIES

The use of Town facilities and amenities by Council Members shall be limited to official Town-related duties. However, from time to time, Council Members may request use of Town facilities for community purposes. All requests for use of Town facilities and amenities shall be coordinated through the Town Manager's Office.

GUIDELINES FOR INTERACTION BETWEEN MAYOR AND COUNCIL

The Mayor and Town Council members must work as a team and maintain positive and effective relationships with each other in order to provide effective governance to the Little Elm community. It is the duty of the members to promote dialogue; frank, honest, and open communication; consensus; and a good governing environment in which Council Members, including the Mayor, as well as Town staff members can better fulfill their roles as public servants. The Mayor and Council shall treat one another with respect both in Council meetings and in the community. Refrain from undermining your constituents in community forums or discussions with residents, seek to keep one another informed, and avoid hidden agendas. In order to promote a team-oriented environment of professional conduct, the Council shall:

- Refrain from yelling, name calling, and personal attacks
- Act within legal and ethical guidelines
- Avoid grandstanding or promoting a personal agenda
- Be brief and concise
- Consider an issue, debate it, vote on it, and move on without letting issues carry over
- Look for common ground before seeking out disagreements
- Agree to disagree, when necessary
- Treat everyone with respect and elude resentment

MAYOR AND COUNCIL ROLES IN THE COMMUNITY

The Mayor and Town Council Members serve as a resource to ~~citizen~~residents, as well as representatives of ~~citizen~~resident preferences. Each stakeholder should feel they are treated with respect, that their voice is heard, and that the Town has handled the interaction with efficiency. If the Town or Council is unable to meet a stakeholder's needs, the ~~citizen~~resident or business representative should leave better educated and with an understanding of the barriers the Town faces. In order to facilitate this, Council Members should:

- Treat ~~citizen~~residents and stakeholders with respect

- Act within the roles defined above and in the Town Charter and remain accountable to ~~citizen~~residents
- Keep open communication with ~~citizen~~residents, and listen and understand concerns before responding
- Be accessible to ~~citizen~~residents and the Town of Little Elm community overall
- Serve as an advocate for the Town and the decisions made by the Council
- Become familiar with the community and its needs
- Develop strong working relationships with partners, such as ~~citizen~~residents or organizations who serve on Boards or Commissions, publicly support and defend the will of Council, rather than one's individual preferences

DECISION-MAKING GUIDELINES

Each decision must be made by considering what is best for the municipality as well as the public interest and shall incorporate, to every extent, the overall fundamental approach to democratic governance. Including specialists in various fields and soliciting the opinion of ~~citizen~~resident committees may be necessary for reaching a consensus, particularly when introducing new policies or making significant policy change. It is of the responsibility of the Council, as representatives, to convey the preferences of ~~citizen~~residents but ultimately to make a decision on what is best for the Town. Any special interest or special interest group impartial to public concerns must not take precedence on any agenda. Decision-making should take place in accordance with:

- The adopted Strategic Plan
- Utilizing an unbiased approach
- Developing well thought out means to achieve the good of the public
- A focus on the issue at hand rather than personalities
- Comprehensive understanding of all sides of the issue before issuing a judgment
- Council members should always ask, "Is this consistent with Council's adopted Strategic Plan?"

GUIDELINES FOR COUNCIL INTERACTION WITH ADMINISTRATIVE STAFF

Employees should feel as though they are valuable and important to executing the will of the people. Council Members should remain professional and never exceed the authority and relationship guidelines outlined in the Town Charter. The Town Manager should be aware of all requests to town employees, as these employees do not report to Council Members directly.

If a Council Member questions a decision, he or she shall immediately take that concern or disagreement to the Town Manager in a confidential and diplomatic format. Likewise, the Town Manager shall agree to the same commitment. Respect for each other shall remain constant.

- Council Members must not give orders to department heads or to other town employees. If the Council needs operational information, the Town Manager will provide appropriate information in a timely fashion, either directly or through other Town staff
- Action items requested by Council Members of Town employees shall be channeled through the Town Manager's office. A Council Member may make an informational request of a Town employee directly; however the Town Manager should be aware of all communication and copied on all emails
- Council Members should not harass or make unreasonable inquiries of Town employees
- The Town Manager will intervene if such activities are taking place

- Requests for meetings with Town staff shall be coordinated through the Town Manager
- Members of the Town Council do not have the authority to terminate or discipline Town employees other than those who they are responsible for under the Town Charter. Termination and discipline decisions are the sole responsibility of the Town Manager

BEHAVIORAL GUIDELINES AND SOCIAL MEDIA

The Mayor and members of the Town Council shall always remember they are representatives of the Town of Little Elm at all times and in all circumstances, and, as public officials, their actions are a direct reflection of the Town. Elected officials shall conduct themselves in a professional manner and not engage in any behavior that will paint the Town in a negative light. The Mayor and members of the Town Council are expected to:

- Conduct themselves with dignity
- Refrain from any behavior that may cause embarrassment to the Town
- Refrain from any activity that may give the perception of impropriety or unethical behavior
- Refrain from social media activities that are profane, untruthful, or unnecessarily argumentative
- Refrain from posting or reposting (forwarding) information on social media before facts are verified or an issue has been researched
- Keep it G rated, if there is any question, the answer is probably NO

ETHICAL RESPONSIBILITIES AND CONFLICT OF INTEREST

Representatives of the Town of Little Elm have a strong ethical responsibility. The Mayor and Council shall be aware of Little Elm's Ethics Ordinance and ensure that they maintain compliance. Officials should also refrain from activities that may be perceived as unethical in nature.

All members of the Town Council, Boards, Commissions, and Corporations shall be familiar with the requirements of the Town's Ethics Ordinance. The Code of Ethics is located on the Town's webpage (Little Elm Code of Ordinances, Article VI. Code of Ethics), or a copy can be requested through the Town Manager's Office.

Below are some ethical dilemmas to avoid:

- Using the position as an elected official to secure special privileges or exemptions for himself, herself, or others
- Directly or indirectly, giving or receiving any compensation, gift, gratuity, or reward from any sources, except the employing city for ~~city, for~~ a matter related to the official's services
- Accepting employment or engaging in business that the employer might reasonably expect would require the elected official to disclose confidential information acquired due to his or her position as an elected official
- Disclosing confidential information gained due to position as an elected official, or use of such information for personal gain

AGENDA RULES AND MEETING PROTOCOL

The Town Council Agenda is the official working guide from which the Council conducts its regular and special meetings. The Agenda, which is prepared by the Town staff and in consultation with the Mayor

includes items that require Council action and that deal with policy issues that require Council review and discussion.

Items are usually placed on the agenda at the request of the Town staff. Council Members can work with the Town Manager to have an item placed on the agenda. Below are general guidelines & protocols for meetings and inquiries:

AGENDA ITEM INQUIRIES

Contact:	• Town Manager's Office
Best Method of Communication:	• Email and/or Phone
Basic Guidelines/Considerations:	• Questions regarding specific agenda items should be provided to the Town Manager prior to the meeting so that appropriate time is provided for any research • The Town Manager may consult with the Town Attorney or other Town staff and will provide feedback as quickly as possible

REQUEST FOR A NEW AGENDA ITEM

Contact:	• Town Manager's Office
Best Method of Communication:	• Email and/or Phone
Basic Guidelines/Considerations:	• Contact the Town Manager or present the request at a Council workshop • The Town Manager may consult with the Mayor regarding the request • Requests for agenda items shall occur no later than noon on the Wednesday preceding the Council meeting.

OPEN MEETINGS ACT

Basic Guidelines/Considerations:	• The Open Meetings Act generally applies when a quorum of a governmental body is present and discusses public business • By State Law, the Town Council Agenda must be posted 72 hours in advance of the meeting • A governmental body must post notice of an open meeting when it receives a briefing from staff unless a specific statutory exception allows an executive session • The Town Manager will consult with the Town Attorney if direction is needed

Training:	• Elected and appointed public officials are required by State Law to receive training in Texas open government laws. Online training can be obtained by visiting the Texas Attorney General's Website: https://www.texasattorneygeneral.gov/faq/og-open-government-training-information
Reference:	• Texas Government Code § 551.001 (4)(A)

PARLIAMENTARY AUTHORITY

Basic Guidelines/Considerations:	• Roberts Rules of Order shall be consulted regarding parliamentary procedure • Town Secretary, Town Attorney, and Town Manager can be consulted for questions regarding parliamentary procedure
Reference:	• Roberts Rules of Order Newly Revised, Latest Edition

GENERAL COUNCIL MEMBER COMMUNICATION PROTOCOL

The following protocols can help guide elected officials regarding communications with constituents and staff. In some cases, some basic considerations will help guide the Council Member on the best course of action. The information in the following section is general in nature. If there are any questions or if clarification is needed please consult the Town Manager for additional information.

BASIC INFORMATION REQUEST (Information Easily Accessible)

Contact:	• Town Manager's Office
Best Method of Communication:	• Email and/or Phone
Basic Guidelines/Considerations:	• Give clear and concise expectations • Provide an outline for the information desired • Provide a timeline for the request

INFORMATION REQUEST REQUIRING RESEARCH

Contact:	• Town Manager's Office
Best Method of Communication:	• Email and/or Phone
Basic Guidelines/Considerations:	• Same steps as the "Basic Information Request" • Future Council Agenda Item for direction/action for Town Manager

COUNCIL POLICY INITIATIVE

Contact:	• Town Manager's Office • Mayor

Best Method of Communication:	• Email and/or Phone
Basic Guidelines/Considerations:	• Contact the Mayor and Town Manager's Office concerning the policy initiative for consideration • Provide as much detail as possible

PROCLAMATION REQUEST

Contact:	• Town Manager's Office
Process:	• Submit online form at least one month in advance of the date the proclamation is needed. Mayor has final approval.

COUNCIL COMMENDATION

Contact:	• Town Manager's Office • Mayor
Best Method of Communication:	• Email
Basic Guidelines/Considerations:	• Contact the Mayor and Town Manager's Office concerning the recognition for consideration. • Provide as much detail as possible.

COMMUNICATION: COUNCIL AND ADMINISTRATIVE STAFF

Communication from Administration:	• Communication from Town staff and administration goes to Mayor and all Council Members through the Town Manager's Office
Communication to Administration:	• Communications from Mayor & Council to staff administration goes through the Town Manager and not directly to members of the staff

STAFF CONTACT

Employee Initiated:	• Send communication to Town Manager • Refer to section regarding communications with staff
Council Initiated:	• Beware of legal violation (State Law)

COMMUNICATION: EMAIL

General:	• If responding, do not copy other Council Members • If directed to the Mayor & Council, the Mayor will respond “On behalf of: Mayor & Council” • Each individual has a choice: -Whether to respond or not -Method of the response
Consideration:	• Written communication, including emails, can be requested via the Texas Open Records Act • Any deliberation or discussion should take place in a compliant meeting and not through email communication
Reference:	• Texas Government Code § 552

BOARDS, COMMMISSIONS, AND COMMITTEES

Little Elm Governance Policy
Adopted 11/07/2023

STAFF AND COUNCIL RELATIONS WITH ADVISORY BOARDS, COMMISSIONS, AND COMMITTEES

Staff support and assistance may be provided to advisory boards, commissions, and committees. Advisory bodies, however, do not have supervisory authority over Town employees. While Staff may work closely with advisory bodies, Staff members remain responsible to their immediate supervisors and, ultimately, the Town Manager. The members of the commissions, boards, or committees are responsible for the functions of the advisory body. The chairperson is responsible for committee compliance with the municipal code and/or bylaws. Staff members are to assist the advisory boards to ensure appropriate compliance with the Charter, ordinances, state and local laws, and regulations.

Staff support includes: preparation of an agenda; preparation of reports providing a brief background of the issues, a list of alternatives, recommendations, and appropriate backup materials, if necessary; and preparation and maintenance of permanent minutes of advisory body meetings. Advisory body members should have sufficient information to reach decisions based upon a clear explanation of the issues. It is important to note that Town Staff seeks to not influence boards, commissions, and committees in their decision making process. Staff should provide information on options considered along with a summary of pros and cons of each option. Staff should provide any prior direction by Town Council on a particular issue to any board, commission, or committee considering the issue.

The role of the Town's boards, commissions, and committees is to perform the specific functions established in state statutes, Town ordinances, resolutions, or minute orders as applicable and to advise the Town Council about the topics assigned.

If a Council Member attends a meeting of a board, commission, or committee, the member shall not take part in the meeting nor address the board in any manner, whether by questions or statements. A Council Member shall not attempt to influence the decisions of boards, commissions, and committees, either directly or indirectly, nor express an opinion to a board, commission, or committee about its actions unless at a Town Council meeting. This policy provision does not apply to a Council Member who is participating as a duly appointed member of a board, commission, or committee.

All instructions to board, commissions, and committees by the Town Council shall be in writing or made on the record at a Town Council meeting.

CURRENT BOARDS AND COMMISSIONS

The Planning & Zoning Commission is the primary advisory board to the Town Council on development issues. These land use matters include rezoning requests, ordinance revisions, approving plats, comprehensive planning, tree preservation, and other issues regarding new growth and existing development in the Town and extraterritorial jurisdiction (ETJ).

The Board of Adjustment (BOA) consists of five members and is a quasi-judicial board. It is not a legislative body; thus, it has no authority to amend ordinances, create new laws, nor grant use variances. The board conducts hearings and makes determinations on requests for variances from and special exceptions to the Town of Little Elm Zoning Ordinance, as specified in the ordinance. Historically, the board has made rulings on substandard buildings and amortization cases, although recent state law changes may require revisions to procedure and venue. The board also has the authority to hear and decide appeals where it is alleged that there is an error in an order, requirement, decision, or determination made by any administrative official of the town in the enforcement of the Zoning Ordinance.

The Little Elm Animal Shelter Advisory Committee make recommendations to animal services regarding policies and procedures of the animal shelter operations, making recommendations to town council on

revisions to chapter 18 (Animals) of the Little Elm Code of Ordinances, making recommendations to town council on revisions to applicable fees, and general discussion of animal related issues within the town.

TYPE A/ TYPE B CORPORATIONS

Type A/ Type B Corporations exist in the Town of Little Elm to further growth and development in the community. The board members of the corporations are appointed by Town Council and, while they serve in an autonomous fashion, are expected to uphold the goals and objectivities identified by the Council and the adopted Strategic Plan.

If either corporation utilizes Town staff for administrative purposes, Staff members remain responsible to their immediate supervisors and, ultimately, the Town Manager. If either corporation hires its own staff, those staff members are responsible to the board of directors.

The Little Elm Economic Development Corporation (EDC, 4A) is charged with attracting new commercial business, new tourism opportunities and new jobs to Little Elm.

The Little Elm Community Development Corporation (CDC, 4B) is tasked with the promotion and development of new or expanded business enterprises, parks, and other community projects.

COUNCIL APPOINTED COMMITTEES

From time to time, Council will appoint advisory committees and/or task forces on specific topics to offer ~~citizen~~residents an extraordinary opportunity to participate in the Town's governmental affairs and influence public policy in many areas.

ROLES AND RESPONSIBILITIES

Board, Commission, and Committee Members shall:

- Focus on the Vision, Strategic Goals, and Long Term Objectives identified in the Council Strategic Plan
- Analyze community needs, program alternatives, and available resources and arrive at meetings well-informed and prepared
- Make timely and courageous decisions that are based on community goals and interest, and not based on personal or political ambitions
- Participate in meetings

Date:	06/18/2024
Agenda Item #:	3. 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:

Recognition of the **Friends of the Little Elm Library Scholarship Recipient.**

DESCRIPTION:

The Friends of the Little Elm Library have selected Kimberly Brown as their scholarship recipient for this year. Kimberly will be receiving a $4,000 scholarship and will be attending the University of Texas at Austin in the fall. The Friends of the Library and Council will recognize this individual.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	06/18/2024
Agenda Item #:	3. B.
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 a **Town Manager's Challenge Coin to John Doshier.**

DESCRIPTION:

A resident dropped his wallet while at the courtesy drop site and Public Works employee, John Doshier, not only took the time to find and contact him, but he also brought the wallet to the resident's house in the pouring rain after work. The resident notified the Town of their appreciation for John's kindness and Customer Service.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	06/18/2024
Agenda Item #:	3. C.
Department:	Administrative Services
Strategic Goal:	Ensure strong relationship within the community and region
Staff Contact:	Drew Bailey, Managing Director of Business Development and Tourism

AGENDA ITEM:

Present a **Mayor's Challenge Coin to Huffines.**

DESCRIPTION:

Mayor Cornelious will present a challenge coin to Huffines in recognition of their continued community partnership with the Town.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	06/18/2024
Agenda Item #:	3. D.
Department:	Community Services
Strategic Goal:	Ensure strong relationship within the community and region
Staff Contact:	Chad Hyde, Director of Community Services

AGENDA ITEM:

Present **The Journey of a Thousand Miles Trophy between Prosper and Little Elm.**

DESCRIPTION:

The Journey of a Thousand Miles was a competition during the Mayor's Fitness Challenge between Little Elm and Prosper. The challenge was agreed upon by Little Elm Mayor Curtis Cornelious and Prosper Mayor David Bristol, to see which Town could reach the most steps from their participants. Prosper Mayor David Bristol will present the trophy to Little Elm Mayor Curtis Cornelious for Little Elm winning the challenge. As a whole, Little Elm had 17.7 million steps. We took the top 17 participants from both towns with Little Elm having over 5.9 million steps and Prosper having over 4.7 million steps.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	06/18/2024
Agenda Item #:	3. E.
Department:	Community Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Drew Bailey, Managing Director of Business Development and Tourism

AGENDA ITEM:

Recognize the **Tourism & Business Development Team for Awards Received from the Texas Association of Municipal Information Officers.**

DESCRIPTION:

On June 6, 2024, the Town of Little Elm's Tourism & Business Development Division attended the Texas Association of Municipal Information Officers Awards Dinner in San Antonio. Out of 688 nominations, our Tourism Department won **FIRST** place in the Best One-Time Event category for our Harry Potter: A Forbidden Forest Experience event. Our Marketing and Events team won **THIRD** place in the Marketing Best Flyer/Poster category for the Mexican Independence Day Marketing Flyer. Additionally, our Marketing team won **SECOND** place in the Marketing Best Use of Photography category for our Little Elm parks series.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	06/18/2024
Agenda Item #:	3. F.
Department:	Community Services
Strategic Goal:	Maximize community recreation and leisure activities
Staff Contact:	Chad Hyde, Director of Community Services

AGENDA ITEM:

Recognize **The Lawn at the Lakefront for Receiving a Merit Award from the Texas Chapter of the American Society of Landscape Architects.**

DESCRIPTION:

The American Society of Landscape Architects (ASLA) is the professional association for landscape architects in the United States. Each year, the Texas Chapter calls for award submissions to identify and recognize outstanding examples of design works by Texas landscape architects and acknowledge their contributions to improving quality of life for Texas citizens. The awards are selected by ASLA member juries from other states and are presented at the state conference. Submitted in the *'Design Constructed'* Category by Dunaway Associates and reviewed by a jury in the State of Georgia, *The Lawn at the Lakefront* was honored with a Merit Award from the Texas Chapter of American Society of Landscape Architects in April 2024.

Dunaway worked with the Town to create this new landmark park in the heart of its Lakefront District. Throughout the design and construction process, Town staff & Town leaders encouraged the collaborative exchange of ideas and provided invaluable support to the consultant team. Modern design elements including a performance pavilion, grand lawn, colorful playground, and dynamic lighting on the iconic "Tin Man" water tower help express the life and vibrancy that visitors experience here in Little Elm. Practical accommodations for power supply and parking for food trucks enhance the park's versatility, encourage small businesses and can contribute to the local economy. Open only a few months, The Lawn is already a central hub for community gathering and serves as a landmark attraction for Town residents and visitors. Little Elm has wonderfully executed the challenge of bringing a design to life through active programming and creatively utilizing the spaces. The Dunaway team celebrates The Lawn's success and its recognition in our professional community!

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.

Date:	06/18/2024
Agenda Item #:	5. 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 June 4, 2024, Regular Town Council Meeting.**

DESCRIPTION:

The minutes from the June 4, 2024, 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 - June 4, 2024

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 JUNE 4, 2024 - 6:00 p.m.

Present: Mayor Curtis J. Cornelious; Mayor Pro Tem Jamell T. Johnson; Council Member Tony Singh; Council Member Andrew Evans; Council Member Michel Hambrick; Council Member Ken Eaken

Absent: Council Member Lisa G. Norman

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; Shea Rodgers, Chief Information Officer

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 the **Proposed Comprehensive Plan Update, Specifically with regard to Land Use Assumptions.**

Director of Development Services Fred Gibbs gave an overview of the purpose of the item. He introduced David Jones with Freese and Nichols to give the attached presentation.

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

A. Invocation.

The Mayor gave the invocation.

B. Pledge to Flags.

C. Items to be Withdrawn from Consent Agenda.

None.

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.

The Mayor excused the absence of Council Member Lisa G. Norman.

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 gave a recap of Brew & Que that saw approximately 14,000 people and expect it to be a profitable event. He also gave an update on the storm debris collection and flooding.

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 Recognizing June 2024 as Pride Month.**

The Mayor gave the proclamation.

B. Recognize the **Town Secretary's Office for Receiving the Texas Municipal Clerk Association Achievement of Excellence Award.**

The Mayor gave the recognition.

4. Public Comments

Persons may address the Town Council on any issue for up to three (3) minutes. 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 551.007, Texas Government Code.

None.

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 Michel Hambrick, seconded by Mayor Pro Tem Jamell T. Johnson ***to approve the consent agenda.***

Vote: 6 - 0 - Unanimously

A. Consider Action to Approve the **Minutes from the May 21, 2024, Regular Town Council Meeting.**

B. Consider Action to Approve the **Minutes from the May 28, 2024, Pre-Budget Workshop.**

C. Consider Action to Approve a **Professional Services Agreement with Freese and Nichols, Inc. for the Wastewater Treatment Plant Process, Operations Evaluation and System Modernization Project in an Amount not to Exceed $303,565.**

6. Regular Items.

A. Present, Discuss, and Consider Action to Accept **Fiscal Year 2023 Public Improvement District (PID) Audits for the following PIDs in the Town of Little Elm's jurisdiction**

- **Hillstone Pointe PID No. 2**
- **Lakeside Estates PID No. 2**
- **Valencia PID**
- **Valencia PID No. 2**
- **Rudman Tract PID**
- **Spiritas Ranch PID**
- **Spiritas East PID**

Motion by Council Member Michel Hambrick, seconded by Council Member Ken Eaken ***to accept the PID Audits.***

Vote: 6 - 0 - Unanimously

B. Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1761 Regarding a Request to Allow a 1,912-square Foot Commissary Kitchen, Generally Located 2410 E. Eldorado Parkway, Suite 400, on the Northeast Corner of E. Eldorado Parkway and Little Elm Parkway, within Little Elm's Town Limits, in Order to Allow for Preparation and Storage of Food Items That are Delivered to Customers by Mobile Food Vendors Located Away from the Commissary Location.**

- **Open Public Hearing:**
- **Receive Public Comments:**
- **Close Public Hearing:**
- **Take Action on Ordinance No. 1761:**

Managing Director of Planning Olga Chernomorets gave an overview of the item in the attached presentation.

- ***Open Public Hearing: 6:49 p.m.***
- ***Receive Public Comments: None***
- ***Close Public Hearing: 6:50 p.m.***

Motion by Council Member Ken Eaken, seconded by Council Member Tony Singh ***to approve Ordinance No. 1761.***

Vote: 6 - 0 - Unanimously

C. Present, Discuss, and Consider Action to **Appoint a Lakefront Residential Overlay District Design Review Committee Council Liaison Replacement.**

Motion by Council Member Tony Singh, seconded by Council Member Michel Hambrick ***to appoint Ken Eaken to the Lakefront Residential Overlay District Design Review Committee.***

Vote: 6 - 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 6:52 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.

Council reconvened into Open Session at 7:17 p.m. No action was taken.

9. Adjourn.

Meeting was adjourned at 7:18 p.m.

Respectfully,

Caitlan Biggs
Town Secretary

Passed and Approved this 18th day of June 2024.

Date:	06/18/2024
Agenda Item #:	5. 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 **Change Order #3 with Red River Construction for Rental of a Temporary Belt Press Trailer for use During the Wastewater Treatment Plant Dewatering & Clarifier Improvements Project in an amount not to exceed $84,650.06.**

DESCRIPTION:

Red River Construction was awarded Bid No. 2023-17 in September 2023 to replace the current wastewater treatment plant's dewatering belt press with new volute press technology. Since then, Red River has provided all submittals and mobilized to the site. They have also confirmed the final delivery date for the new volute press units at the wastewater treatment plant.

During the demolition of the old belt press unit and the installation of the new volute press units, the treatment plant must continue to operate and dewater the solids that are a normal part of the treatment process. To ensure this, a temporary dewatering trailer will be brought onsite.

The attached change order for this project includes the funds to deliver and operate the dewatering trailer for 120 days, the allotted time for the contractor to complete the demolition and installation. Staff will operate the temporary dewatering unit. Funding for this work was allocated during the initial phases of the project. Staff have reviewed both the contract and the insurance requirements for the temporary dewatering trailer. The dewatering trailer is expected to be onsite on July 1.

BUDGET IMPACT:

Funding for this project has been programed in the Utility Capital Improvement Program and funding will be coming from 2021 CO Bonds and Utility CIP reserves.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Contract
Change Order Form

Certificate of Coverage

TMLIRP Contract Number:	3959

Member:

Little Elm Town of
Ms. Deidre Hale
HR Director
100 W Eldorado Pkwy
Little Elm, Texas 75068-0129

Company Affording Coverage:

Texas Municipal League Intergovernmental Risk Pool (TMLIRP)
PO Box 149194
Austin, TX 78714-9194
(512) 491-2300 or (800) 537-6655
Fax: (512) 491-2404

Certificate Holder:

Aspen Rentals, Inc.
23603 N Hwy 288
Angleton, TX 77515

This is to certify that the coverages listed below have been provided to the member and are in effect at this time. Notwithstanding any requirements, terms, or conditions of any other contract or agreement with respect to which this certificate may be issued or may pertain, the coverage afforded by TMLIRP described herein is subject only to the terms, exclusions and additions of TMLIRP's coverage contracts between TMLIRP and its member(s). Coverage is continuous until canceled.

General Liability	Effective Date:	10/1/2023
	Anniversary Date:	10/1/2024
Limits of Liability (Each Occurrence):		$2,000,000
Sudden Events Involving Pollution (Each Occurrence):		$2,000,000
Annual Aggregate:		$4,000,000
Deductible per Occurrence:		$2,500
Law Enforcement Liability	Effective Date:	
	Anniversary Date:	
Limits of Liability (Each Occurrence):		
Annual Aggregate:		
Deductible per Occurrence:		
Errors and Omissions Liability	Effective Date:	
	Anniversary Date:	
Limits of Liability(Each Wrongful Act):		
Annual Aggregate:		
Deductible per Occurrence:		
Auto Liability	Effective Date:	
	Anniversary Date:	
Limits of Liability (Each Occurrence):		
Deductible per Occurrence:		
Auto Physical Damage	Effective Date:	
	Anniversary Date:	
Limits of Liability:		
Collision Deductible:		
Comprehensive Deductible:		

	Yes	No
Loss Payee:		

Real & Personal Property	Effective Date:	10/1/2023
	Anniversary Date:	10/1/2024
Limits of Coverage:		$190,713,794
Deductible per Occurrence:		$2,500
Mobile Equipment	Effective Date:	
	Anniversary Date:	
Limits of Coverage:		
Deductible per Occurrence:		
Boiler & Machinery - Broad Form	Effective Date:	
	Anniversary Date:	
Per Accident Limit:		
Deductible per Occurrence:		

	Yes	No
Mortgagee		X
Loss Payee	X	
Loan Number:		

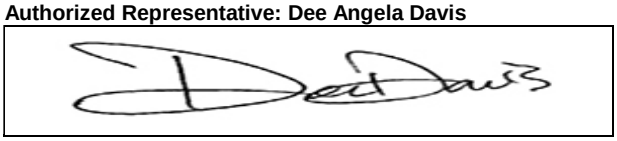
Year/Make/Model	VIN	Value
Loan Number:		

DESCRIPTION:

Evidence of Coverage for short-term rental for KOM1001 - 2.2M Komline

Cancellation: Should any of the above described coverages be canceled before the anniversary date thereof, TMLIRP will endeavor to mail 30 days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon TMLIRP.

Authorized Representative: Dee Angela Davis



Date Issued:

5/24/2024

Certificate of Coverage

TMLIRP Contract Number:	3959

Member:

Little Elm Town of
Ms. Deidre Hale
HR Director
100 W Eldorado Pkwy
Little Elm, Texas 75068-0129

Company Affording Coverage:

Texas Municipal League Intergovernmental Risk Pool (TMLIRP)
PO Box 149194
Austin, TX 78714-9194
(512) 491-2300 or (800) 537-6655
Fax: (512) 491-2404

Certificate Holder:

Aspen Rentals, Inc.
23603 N Hwy 288
Angleton, TX 77515

This is to certify that the coverages listed below have been provided to the member and are in effect at this time. Notwithstanding any requirements, terms, or conditions of any other contract or agreement with respect to which this certificate may be issued or may pertain, the coverage afforded by TMLIRP described herein is subject only to the terms, exclusions and additions of TMLIRP's coverage contracts between TMLIRP and its member(s). Coverage is continuous until canceled.

Workers' Compensation

Effective Date: 10/1/2023 Anniversary Date: 10/1/2024

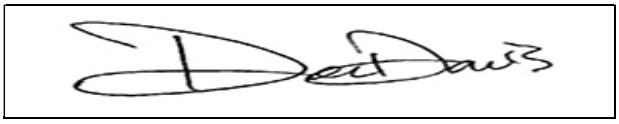
Limits of Liability: Statutory

DESCRIPTION:

Evidence of Coverage

Cancellation: Should any of the above described coverages be canceled before the anniversary date thereof, TMLIRP will endeavor to mail 30 days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon TMLIRP.

Authorized Representative: Dee Angela Davis



Date Issued:

5/24/2024

LOSS PAYABLE CLAUSE - REAL & PERSONAL PROPERTY

This endorsement forms a part of the Declarations to which attached, effective on the inception date of the coverage unless otherwise stated herein, and modifies such coverage as is afforded by the provisions of the coverage shown below:

COMPREHENSIVE PROPERTY COVERAGE

Entity Name : Little Elm Town of
Entity ID : 3959
Effective Date : 5/23/2024

Loss on the items shown below shall be payable to:

Name : Aspen Rentals, Inc.
:
Address : 23603 N Hwy 288
City, State & ZIP : Angleton, TX 77515

as mortgagee, loss payee or lienholder as their interest may appear at the time of loss.

Designation of Property

Location	Description
Little Elm. TX	KOM1001 - 2.2 M Komline

FREESE AND NICHOLS

PROPOSED CONTRACT MODIFICATION (02)

PROJECT:	WWTP Dewatering Improvements	**PROJECT NUMBER:**
OWNER:	Town of Little Elm	2023-17
CONTRACTOR:	Red River Construction Co., Inc.	367
ENGINEER:	Freese & Nichols, Inc.	LTE22844

DESCRIPTION: Belt Filter Press Rental Services **PCM No: 03**

NOTIFICATION TO CONTRACTOR:
The Owner proposes to make the additions, modifications or deletions to the Work described in the Contract Documents as shown in Attachment "A". We request that you take the following action within 10 calendar days:

- ☐ Notify us that you concur that this change does not require a change in Contract time or amount. A Field Order will be issued.
- ☒ Submit a Price/Credit Proposal with detailed cost breakdown of labor, materials, equipment and all other costs related to this change. Impacts on Contract Time shall be shown in a revised schedule, included with the submitted proposal. Submit a shop drawing of the proposed modification for Engineer's review.
- ☐ Proceed with the change. Payment will be made at the unit price bid.
- ☐ Proceed with the change under the time and materials provisions of the Contract.

Authorization to proceed with changes must be approved by the Owner through Change Order in accordance with the Contract Documents.

By: Erin Flanagan Date: 06/13/2024

CONTRACTOR'S RESPONSE:
We respond to your request as follows:

- ☐ We propose that this is a no cost or time change. Issue Field Order.
- ☒ We submit the attached Price/Credit Proposal with detailed cost breakdown and revised schedule for performing the described change.
- ☐ We are proceeding with the change at the unit price bid.
- ☐ We are proceeding with the change under the time and materials provisions of the Contract.

By: Rick Willis Date: 06/13/2024

ACTION TAKEN:

- ☐ Proposed Contract Modification rejected. See comments.
- ☐ Field Order will be issued.
- ☐ Change Order will be issued.

By: _____ Date: _____

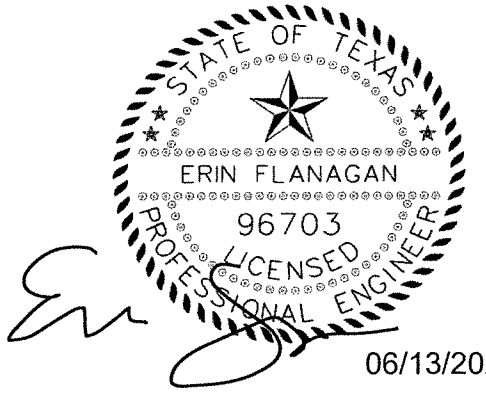
PROPOSED CONTRACT MODIFICATION
ATTACHMENT A

The Owner proposes to make the following additions, modifications or deletions to the work described in the Contract Documents. Authorization to proceed with these changes must be approved by Field Order or Change Order in accordance with the Contract Documents, prior to commencing the work involved.

A temporary 2.0-meter belt filter press will be used to dewater solids during the demolition and construction activities associated with improvements to the Town's Solids Dewatering Building. The temporary belt filter press shall be housed in a trailer with an air-conditioned control room. The temporary belt filter press and the associated sludge transfer pump(s) shall have electronic VFD controls. An automated emulsion polymer make down system shall be provided with the system.

An equipment rental agreement shall be coordinated by the Contractor with either Aspen Rentals or Renda Environmental for the temporary belt filter press. The duration for the rental is 150 days (or 5 months). This duration includes the 120 days (4 months) the rental shall be in operation to cover the construction schedule to complete the work. An additional 30 days (1 month) will be included for mobilization and demobilization of the temporary belt filter press.

Contractor to prepare a detailed cost proposal outlining the effort associated with coordination of the belt filter press equipment along with the rental agreement. Start-up and break-down assistance to be provided by the Town.



06/13/2024

FREESE AND NICHOLS, INC.
TEXAS REGISTERED
ENGINEERING FIRM
F-2144

By: Erin Flanagan Date: 06/13/2024

DESCRIPTION OF CONTRACTOR'S PRICE FOR PROPOSED MODIFICATION

PROJECT: **Wastewater Treatment Plant Dewatering Improvements**
OWNER: **Town of Little Elm, Texas**
CONTRACTOR: **RED RIVER CONSTRUCTION CO.**
ENGINEER: **Freese and Nichols, Inc.**
REFERENCE: **Belt Filter Press Rental Services**
Aspen Rental Agreement sent by City Dated 05/23/2024

PROJECT NUMBER
2023-17
367
LTE22844

Date: Jun. 13, 2024

The Contractor proposes to make the following additions, modifications, or deletions to the Work described in the Contract Documents:

As per the the City's request and RCP-003 - Belt Filter Press Rental Services, we have priced the rental, transportation, Aspen's Fees. The cost of this change will be as follows:

4 ea	Aspen KOM1001 Belt filter rental 1 month	15000.00	**$60,000.00**
2 ea	Transportation of unit	3000.00	**$6,000.00**
3 ea	Aspen Technician	1400.00	**$4,200.00**
1 ea	Aspen cleaning fee	2500.00	**$2,500.00**
		SUBTOTAL:	**$72,700.00**
		Contractor's Profit	**$10,905.00**
		Bond	**$1,045.06**
		TOTAL:	**$84,650.06**

Note: Setup, operation and maintenance will be provided by The City. Any damages, Repairs, Additional Aspen Tech Fees or other costs will result in charges added to future Change Orders.

Prepared by: **Red River Construction Co.**

By: _____
Rick Willis, Project Manager

Aspen Rentals
DEWATERING EQUIPMENT RENTAL
REPAIR & MAINTENANCE SERVICES

Contract #: 24-0523-001
Date: 05/23/24

KOM1001 - RENTAL AGREEMENT

Section 1: PARTIES OF THIS AGREEMENT

This Equipment Rental Agreement is between Aspen Rentals, Inc., a Texas Corporation, located at 23603 N. Hwy. 288 in Angleton, Texas 77515 ("Lessor") and Town of Little Elm, TX ("Lessee").

Section 2: GENERAL RENTAL TERMS

This Agreement shall commence on the day the unit leaves the Aspen Rental facility in Angleton, Texas. This date is expected to be on or approximately 07/01/2024, ("the Commencement Date") and shall expire on or approximately 10/30/2024("the Expiration Date"). The LESSEE may verbally request a renewal or extension at least ten (10) days prior to the Expiration Date of this contract. Once the terms of this agreement have been satisfied, the rental rates may be extended daily, weekly or long term on a prorated basis. Prorated rental rates are calculated by taking the monthly rate and dividing it by 30.

It is agreed and understood that the payment terms for this agreement are NET 30 days for rental equipment and labor (labor billed bi-weekly) and transport charges are NET 10.

Section 3: NOTICES AND CONTACTS

Any notice, payment, or document required or permitted to be delivered there under, except for the notice of payment required to pursuant to the terms hereof, shall be deemed to be delivered whether actually received or not when deposited in the United States Mail, postage prepaid, Certified Mail, addressed to the parties hereto at:

LESSOR:

Mail
Aspen Rentals, Inc.
23603 N. Hwy. 288
Angleton, TX. 77515

Sales and Marketing Director
Mark Varner
sales@aspen-rentals.com
(979) 341-3923 – Mobile

Transportation and Logistics
Crystal Cisneros
ccisneros@aspen-rentals.com
(979) 215-0184 – Mobile

Operations Manager – for all aspects of a project once they are contracted.
Brandon Booth
brandonbooth@aspen-rentals.com
(979) 201-1329 – mobile

Billing Questions
Robi Booth – V.P.
robi@aspen-rentals.com
(979) 201-9515 – mobile

Robin Bryant Controller-AP/HR Director
rbryant@aspen-rentals.com
(979) 201-3748 - Mobile

LESSEE: (PLEASE FILL OUT INFORMATION BELOW)

Billing Address:	Shipping Address:

AP Contact:_____ Phone:_____
Email:_____

Section 4: RENTAL EQUIPMENT

It is agreed and understood that the payment terms for this agreement are NET 30 days for rental equipment and labor (labor billed bi-weekly) and transport charges are NET 10.

- Rental rates are for 30-day periods of usage unless otherwise stated. Rent payments are due NET 30 From the date of invoice.
- Technicians will be billed bi-weekly for the previous week. Payments shall be made NET30. Minimum Daily Rate of $1,400
- Each additional hour over 12 hours is billed at $135.00 PER HOUR.
- If the belts are damaged or contaminated to the extent that they can no longer be used, Lessee shall immediately pay Lessor $5,800.00 per set of belts.

- If applicable: Emergency Belt Sets are $5,800 each. If belts are not used, they can be returned to Aspen Rentals for a refund, less a 20% restocking fee.
- Specialty belts will be charged on a case by case basis.
- A cleaning fee up to $2,500 per press can be charged in the event that Aspen has to clean the equipment after rental.

****** Please see following tables for agreed upon equipment requested and pricing that was agreed upon***

Aspen Rentals

"Equipment Rates"

***** Prices are per month, per unit** ** Rental Prices are billed Portal to Portal***

Pricing for Rental Unit For 12 hour/Day	Units	Select	Market Price per unit
Belt Press(es)	1	☒	$15,000
Centrifuge(s)	0	☐	$14,500
GBT(s)	0	☐	$12,000
Optional Ancillary Equipment	**Units**	**Select**	**Price**
4" Skid Mounted Filtrate Pump w/VFD	0	☐	$2,560
4" Positive Displacement Pump	0	☐	$3,870
6" Skid Mounted Filtrate Pump w/VFD	0	☐	$2,900
Submersible Electric Pump	0	☐	$2,560
40' Belt Conveyor w/Stand and Electrical Controls	0	☐	$3,175
Automated Emulsion Polymer Make Down System	0	☐	$2,070
Polymer Tank and Mixer Make Down System	0	☐	$2,070
15 GPM Polymer Dosing Pump w/VFD and Stand	0	☐	$1,800
50 GPM Polymer Dosing Pump w/VFD and Stand	0	☐	$2,070
In Line Grinder w/VFD Skid	0	☐	$3,175
4" Camlock, 25'Hose (4 hoses come w/each rental)	0	☐	$120
2" Camlock, 25'Hose (2 hoses come w/each rental)	0	☐	$95
¾" Camlock, 25'Hose	0	☐	$60
Total Monthly Charges			

"Technician Rates"

Technicians	
Daily Rate – 12 hours	$1,400/man/day
Holiday Rate – 12 hours	Double time
Additional hours over 12	$135/hr
Shop Rate	$91.66/hr
Prevailing wages	To be determined by location
Standby Rate	To be determined by job
Technicians swap out rate	$2,500 (One Time Charge per Event)
	** Technician times are billed Portal to Portal

"Transportation Rates"

Mobilization/Demobilization Rate	
Mobilization to jobsite	Based on rate +20% at time of move
Demobilization from jobsite	Based on rate +20% at time of move

****Lessee has option to waive Aspen Rentals transport and schedule transportation at their own cost*

Aspen Rentals to arrange transportation ☒ ***Lessee will arrange transportation*** ☐

ACCEPTED BY:

Printed Name and Title:

_____

Signature_____ Date: _____

***** Purchase Order shall be issued by lessee for each job based on these accepted rates.***

P.O. # assigned _____



KOM1001 – 2.2 M Komline

- Standard Gravity Zone
- Large, air-conditioned control room
- Pumps and press have electronic VFD controls
- Automated emulsion Polymer make down system
- BP-6100 Trailer: Year-1987, Make/Model-Aztec/UT
- 11′ 11″ Wide x 48′ Long
- Weight: 48,000 lbs.
- VIN#-1AZBR4E15H1018026
- License Plate-X62620
- Note: Belts will be in good condition.
- Aspen will provide a minimum of 50’ of SO cord.
- Aspen will provide (4) 4” Hoses, 25’ Long Each (100’ Total) for sludge feed.
- Aspen will provide (2) 2” Hoses, 25’ Long Each (50’ Total) for water.

Section 5: EXECUTION OF CONTRACT AGREEMENT

By signing this contract, I acknowledge that I have read and agree to the terms and conditions of the contract including the sections after the signature page (Standard Terms through the Entire Agreement section on the last page).

Lessee:

Please Sign:

Please Print:

Title:

Date: / /2024

Lessor: Aspen Rentals, Inc.

Please Sign:

Please Print: Mark Varner

Title: Director of Sales & Marketing

Date: / /2024

Please submit the following items with the executed contract:

- Proof of Insurance
- Tax Certificate (if applicable)

STANDARD TERMS

1. This Agreement shall commence on the day the unit leaves the Aspen Rental facility in Angleton; Texas subject to Lessor's approval. ("the Commencement Date") and shall expire on the date of return of equipment to Angleton, Texas. ("Expiration Date"). The LESSEE may verbally request a renewal or extension at least ten (10) days prior to the Expiration Date of this contract. Once the terms of this agreement have been satisfied, the rental rates may be extended daily or weekly on a prorated basis. Prorated rental rates are calculated by taking the monthly rate and dividing it by 30.

2. In the event of a renewal or extension of this Agreement, LESSEE agrees to pay the sums specified by Lessor and to abide by the same terms and conditions specified in this Agreement, and hereby acknowledges, confirms, and ratifies that all terms and conditions of this Agreement shall remain in full force and effect.

DELIVERY AND INSTALLATION

Upon the Commencement Date (as defined above), Lessee, at Lessee's sole cost and expense, shall transport the Equipment to the project site. Before the last day of the rental term or the last day of any extension of this lease, Lessee, at its sole cost and expense, shall deliver the Equipment back to Lessor's facility in Angleton, Texas.

RENTAL RATES, LATE CHARGES, AND COSTS

1. Lessee agrees to pay the Lessor rent for the unit and all ancillary Equipment selected in this agreement herein referred to as "Equipment." Rental shall commence when unit leaves Aspen's facilities and shall expire when unit or units are returned back to Aspen's facilities and passes all inspections (inspections done immediately upon return). The Second month's rent will be billed when the unit is shipped. First month's rent and mobilization are required prior to shipment.

2. All payments from Lessee shall be made to Lessor by certified funds or electronic payment. (Preferred method of payment is ACH)

3. Late Charges and Fees
    a. The execution of this agreement (1) authorizes Lessor to charge interest on outstanding balances past payment terms at an annual percentage rate of 18% or to the extent permitted. by law, (2) authorizes the Lessee's banks and trade references to release any requested information to Lessor for use in the evaluation of this request for credit extension, and (3) acknowledges that Customer has read Lessor terms and conditions and agrees to be bound by their terms.
    b. It is agreed that monies owed to Lessor past due, as per the invoice date, must be paid prior to the pickup of the press for return,
    c. Rental charges continue to accrue if there are damage charges in excess of the deposited funds, until past due monies are paid.
    d. **It is further understood and agreed that Lessor has full rights to legally access the project sites to which their Equipment is being utilized to safely shut down all use of Lessor's Equipment for unsafe operations and late or non-payments by Lessee.**

4. Lessee further agrees that any Technician whom Lessee intends to operate the Equipment shall be fully trained in the operation of the Equipment and has been thoroughly trained in the safe operation of the unit.

5. **If Lessee contends that it is not obligated to pay sales tax on this transaction, Lessee must attach a copy of a sales tax exemption certificate from Lessee of Lessee's contracted client.** If none is attached, Lessee will be responsible for all State and Local Sales Tax associated with this Agreement.

6. Please see Section 4 to review Equipment and make appropriate selections. The selected equipment is the equipment Lessee will be receiving. All other equipment is optional, additional, ancillary equipment that can be provided upon selection and request.

7. Optional- Belt Press Technician

Aspen Rentals charges a minimum daily rate per technician, per shift. A shift is defined as a tech working 12 hours or less. A 24-hour day is considered 2 shifts.

- Aspen technicians are port hole to port hole. The daily rate charges begin to accrue once the Aspen technician departs from Aspen Rentals until the time the Aspen technician arrives back at Aspen Rentals facility.
- Technician fees are billed per technician, per shift, 7 days a week.
- Holiday pay will be double time per technician, per shift.
    - A holiday will be defined as all federal holidays.
- This rate includes all fees such as hours on-site, standby, truck, driving, hotel and per diem.
- This rate does NOT include airline travel when necessary.

- Flights are billed at cost plus 20%.
- Technicians are subject to availability.
- Aspen rentals technicians will provide their own basic safety equipment such as hard hats, steel toe shoes or boots, high visibility safety vest and safety glasses. Any additional safety equipment, courses, training, insurance, or certifications will be billed to lessee at cost plus 20%.

8. Optional- Transportation
   a. Mobilization transportation is quoted by utilizing Aspen Rentals transport services by third party at a rate of cost plus a 20% markup. Lessee may use any transporter with acceptable insurance if they choose to save an additional 20%. Lessee must give a 10-day advance notice for a demobilization date, or Lessee may have additional rental days due to transportation delays or holidays. Mobilization charges are billed NET 30. Demobilization charges are billed NET 30 from the day the Equipment arrives back at Lessor facilities. All transportation fees are valid for 14 days from the date on the contract.

      **If Lessee has opted to demobilize the press and "equipment" at their own expense, Lessee will be responsible for all incidentals including but not limited to, tires, permits, DOT violations, tickets, and demurrage time. Lessee will be responsible for any crane fees. (If needed).

TTILE TO "EQUIPMENT"

1. The equipment shall at all times be and remain the sole and exclusive property of Lessor, and Lessee shall have no rights, titles, or interests to the Equipment other than the right to use the Equipment under this Agreement and pursuant to the terms and conditions herein contained.
2. By signing this Agreement, Lessee agrees that Lessor has full rights, titles, and interests to the Equipment and waiving and releasing any lien rights or other interests in and to the Equipment.
3. Lessor and Lessee agree that Lessor has the requisite authority and right to rent the Equipment to Lessee on the terms and conditions specified herein.

REMOVAL, INSPECTION, AND RETURN

1. The Equipment shall not be removed from the place of its initial installation without the prior written consent of Lessor. Lessee shall, at all times, allow Lessor or its agents or representatives access to the project location and all rental Equipment to examine and inspect the Equipment.
2. Lessor may shut down the use of Equipment or can remove the Equipment from Lessee's premises if; after ten (10) days following notice of late payments, or after the contractual

"Expiration Date" or any extension thereof, or upon default of this contract, such Equipment that has not been returned to Lessor. In the event Lessor is forced to retrieve the Equipment, as well as any late charges and per diem rent accruing after the Expiration Date or any extension thereof. While the Equipment is in Lessee's possession, Lessee agrees to keep the Equipment in good condition and in a safe manner pending such removal.

3. Lessee shall be responsible for decontaminating the Equipment and shall deliver the Equipment to Lessor in a clean and acceptable condition to Lessor. It is understood and agreed that decontamination and cleaning are of extreme importance and must comply with US DOT and EPA rules and regulations regarding vehicle/trailer cleanliness and waste transport. Lessee shall give Lessor a written inventory of the condition of the Equipment before its removal.
4. Prior to returning the Equipment, Lessor shall have the right to inspect the Equipment for proper decontamination, cleaning, and damage. **If Equipment is damaged, other than routine wear is found, Lessee shall immediately be financially liable to Lessor for all parts and labor necessary to restore the Equipment to its pre-rent condition.** The listed price of the belts above is set for the term of this contract. There will be an adjustment to this price (in writing) if the specifications for the type of belt or material changes during the term of this contract. The existence and extent of damage and the necessity of repair and/or replacement of the Equipment and belts shall be at Lessor's sole discretion.

INDEMNITY AND LIMITATION OF LIABILITY

1. Lessee agrees to defend, hold harmless, and indemnify Lessor for any liability, claim, loss, damage, injury (including personal injury) or expense of any kind or nature caused directly or indirectly by Lessee's property and services at the project site, except to the extent caused by the negligence of Lessor.
2. Lessor agrees to defend, hold harmless, and indemnify Lessee for any personal liability, claim, loss, damage, personal injury, or expense of any kind or nature caused directly or indirectly by Lessor's property and services at the project site, except to the extent caused by the negligence of Lessor.
3. Notwithstanding the foregoing, under no circumstances shall either party be liable to the other party for any incidental, consequential, special, punitive, or other damages other than actual direct damages to Lessor's Equipment. Any protection against liability for losses or damages afforded any individual or entity by these terms shall apply whether the action in which recovery of damages is sought is based on contract, tort (including sole, concurrent, or other negligence and strict liability of any protected individual or entity), indemnity, statute, or otherwise except for damages to Lessor's Equipment. To the extent permitted by law, any statutory remedies which are inconsistent with these terms are waived.

4. To the extent that a skid mounted belt press or any other Equipment is maintained and operated on site on the trailer that the press or Equipment is delivered on, the Lessee will have the responsibility of ensuring that all OSHA and MSHA regulations are conformed with, pertaining to the safety requirements of all operators on the unit. This includes, but is not limited to, safety rails, enclosures, tie-offs, fall prevention and access points, electrical connections, etc.

OPERATION, MAINTENANCE, AND REPAIR

1. Lessee shall comply with and conform to all Municipal, State, and Federal laws, including without limitation all environmental laws, relating to maintenance, operation, and repair of the Equipment. Lessee shall maintain the Equipment in good condition and running order at all times during the term of this Agreement and any extensions thereof but shall not be responsible for normal wear and tear, save and except filter belts and damage caused by Lessee's operations, for which Lessee shall be responsible.
2. Routine maintenance of this unit is the sole responsibility of Lessee. Specifically, Lessee shall be responsible for washdowns, lubrication, and operational inspections.
    a. Following the first 72 hours of operational run time of units Lessee will fill out a Customer Belt Press Acceptance Checklist (Page 16 of this Rental Agreement) outlining any issues with the press. Aspen will then address those issues. This form will be returned to Sales@apen-rentals.com. If no form is sent within 72 hours of runtime it will be understood that there are no issues.
    b. Following the initial 72 hour run time period all maintenance and parts will be the responsibility of the Lessee.
3. If damage is caused by Lessee, Lessee will be responsible for repair costs. Examples of possible damage by Lessee would include electrical spike, overloading and stretching belts, not performing greasing of bearings as directed.
4. All additions, attachments, accessories, and repair parts at any time placed in or on the Equipment shall be purchased by Lessee from Lessor and shipped the next day to Lessee's location for immediate repair to facilitate limited downtime for repairs.
5. Lessee agrees and understands that the Equipment shall only be used on non-hazardous sludge. Lessee further acknowledges and confirms that Lessee is responsible for damage to the filters or rollers if damaged by overloading.

RISK OF LOSS AND INSURANCE

1. All risk or loss or damage of the Equipment shall be borne by Lessee from and including the arrival date of this Equipment on Lessee's property through and including the exiting Lessee's property.
2. In the event that the Lessee arranges, contracts and/or provides transportation for the listed Equipment, it will be the Lessee's responsibility to ensure that all suitable insurance, as

defined by attached rider specifications, is in place from the date the Equipment leaves Lessor's property to the time that it is returned to the Lessor's property at the end of the term of this contract.

3. At all times upon arrival of the Equipment at the project location, Lessee shall have and maintain insurance with respect to the Equipment against risks of casualty, for (including so-called extended coverage), theft, and all other insurable risks, in the amounts specified Exhibit "A" attached hereto and incorporated herein by reference. All such policies shall name the Lessor as an additional insured as respects liability arising for work or operations performed by or on behalf of Lessee (excluding Workers' Compensation/Employer's Liability coverage), but only to the extent losses are caused by: (1) operations performed by or on behalf of the named insured, and (2) Lessee's negligence or willful act or omission. Lessee shall deliver to Lessor a certificate of insurance, the policies themselves, or other evidence of insurance satisfactory to Lessor on or before the Commencement Date. Lessee covenants and warrants not permitting such insurance to lapse and, should such a lapse occur, to promptly notify Lessor and reinstate such insurance coverage.

DAMAGE, DESTRUCTION, OR THEFT

If Equipment is damaged by acts of God, vandalism, or theft while on the project site; Lessee will file insurance claim and Lessee agrees to continue to pay the amounts set forth in Section 6. In every such instance, Lessor will reimburse Lessee for the cost of repair to the extent Lessor recovers any insurance proceeds covering such damage. In the event the Equipment is destroyed, stolen, or damaged beyond repair, Lessee shall forthwith pay to Lessor the agreed upon replacement value for the Equipment less (a) the salvage value, if any, of the Equipment, and (b) any insurance proceeds received but Lessor. The parties hereto agree that the replacement value of the Equipment during the term of this Agreement and any extension or renewal period that is specified in Section 18, Article #2 of this contract.

ASSIGNMENT AND SUBRENT BY LESSEE

Lessee may not assign the Agreement or sub rent the Equipment without the prior written consent of Lessor. In the event Lessor consents to any such assignment or subletting, such assignment or subletting shall not relieve Lessee of its obligation under this Agreement unless otherwise agreed to by Lessor in writing.

ASSIGNMENT BY LESSOR; RIGHTS OF ASSIGNEE

The Lessor shall have the right to sell or assign this Rental Agreement, including its rights, title, and interest to the Equipment and the rent and other charges reserved herein, without notice to or

the consent of Lessee. In the event of any such assignment by the Lessor, the Lessee acknowledges that the assignee shall there upon acquire all of the rights and remedies possessed by or available to the Lessor. Upon receiving written notice of any such assignment, the Lessee shall thereafter make rental payments as therein directed.

EVENTS OF DEFAULT AND REMEDIES

1. The following events shall be deemed to be events of default by the Lessee under this Agreement:

    a) Lessee shall fail to pay any installment of the rent or any of the other amounts owing under Section 6 when due and payable, and such failure shall continue for a period of thirty (30) days.
    b) Lessee fails to comply with any other term, provision, or covenant of this Rent Agreement and does not cure such failure within thirty (30) days after receipt of written notice thereof by the Lessor.
    c) A change of control within Lessee occurs. For purposes hereof, the term "Change in Control" shall be deemed to occur if (1) there shall be any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Lessee, or (2) the directors or partners of any entity of the Lessee shall approve any plan or proposal for liquidation or dissolution of the Lessee, or (3) any person shall become the beneficial owner of 51% or more of the outstanding interests of any entity of the Lessee other than those persons who are, as of the date of this Agreement, beneficial owners of any entity of the Lessee.
    d) Lessee becomes insolvent or unable to meet its obligations as they mature, make a general assignment for the benefit of creditors, or consent to the appointment of a trustee or a receiver, or admit in writing its ability to pay its debts as they mature.
    e) The appointment of a trustee or receiver for the Lessee or for a substantial part of the properties of the Lessee without the consent of the Lessee.
    f) The commencement of bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings by or against the Lessee and, if instituted against it, the same being consented to by the Lessee or remaining undismissed for a period of ninety (90) days.
2. Under the occurrence of any event(s) of default, the Lessor shall have the right to declare the balance of the rental and other charges payable hereunder to be immediately due and payable and shall have the immediate right to retake and retain the Equipment. Lessor shall further have any and all other rights afforded to it by law or at equity. Lessee and each surety, endorser, and guarantor, if any, waive all demand for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

In the event a lawsuit is necessary to enforce and protect Lessor's rights and interest under his Agreement, Lessee agrees to pay Lessor's attorneys' fees and legal costs.

SUCCESSORS, HEIRS, AND ASSIGNS

The terms, provisions, covenants, and conditions contained in this Rent Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto and upon their respective heirs, representatives, successors, and permitted assigns except as otherwise expressly provided.

CHOICE OF LAW AND JURISDICTION

In the event of a dispute regarding the terms, provisions, construction, or enforcement of this Agreement, the parties agree that Texas law shall apply, and Lessee hereby submits itself to the sole jurisdiction of courts in Comal County, Texas, for purposes of resolving such a dispute.

ASPEN RENTALS INSURANCE REQUIREMENTS FOR LESSEE

1. **Comprehensive General Liability**
   a. With limits not less than:
      - Bodily injury
        - $1,000,000.00 any one occurrence
        - $1,000,000.00 aggregate
      - Property damage
        - $1,000,000.00 aggregate
   b. Including the following:
      - Contractual liability applying to the liability assumed by the Lessee under this contract.
      - Projects/Completed Operations Coverage
      - Lessee's Protective Liability, insuring work sub-let.
      - Personal Injury.
      - Lessor shall be included as an additional insured.

2. **Property Equipment Coverage for the unit and conveyor**
      - Coverage for the rental "Equipment" of $450,000.00 (per unit) for primary Equipment.
      - Coverage for the rental "Equipment" of $25,000.00 (per unit) for portable pumps.
      - Coverage for the rental "Equipment" of $25,000.00 (per unit) for polymer systems.
      - Coverage for the rental "Equipment" of $35,000.00 (per unit) for stacking conveyor.

3. **Workers' Compensation**
   a. Statutory requirement for State in which work is performed.

Employer's Liability with $100,000.00 limits.

ENTIRE AGREEMENT

This instrument contains the entire Agreement between the parties. This Agreement may not be amended, altered, or changed except by an instrument in writing signed by both parties hereto.

Per OPERATION, MAINTENANCE, AND REPAIR (Section 2a on Page 12) This document must be signed and returned to Sales@Aspen-rentals.com once the unit has been run for 72 hours once startup operation has begun.

Customer Belt Press Acceptance Checklist

This checklist is provided for our customers to inspect the belt press for all items that were shipped with the belt press. You will have 72 hours from delivery of belt press to your project site to inspect the press to determine that all items shipped were actually received. Failure to return this form within 72 hours will constitute acceptance on your behalf that all items that were shipped with the belt press, were received, and accounted for on delivery.

Customer: _____ Location: _____

Unit - _____ Employee:_____

Date: _____ Signature :_____

Checklist:

- ☐ 100' of 4" Hose #_____
- ☐ 50' of 2" Hose #_____
- ☐ Belts in good repair
- ☐ Sludge Pump operational
- ☐ Boost water Pump operational
- ☐ Paddles Tied (Remove them)
- ☐ Tire Pressure (All tires checked)
- ☐ Landing Gear operational
- ☐ Auger Assembly operational
- ☐ Auger extension received
- ☐ Polymer System operational
- ☐ Handrails # _____
- ☐ Catwalks operational.
- ☐ Belt Motor operational.
- ☐ Visibly Inspected Tires & Hubs
- ☐ Control Panel operational

Any additional Equipment sent with Unit: _____

_____

_____

Comments:_____

_____

_____

Date:	06/18/2024
Agenda Item #:	5. C.
Department:	Administrative Services
Strategic Goal:	Ensure strong relationship within the community and region
Staff Contact:	Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:

Consider Action to Approve **Appointments to the Veterans Committee.**

DESCRIPTION:

The Veterans Committee has two board positions (unexpired terms) and one alternate position vacant. The Interview Committee is recommending the following appointments:

- Board Members
  - Alecia Smith, expiring September 2024
  - Jamie Garza, expiring September 2025
- Alternates
  - Holly Losiewicz, expiring September 2025

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Date:	06/18/2024
Agenda Item #:	5. D.
Department:	Development Services
Strategic Goal:	Maximize community recreation and leisure activities
Staff Contact:	Wesley Brandon, Town Engineer

AGENDA ITEM:

Consider Action to Approve a **Design Contract Amendment with Dunaway Associates for the Cottonwood Park Phase 1 Project.**

DESCRIPTION:

In November 2020, Town Council approved a professional services agreement with Dunaway Associates to provide design services for the Cottonwood Park Phase 1 project. The project is currently under construction and includes the following elements:

- Pavilion Structures
- Expanded Shoreline Activities (Playground, picnic areas, lawn games)
- Parking Areas
- Trails
- Restrooms

The design contract also included contract administration services, such as contractor submittal reviews, attending owner-contractor coordination meetings, and pay application reviews. The initial budget for these services included up to three (3) meetings and 85 man-hours. Staff anticipates exceeding this budget before the project is completed, due to weather-related delays and design revisions. Dunaway has provided a contract amendment to continue providing these services until the end of the project.

BUDGET IMPACT:

Funding for the project was allocated within the capital improvement program budget.

$	385,245	Original Design Contract Amount
$	49,750	Contract Amendment #1
$	**434,995**	**Proposed Contract Amount**

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Proposed Contract Amendment
Original Contract

AUTHORIZATION FOR CONTRACT AMENDMENT

Date:	June 4, 2024	**Amendment No.:**	1	**Dunaway Project No.:**	B003079.005
Project Name:	Cottonwood Park Phase I Improvements - Bid Phase & Construction Phase Services				
Attn:	Wesley Brandon, PE				
Client:	Town of Little Elm				
Address:	100 W. Eldorado Parkway, Little Elm, Texas 75068				

Services covered by this authorization shall be performed in accordance with the Dunaway "Standard Terms & Conditions," under the original Agreement dated September 14, 2022.

ORIGINAL CONTRACT AMOUNT:	$385,425 ~~$15,000~~	Lump Sum Services	
CONTRACT AMENDMENT #1 AMOUNT:	$49,750 ~~$34,750~~	Lump Sum Services	
TOTAL REVISED CONTRACT AMOUNT:	$434,995 ~~$49,750~~	Lump Sum Services	

Client hereby requests and authorizes Dunaway Associates, LLC (Dunaway) to perform the following additional services:

DETAILED SCOPE OF WORK

1. Construction Phase Services

   Dunaway will continue to process submittals and review shop drawing as submitted by the CMAR during the construction process. This task also includes site visits during construction for a cursory review of progress and alignment with documents, and a final punch walk. Customary in-house expenses incurred by Dunaway related to performing this Scope of Services are included in the lump sum fee above (e.g., in-house copies, mileage, tolls, computer plotting, photography, meals, courier/delivers, repro services, standard printing, binding, dry mounting, etc.).

If the proposed scope of this amendment meets with your approval, please sign below and return one copy to our office as our notice to proceed.

Respectfully submitted,

DUNAWAY ASSOCIATES, LLC,
a Texas limited liability company

Elizabeth McIlrath Jarrell, ASLA
P+LA Executive I Principal

Agreed & Accepted

TOWN OF LITTLE ELM

By: _____

Name: _____

Title: _____

Date: _____

Attachments

AAL/emj

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LITTLE ELM

Town Council Agenda-Consent November 17, 2020

PROJECT

Staff requests authorization to approve Task Order with Dunaway Associates, LP (Engineering Services Contract) for Cottonwood Park Phase 1.

BACKGROUND

The Town selected Dunaway Associates, LP as part of a Request for Qualifications (RFQ) for landscape architecture design services. The Town has a current Master Service Agreement to Furnish Consulting Services with Dunaway Associates, LP. This Task Order proposes to hire them to design improvements related to Phase 1 of Cottonwood Park, located at the end of Lobo Lane near Cottonwood Marina.

In general, the program for Phase 1 of Cottonwood Park includes the following elements:

- Pavilion Structures
- Expanded Shoreline Activities (Playground, picnic areas, lawn games)
- Parking Areas
- Trails
- Restroom

The design is based on an overall construction budget for these elements of approximately $4,000,000.

BUDGET IMPACT

Proposed Contract Amount	$385,245
Contingency	$14,755
Total Funding Request	**$400,000**

Funding for this project is available from the Community Development Corporation (CDC) professional services budget.

RECOMMENDED ACTION

Staff recommends approving the proposed Task Order for the design of Cottonwood Park Phase 1 improvements between the Town of Little Elm and Dunaway Associates, LP in the amount of $400,000 and authorize the Town Manager to execute a contract for same.

ATTACHMENTS

- Proposed Task Order
- Project Exhibit

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EXHIBIT A - WORK ORDER

MASTER AGREEMENT FOR PROFESSIONAL SERVICES ("MAPS") No.: 2016-1060
Work Order No. _____

Pursuant to and subject to the above-referenced MAPS, dated 2/10/2017 between the Town of Little Elm, Texas ("Owner"), and Dunaway Associates, L.P. ("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:

OWNER PROVIDED INFORMATION:

Work Site: Cottonwood Park

Work to Be Performed: Phase 1 Engineering Services

Drawings, plans, specifications (are) (are not) attached: _____

Date and Time to Commence: 11/18/2020

Date and Time to Complete: TBD

Equipment, vehicles, tools, materials, supplies to be furnished or obtained through third parties by Owner (if any): None

Invoice Mailing Instructions: _____

Other Requirements or Variance from MSA (if any): _____

CONSULTANT PROVIDED INFORMATION:

Compensation: Consultant will provide Professional Services as outlined in the scope of work herein. Work will be billed by the Consultant monthly according to an estimated percentage of work complete towards a lump sum fee as described below.

Basis of Compensation

Dunaway Associates, L.P. proposes to provide services described in the scope of work for a Lump Sum fee of $ 385,245.00 (Three Hundred Eighty-Five Thousand Two Hundred Forty-Five and 00/100 Dollars) as follows:

Basic Design Services	
B. Data Gathering & Program Confirmation	$ 11,400
C. Preliminary Design	$ 26,600
D. Design Development	$ 114,000
E. Final Construction Documents	$ 190,000
Subtotal Basic Design Services	**$ 342,000**

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Specialty Services

A.	Topographic Survey	$ 26,630
F.	Waters of the US & Flowage Easement Coordination	$ 16,615

Subtotal Specialty Services.....$ 53,245

TOTAL FEE (Lump Sum, Items A thru F)…….....$ 385,245

* Customary in-house expenses incurred by Dunaway related to performing this Scope of Services are included in the lump sum fee listed above (e.g., in-house copies, mileage, tolls, computer plotting, photography, meals, etc.). TDLR Plan Review and Post-Construction Inspection Fees are also included in the lump sum. Special request expenses for out-of-house services are not included in the lump sum fee listed above and will be billed as a reimbursable expense. These may include, but are not limited to: couriers/deliveries, repro services, multiple print copies, binding, dry mounting, etc.

Scope of Services:

I. PROJECT UNDERSTANDING

Dunaway Associates, L.P. **("Dunaway")** will perform professional design services for the Town of Little Elm **("Town")** for renovations and improvements at Cottonwood Park Phase 1 on Lobo Lane in Little Elm, Texas. Dunaway's scope of services includes professional landscape architectural, survey, engineering, and environmental services. Dunaway will provide a topographic survey, preliminary design, design development drawings, and final construction documents in accordance with Town standards to be used for the purpose of bidding and construction.

These park improvements will be based upon a conference call with Town staff on August 26, 2020, and on the Cottonwood Park Final Master Plan dated May 9, 2019. Per this call and Master Plan, key program items for the bid package are listed below. The Town has identified a construction budget of approximately $4,000,000. The program for these improvements are based on the Final Budget Projections by Dunaway, dated August 20, 2019.

Key Program Items:

- Site Preparation & Mobilization
- Earthwork
- Site Utilities
- Boardwalk Overlook (partial)
- Concrete Trail (10')
- Concrete Trail (6')
- Day Use Pavilions
- Lawn Games
- Playground
- Restroom Building

(continued next page)

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- Boat Trailer Parking & Entry Drives
- Concrete Vehicular Parking
- Drive connection from public parking to Ballfield Parking
- Signature Pavilions
- Playground Pavilion
- Entry Monuments
- Site Lighting
- Site Furnishings
- Landscape & Irrigation

II. SCOPE OF SERVICES

A. TOPOGRAPHIC SURVEY

1. Dunaway will perform a topographic survey for the site, including all man-made structures and above ground site features/utilities as outlined in Exhibit A. *Note:* Where proposed trails are routed through heavily wooded areas, the centerline of trail will first be located in the field by Dunaway and Town staff; then a corridor of approximately 40 feet in width (20 feet both sides of centerline) will be surveyed.

   It is assumed the Project Area will not exceed **30 acres.** If client requests topographic survey greater than this project area, Dunaway can provide the additional topographic survey at an additional fee. As owner of the property, the Town hereby authorizes Dunaway to enter upon the property for the purposes of conducting Dunaway's work thereon. If Client is not the owner of the property, Client is to obtain such authorization from owner and provide same in writing to Dunaway at the same instance that Dunaway receives the written notice to proceed.

2. Dunaway will prepare a contour map at 1' intervals for use as the existing site conditions. This map will also include spot elevations for items listed in A.1. The vertical datum on which the elevations are based will be Town of Little Elm.

3. In areas where it is determined trees are to be removed (e.g., Marina Boat Trailer Storage Area, trails through heavily wooded areas, etc.), Dunaway will provide a detailed tree survey. Trees with a DBH (diameter at breast height) of 6 inches and greater will be tagged and numbered for future reference. The survey will depict the location, diameter and species (if it can be determined) of the qualifying trees.

4. Dunaway will establish a minimum of three (3) on-site temporary benchmarks for use in producing construction drawings.

   Task A Deliverables:
   - Topographic Survey Exhibit (in PDF Format)

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Exhibit A. Limits of Topographic Survey

B. DATA GATHERING & PROGRAM CONFIRMATION

1. The Town will provide Dunaway any available additional information for the current on-site and off-site conditions including, but not limited to the following: GIS files; as-built drawings; easements; boundary surveys; property lines; building locations and layouts; roadways and parking; utility locations; trees and vegetation; and any existing park improvements.

2. Based upon the information provided by the Town, Dunaway will prepare an existing conditions base map for use in the planning process.

3. Dunaway will attend one (1) kick-off meeting with Town representatives to discuss and confirm the project schedule, project goals, and confirm program items to be included in phase 1 park development.

4. On the same day as the kick-off meeting, Dunaway will perform (1) detailed site review with Town representatives to review development areas and observe current conditions.

Task B Deliverables:

- Kick-off Meeting Notes in PDF Format
- Base map for Existing Site in PDF Format

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C. PRELIMINARY DESIGN

1. Based on the site review and new topographic survey information, Dunaway will prepare one (1) Preliminary Design Plan identifying proposed phase 1 improvements. The Plan will be based upon the Town-approved program items and the estimated construction budget; and, it will include images & exhibits as necessary to illustrate potential development of each program area.

2. Based upon the Preliminary Design Plan, Dunaway will prepare a Preliminary Cost Opinion for the proposed improvements.

3. Dunaway will attend one (1) meeting with Town staff to present and review the Preliminary Design Plan and Preliminary Cost Opinion. During this meeting, group consensus for development of program items will be agreed upon. If necessary, Dunaway will revise the Preliminary Design Plan and update the Preliminary Cost Opinion to include Town comments.

4. Dunaway will facilitate (1) Conference Call with Town Staff to confirm and approve the Final Preliminary Design Plan and Final Cost Opinion. If the Town increases the program and construction budget, Dunaway will review with the Town the required additional fees necessary to cover the increase in scope of work. Dunaway will not proceed into the Design Development phase until the final program and cost opinion have been approved in writing by the Town.

5. Utilizing the staff reviewed Final Preliminary Design Plan and Preliminary Cost Opinion, Dunaway will assist with one (1) presentation to Park Board or Town Council, if needed.

6. Based on the approved Schematic Design Layout Plan, Dunaway will provide to the Town and geotechnical engineer one (1) Geotechnical Boring Location Exhibit to include necessary boring locations for both bid packages. The Town is responsible for selecting and procuring geotechnical services for this project, and providing Dunaway with recommendations from the engineer for use in construction drawings.

Task C Deliverables:

- Preliminary Design Concept Plan in PDF Format
- Preliminary Design Cost Opinion in PDF Format
- Geotechnical Boring Location Exhibit in PDF & CAD Format

D. DESIGN DEVELOPMENT

1. Based upon Town approval of the Preliminary Design, Dunaway will prepare Design Development drawings for the proposed park improvements. The Design Development drawings will be prepared at an approximate 50% level of completion of Construction Documents.

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2. The Town will provide to Dunaway all front-end documents, contracts, insurance requirements, general conditions, etc. for use by Dunaway in preparing the specifications and contract documents.

3. Dunaway will prepare a preliminary Table of Contents for the specifications and contract documents.

4. Based upon the Design Development drawings, Dunaway will prepare a 50% completion Cost Opinion for the proposed improvements.

5. Dunaway will submit the Design Development drawings, Cost Opinion and Table of Contents for the specifications and contract documents to the Town for review and comment.

6. The Town will forward all review comments in writing to Dunaway for the Design Development drawings submittal. Dunaway will obtain these comments and approval from the Town prior to proceeding into Final Construction Documents.

Task D Deliverables:

- 50% Design Development Drawings
- Table of Contents for Specifications & Contract Documents Booklet
- 50% Design Development Cost Opinion

E. FINAL CONSTRUCTION DOCUMENTS

1. Based upon approval from the Town for the Design Development drawings submittal, Dunaway will prepare Final Construction Documents at an approximate 95% level of completion. The Construction Documents will be comprised of both the drawings and the specifications & contract documents.

2. Based upon the 95% Construction Documents, Dunaway will prepare a final cost opinion for all the proposed Park improvements.

3. Dunaway will submit the 95% Construction Documents and updated cost opinion to the Town for final review and comment. The Town will provide Dunaway final, written comments for all revisions requested to the Final Construction Documents.

4. If needed, Dunaway will submit 95% Construction Documents to Town Development Services for review and comment. This step may include attending (1) Pre-Development meeting with Town Development Services staff for review.

5. Based upon the final written comments received from the Town, Dunaway will prepare Final Construction Documents (signed and sealed) for the Town to utilize in bidding the project.

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6. Dunaway will submit the Final Construction Documents to the Texas Department of Licensing and Regulation (TDLR) for the State required accessibility review. Fees associated with Plan Review and Project Filing are included in this Scope of Services.

Task E Deliverables:

- 95% Construction Documents
- 95% Cost Opinion
- Final Construction Documents
- Submission of Construction Documents for TDLR Plan Review and Project Filing

F. WATERS OF THE U.S. & FLOWAGE EASMENT COORDINATION

1. Waters of the U.S. Determination

a) A Waters of the U.S. Determination will be conducted on the subject property to identify not only the current Waters of the U.S. but also classify them as to their existing function. This determination of their function and values is an important component of the permitting process for projects of this size and in determining future permitting strategies. This determination is necessary for the U.S. Army Corps of Engineers (USACE) to verify the adequacy of any delineations and any required mitigation.

Using available literature, the soil survey, and USGS topographic maps, we will provide a description of the functions and values and limits of the Waters of the U.S. for the subject property. As part of the functions/values determination, Dunaway will provide the Client with the appropriate wetland delineation forms, map of jurisdictional waters overlain on the site plan, and any evaluation of the waters of the U.S. within the proposed project site. The wetland forms will include the vegetation characteristics of the jurisdictional waters, soil profiles, and hydrologic information per the 1987 Corps of Engineers Wetland Delineation Manual and regional supplement.

Dunaway will use a Global Positioning System (GPS) to map jurisdictional waters of the U.S. Data collected in the field will be downloaded to existing ArcGIS files to overlay on the existing topographic maps for the project. Exhibits indicating all jurisdictional waters of the U.S. will be prepared for inclusion in the wetland survey report.

A Natural Resources Assessment Report will be prepared describing the limits and types of waters of the U.S. found within the project site. The report will contain descriptions of waters of the U.S., site maps with waters shown, USACE permitting options, a description of threatened and endangered species for the subject property and

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include a database records search for known cultural resources in the area.

Note: The above scope does not include any Section 404 permitting assistance. Depending on findings from the Waters of the US Determination, coordination with USACE regulatory could be required for a Section 404 permit. The above scope does include assistance with the design team to avoid any permitting scenarios. Additionally, an archaeological survey will be required if permitting is necessary. An archaeological survey is not included in the above scope.

2. Flowage Easement – Consent to Easement

   b) Dunaway will coordinate with the USACE (Lake Office and District Office) to obtain consent-to-easement for elements of the phase 1 area to be constructed on flowage easement lands within the park. Dunaway will follow the prescribed USACE format/content for the consent-to-easement request. The request will include text descriptions of items to be constructed in the flowage easement and will also include exhibits and conceptual plans.

III. ASSUMPTIONS

A. Should the number of program items or construction budget substantially increase or decrease; or, if the Town should require a significant number of alternate bid items to be included, Dunaway and Town staff will re-evaluate this scope of work and determine the basis of compensation in accordance with revisions to the design services.

B. It is anticipated that the proposed improvements identified in this scope of work will be prepared as one bid package. If additional bid packages are required by the Town, Dunaway will re-evaluate the scope of services to address additional fees not covered in this scope of work.

C. The Town will provide, as expeditiously as possible, all readily available base information that it currently has in its possession, necessary to complete the Scope of Services described herein. Should Dunaway need any additional survey information, the Town will provide this information to Dunaway. All information provided by the Town is assumed by Dunaway to be accurate and complete, unless indicated otherwise by the Town. Any information required to complete this Scope of Services that cannot be readily provided by the Town will remain the responsibility of the Town. All such information shall be provided to Dunaway and any costs associated with acquisition of information will be borne by the Town.

D. This Scope of Services does not include any coordination with or water agency permitting beyond the scope as described.

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E. Any services for environmental engineering such as an Environmental Assessment (E.A.) or Environmental Impact Statement (E.I.S.) are not included in this Scope of Services and would be considered additional services.

F. This Scope of Services does not include any services for traffic studies or transportation engineering/planning studies.

G. This Scope of Services does not include design or production of any marketing materials to be utilized by the Town for such items as press releases, web postings, brochures, flyers, posters, 3D animations, videos, etc.

H. The Town will pay for all required governmental processing fees, public notice advertising costs, and printing of bid documents/plans for bidding and construction.

I. This Scope of Services does not include any boundary survey or platting services.

J. This Scope of Services does not include any presentations to the public, community organizations or other group unless specifically noted in this scope of work.

K. This Scope of Services does not include any services for geotechnical engineering evaluations of soils testing. The Town will contract separately for geotechnical services as required for the project.

IV. PROJECT SCHEDULE

Periodic submittal of deliverables and completion of Final Construction Documents will be coordinated with Town staff once Dunaway receives Notice-to-Proceed. Overall schedule will be contingent upon final reviews and coordination with the Town.

V. ADDITIONAL SERVICES

Additional Services, not included in this Scope of Services, will be negotiated with the Town as necessary. Compensation will be based upon either a mutually agreed lump sum fee or on an hourly basis. Items which would be considered Additional Services could include: additional site surveying, design of additional program items beyond what has been identified by the Town for the Park improvements, alternate bid items, additional meetings with Town Staff and/or presentation to other groups, etc.

ACCEPTANCE:

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

Consultant	**Owner**
Dunaway Associates, L.P.	Town of Little Elm

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EXHIBIT A - WORK ORDER

By: 

Printed Name: Tom Galbreath

Title: President / CEO

Date: 11/18/2020

By: DocuSigned by: Matt Mueller 27A1329A2C794F5...

Printed Name: Matt Mueller

Title: Town Manager

Date: 11/18/2020

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Lakefront Park Features:

- Signature Pavilion Structures
- Expanded Shoreline Activities
  - *Waterside Playground*
  - *Picnicking / Day Use*
  - *Open Lawn / Lawn Games*
- New Parking in Close Proximity
- Restroom

Date:	06/18/2024
Agenda Item #:	5. E.
Department:	Administrative Services
Strategic Goal:	Maintain operational integrity and viability
Staff Contact:	Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Consider Action to Approve the **Sixth Amendment of the Concession Agreement for Wakeboard Park between America's Cable Park and the Little Elm Economic Development Corporation.**

DESCRIPTION:

America's Cable Park, dba Hydrous Wakeboard Park, currently pays Little Elm EDC annual rent in the amount of **Ten Thousand and No/Dollars ($10,000.00)** during the months of June, July and August.

The business owner has requested an Amendment to the Concession Agreement to revise the terms of how the annual rent is paid. The request is to now pay rent in the amount of **Five Thousand and No/Dollars ($5,000.00)** over a period of **six (6) months** during the months of May, June, July, August, September, and October. This amendment would be effective immediately for the 2023-2024 fiscal year.

The total amount of rent paid to Little Elm EDC in the amount of **Thirty Thousand and No/Dollars ($30,000.00)** will remain the same. Only the payment due dates will change.

BUDGET IMPACT:

There is no budget impact with this item in that the annual amount of rent due, **Thirty Thousand and No/Dollars ($30,000.00),** will still be collected. However, the timing of the recording of those payments is changing due to EDC's fiscal year calendar which is from September–October. For the 2024 fiscal year, we will only collect rent in the months of May, June, July, August and September in the amount of **five (5)** payments equaling **Twenty-Five Thousand and No/Dollars ($25,000,000.00).** For the 2025 fiscal year, we will collect payments in the months of October, May, June, July, August and, September in the amount of **six (6)** payments equaling **Thirty Thousand and No/Dollars ($30,000.00).**

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

6th Amendment of Concession Agreement for Wakeboard Park

SIXTH AMENDMENT OF CONCESSION AGREEMENT FOR WAKEBOARD PARK

This **SIXTH AMENDMENT OF CONCESSION AGREEMENT FOR WAKEBOARD PARK** ("**Sixth Amendment**") is entered into among **THE TOWN OF LITTLE ELM, TEXAS,** a Texas home-rule municipality ("Town"), whose address for the purposes of this Sixth Amendment is 100 W. Eldorado Parkway, Little Elm, Texas 75068; **LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation ("**LEEDC**"), whose address for the purposes of this Sixth Amendment is 100 W. Eldorado Parkway, Little Elm, Texas 75068; and **AMERICA'S CABLE PARK GROUP, LLC**, a Texas limited liability company ("**Cable Park**"), whose address for the purposes of this Sixth Amendment is 280 East Eldorado Parkway, Little Elm, Texas 75068.

RECITALS

WHEREAS, the Town, the LEEDC and Cable Park entered into that certain document entitled **"CONCESSION/LEASE/DEVELOPMENT AGREEMENT FOR WAKEBOARD PARK"** ("**Wakeboard Park Agreement**"), effective **February 13, 2014**; and

WHEREAS, the Wakeboard Park Agreement replaced and supplanted certain portions of the Lease/Development/Concession Agreement entered into among the Town, Cable Park, and the LEEDC on October 22, 2012, and as amended on January 15, 2013, April 16, 2013, and May 7, 2013; and

WHEREAS, on or about **February 1, 2016**, the Town, the LEEDC and Cable Park entered into a **FIRST AMENDMENT OF CONCESSION AGREEMENT FOR WAKEBOARD PARK** ("**First Amendment**") regarding the timing of the payment of rent, the entity to whom the rent shall be paid, and the identification of whom notice shall be given; and

WHEREAS, on or about **March 6, 2017**, the Town, the LEEDC and Cable Park entered into a **SECOND AMENDMENT OF CONCESSION AGREEMENT FOR WAKEBOARD PARK** ("**Second Amendment**") regarding landscape and irrigation obligations; and

WHEREAS, on or about **February 19, 2019**, the Town, the LEEDC and Cable Park entered into a **THIRD AMENDMENT OF CONCESSION AGREEMENT FOR WAKEBOARD PARK** ("**Third Amendment**") regarding the cost of water for the irrigation meter and the cost of landscape maintenance; and

WHEREAS, on or about **May 19, 2020**, the Town, the LEEDC and Cable Park entered into a **FOURTH AMENDMENT OF CONCESSION AGREEMENT FOR WAKEBOARD PARK** ("**Fourth Amendment**") to address the timing of the payment of rent by waiving certain rent payments; and

WHEREAS, on or about **September 18, 2023**, the Town, the LEEDC and Cable Park entered into a **FIFTH AMENDMENT OF CONCESSION AGREEMENT FOR WAKEBOARD PARK** ("**Fifth Amendment**") to address the Town assuming the obligations of landscaping and pond and irrigation obligations; and

WHEREAS, the parties now desire to enter into this Sixth Amendment to address Cable

Park's rent obligations.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, and subject to the terms, provisions and conditions of this Sixth Amendment, and each in consideration of the duties, covenants and obligations of the other hereunder, the Town, the LEEDC and Cable Park do hereby agree that the Wakeboard Park Agreement (as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment) shall be amended as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Sixth Amendment and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. AMENDMENT TO WAKEBOARD PARK AGREEMENT.

(a) **Amendment to Wakeboard Park Agreement.** That Section 4.1 of the Wakeboard Park Agreement as amended by the Fourth Amendment is hereby amended to read as follows:

"4.1 Rent. Beginning on July 1, 2014, Cable Park agrees to pay rent to the LEEDC at the Town of Little Elm, 100 W. Eldorado Parkway, Little Elm, Texas 75068, for the account of the LEEDC for rent of said Premises at the rate of:"

* * *

"(c) Cable Park shall pay the LEEDC a minimum rent of Thirty Thousand and 00/100 Dollars ($30,000.00) per Rent Year, payable in six (6) equal installments of Five Thousand and No/100 Dollars ($5,000) to be paid on the 1st business day of May, June, July, August, September, and October of each year, which rent shall constitute the minimum yearly rent for the Premises. Rent in excess of this minimum yearly rent, if any, shall be calculated as set forth in Section 4.2 (a) and (b) of this Agreement."

SECTION 3. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Sixth Amendment.

(a) **Agreement and Amendment.** All of the terms, conditions, and obligations of the Agreement, and any amendments remain in full force and effect except where specifically modified by this Sixth Amendment.

(b) **Amendments.** This Sixth Amendment constitutes the entire understanding and agreement of the parties as to the matters set forth in this Sixth Amendment. No alteration of or amendment to this Sixth Amendment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(c) **Applicable Law and Venue.** This Sixth Amendment shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created

hereunder are performable in Denton County, Texas. Venue for any action arising under this Sixth Amendment shall lie in the state district courts of Denton County, Texas.

(d) **Assignment.** This Sixth Amendment may not be assigned without the express written consent of the other party, which shall not be unreasonably withheld.

(e) **Binding Obligation.** This Sixth Amendment shall become a binding obligation on the signatories upon execution by all signatories hereto. Town warrants and represents that the individual executing this Sixth Amendment on behalf of Town has full authority to execute this Sixth Amendment and bind the Town to the same. LEEDC warrants and represents that the individual executing this Sixth Amendment on behalf of LEEDC has full authority to execute this Sixth Amendment and bind the LEEDC to the same. The Cable Park warrants and represents that the individual executing this Sixth Amendment on Cable Park's behalf has full authority to execute this Sixth Amendment and bind the Cable Park to the same.

(f) **Caption Headings**. Caption headings in this Sixth Amendment are for convenience purposes only and are not to be used to interpret or define the provisions of the Sixth Amendment.

(g) **Counterparts.** This Sixth Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

(h) **Effective Date.** The effective date (the "Effective Date") of this Sixth Amendment shall be the date of the latter to execute this Sixth Amendment by the Cable Park, the LEEDC, and the Town.

(i) **Severability.** The provisions of this Sixth Amendment are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Sixth Amendment is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the Sixth Amendment shall be enforced as if the invalid provision had never been included.

(j) **Time is of the Essence**. Time is of the essence in the performance of this Sixth Amendment.

IN WITNESS WHEREOF, the parties have signed below as of the day and year first above written.

TOWN:

TOWN OF LITTLE ELM, TEXAS,
a Texas home-rule municipality

By:_____
Curtis Cornelious, Mayor

ATTEST:

_____
Caitlan Biggs, Town Secretary

APPROVED AS TO FORM:

_____
Robert F. Brown, Town Attorney

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the 18 day of June, 2024 by Curtis J. Cornelious, Mayor of the Town of Little Elm, Little Elm, Texas, on behalf of said town.

MARY JENNETTE ESPINOSA
Notary ID #129895531
My Commission Expires
October 18, 2026

Mary Jennette Espinosa
Notary Public, State of Texas

LEEDC:

LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION
A Texas non-profit corporation

By: _____
Ken Eaken, President
Date: June 17, 2024

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the 17 day of June, 2024 by Ken Eaken, President of the Little Elm Economic Development Corporation, a Texas non-profit corporation, on behalf of said Texas corporation.

MARY JENNETTE ESPINOSA
Notary ID #129895531
My Commission Expires
October 18, 2026

Mary Jennette Espinosa
Notary Public, State of Texas

CABLE PARK:

AMERICA'S CABLE PARK GROUP, LLC
A Texas limited liability company

Printed Name: Chad Lacerte
Title: Owner
Date: June 4, 2024

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the 4 day of June, 2024 by Chad Lacerte, owner of America's Cable Park, a Texas limited liability company on behalf of said Texas company.

MARY JENNETTE ESPINOSA
Notary ID #129895531
My Commission Expires
October 18, 2026

Mary Jennette Espinosa
Notary Public, State of Texas

Date:	06/18/2024
Agenda Item #:	5. F.
Department:	Administrative Services
Strategic Goal:	Ensure strong relationship within the community and region
Staff Contact:	Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Present, Discuss, and Consider Action to Approve the **Tax Reimbursement Zone Number Three (TIRZ 3), Lakefront Business Reimbursement Agreement between Little Elm Lakefront Businesses located in the boundaries of TIRZ 3 and the Town of Little Elm.**

DESCRIPTION:

The TIRZ #3 Board met on Friday, June 7, 2024 and approved this agreement.

This Agreement is for a reimbursement-based grant program that reimburses commercial property owners or business operators for Eligible Improvements made to the Property. Grants available under this program are reimbursable for an amount not to exceed **Twenty-Five Thousand and No/100 Dollars ($25,000)** of the total expenses for Eligible Improvements.

Obligations of the Developer:

(a) Qualified Expenditures. Developer covenants and agrees to submit to the TIRZ # 3 upon request paid invoices, paid receipts, or other paid documentation of the Qualified Expenditures made to the Property located within TIRZ # 3 or benefitting TIRZ # 3 in the minimum amount of **Twenty-Five Thousand and No/100 Dollars ($25,000.00)**, and in a form acceptable to the TIRZ # 3, within one (1) year of the Effective Date of this Agreement.

(b) Job Creation and Retention. Developer covenants and agrees by the Effective Date and during the Term of this TIRZ Agreement to cause said business to employ and maintain a minimum of (number to be determined) employment positions working at the Property.

(c) Business Located on the Property. Developer covenants and agrees during the Term of this TIRZ Agreement to keep open to the general public the business located on the Property.

(d) Performance. Developer agrees to perform and comply with all terms, conditions and provisions set forth in this TIRZ Agreement, and any other agreements by and between the TIRZ # 3 and Developer.

Obligations of TIRZ #3

(a) Payment of Grant Amount. In consideration of Developer's obligations and expenditures for

the Qualified Expenditures, subject to the conditions contained in this TIRZ Agreement, TIRZ # 3 covenants and agrees to pay to Developer the lesser of the paid invoices, paid receipts, or other paid documentation of the Qualified Expenditures submitted to the TIRZ # 3 consistent with Section 4(a) of this Agreement or the Grant Amount. Said amount shall be paid from current funds in the TIRZ # 3 Tax Increment Fund, as such funds are on deposit in the TIRZ # 3 Tax Increment Fund, and such payments to Developer as described herein shall not exceed the Grant Amount. Payments made under this TIRZ Agreement shall be made solely from the TIRZ # 3 Tax Increment Fund, subject to the limitation on payments provided in this TIRZ Agreement.

(b) Performance. TIRZ # 3 agrees to perform and comply with all terms, conditions and provisions set forth in this TIRZ Agreement, and any other agreements by and between TIRZ # 3 and Developer.

BUDGET IMPACT:

The budget impact for this item was previously earmarked for this project in FY 2023-2024. This budgeted amount is not to exceed **Twenty-Five Thousand and No/100 Dollars ($25,000.00).** Any further funds toward this grant reimbursement program will need to be discussed and approved for budget allocation is future fiscal year budget planning.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

TIRZ 3 Lakefront Business Reimbursement Agreement

TAX INCREMENT REINVESTMENT ZONE NUMBER THREE,
TOWN OF LITTLE ELM, TEXAS,

LAKEFRONT BUSINESS REIMBURSEMENT AGREEMENT

This **LAKEFRONT BUSINESS REIMBURSEMENT AGREEMENT** (hereinafter referred to as this "TIRZ Agreement") is made and entered into by and between the **TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, TOWN OF LITTLE ELM, TEXAS**, (hereinafter referred to as the "TIRZ # 3"), a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended, and _____, a Texas [corporation] [partnership] [limited liability company] (hereinafter referred to as the "Developer"), is made and executed on the following recitals, terms and conditions.

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the "Act"), the Town Council of the Town of Little Elm, Texas, a Texas home rule municipality (hereinafter referred to as the "Town") adopted Ordinance No. 1175 on October 15, 2013, which ordinance, among other things, (i) created, established, and designated an area within the corporate limits of the Town as "Reinvestment Zone Number Three, Town of Little Elm, Texas" (the "Reinvestment Zone"), (ii) created a Board of Directors for the Reinvestment Zone, and (iii) established a tax increment fund for the Reinvestment Zone; and

WHEREAS, Section 311.010(b) of the Act provides that the Board of Directors of TIRZ # 3 (hereinafter referred to as the "Board") may enter into agreements as the Board consider necessary or convenient to implement the Project and Financing Plan and achieve its purposes; and

WHEREAS, Section 311.010(h) of the Act authorizes the Board subject to the approval of the Town Council of the Town, "to implement the project plan and reinvestment zone financing plan and achieve their purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the zone, eliminating unemployment and underemployment in the zone, and developing or expanding transportation, business, and commercial activity in the zone, including programs to make grants and loans from the tax increment fund of the zone in an aggregate amount not to exceed the amount of the tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone. For purposes of this subsection, on approval of the municipality or county, the board of directors of the zone has all the powers of a municipality under Chapter 380, Local Government Code. The approval required by this subsection may be granted in an ordinance, in the case of a zone designated by a municipality, or in an order, in the case of a zone designated by a county, approving a project plan or reinvestment zone financing plan or approving an amendment to a project plan or reinvestment zone financing plan"; and

WHEREAS, the Board has concluded and hereby finds that this TIRZ Agreement clearly

promotes economic development in the Town of Little Elm, Texas, and, as such, meets the requirements of Article III, Section 52-a of the Texas Constitution and Section 311.010(h) of the Act by assisting in the development and diversification of the economy of the State of Texas and the Town, by eliminating unemployment or underemployment in the State of Texas, and the Town, and by the development or expansion of commerce within the State of Texas, and the Town; and

WHEREAS, the Board has determined that it is in the best interest of TIRZ # 3 to contract with Developer, in order to provide for the efficient and effective implementation of certain aspects of the TIRZ # 3's Project and Financing Plan; and

WHEREAS, TIRZ # 3 desires to reimburse Developer for certain project costs in the amount not to exceed **Twenty-Five Thousand and No/100 Dollars ($25,000.00)** (hereinafter defined as the "Grant Amount").

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TIRZ # 3 and the Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this TIRZ Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This TIRZ Agreement shall be effective as of the Effective Date, and shall continue thereafter until the second anniversary of the Effective Date of this Agreement, as defined herein, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this TIRZ Agreement.

(a) **Act.** The word "Act" means the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended.

(b) **Board.** The word "Board" means the Board of Directors of TIRZ # 3 authorized by Section 311.009 of the Act. For the purposes of this TIRZ Agreement, Board's address is 100 W. Eldorado Parkway, Little Elm, Texas 75068.

(c) **Developer.** The word "Developer" means _____ , a Texas [corporation] [partnership] [limited liability company] , its successors and assigns, whose corporate address for the purposes of this TIRZ Agreement is _____

_____ , Little Elm, Texas 75068.

(d) **Effective Date.** The words "Effective Date" mean the date of the latter to execute this TIRZ Agreement by and between TIRZ # 3 and Developer.

(e) **Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth below in the section entitled "Events of Default."

(f) **Grant Amount.** The words "Grant Amount" mean a grant in the amount not to exceed **Twenty-Five Thousand and No/100 Dollars ($25,000.00).**

(g) **Property.** The word "Property" means _____ , Little Elm, Texas 75068.

(h) **Qualified Expenditures.** The words "Qualified Expenditures" mean those expenditures consisting of the construction and installation of improvements consistent with ***Exhibit A*** of this Agreement, which is attached hereto and is incorporated herein for all purposes, and which otherwise meet the definition of "Project cost" as defined in Section 311.002(1) of the Act. The term "Qualified Expenditures" means such improvements affixed to the structure or real property, and may include painting structures, adding photo place making opportunities, and enhanced landscaping. The term "Qualified Expenditures" does not include specific signage for a particular end user. Board of Directors of TIRZ # 3 has final authority to approve improvements as "Qualified Expenditures."

(i) **TIRZ Agreement.** The term "TIRZ Agreement" means this Lakefront Business Reimbursement Agreement, together with all exhibits and schedules attached to this Lakefront Business Reimbursement Agreement from time to time, if any, authorized pursuant to Section 311.010 of the Act.

(j) **Term.** The word "Term" means the term of this Reimbursement Agreement as specified in Section 2 of this Reimbursement Agreement.

(k) **TIRZ # 3.** The term "TIRZ # 3" means the tax increment financing reinvestment zone named Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas, created by Town Ordinance No. 1175, approved by the Town Council of the Town on October 15, 2013, as amended, and as authorized by the Act.

(l) **TIRZ # 3 Tax Increment Fund.** The term "TIRZ # 3 Tax Increment Fund" means the tax increment fund established pursuant to Section 311.014 of the Act, and Section 6 of Ordinance No. 1175, approved by the Town Council of the Town on October 15, 2013.

(m) **Town.** The word "Town" means the Town of Little Elm, Denton County, Texas, a Texas home-rule municipality. For the purposes of this TIRZ Agreement, Town's address is 100 W. Eldorado Parkway, Little Elm, Texas 75068.

SECTION 4. OBLIGATIONS OF DEVELOPER.

Developer covenants and agrees while this TIRZ Agreement is in effect the Developer shall comply with the following terms and conditions:

(a) **Qualified Expenditures.** Developer covenants and agrees to submit to the TIRZ # 3 upon request paid invoices, paid receipts, or other paid documentation of the Qualified Expenditures made to the Property located within TIRZ # 3 or benefitting TIRZ # 3 in the minimum amount of **Twenty-Five Thousand and No/100 Dollars ($25,000.00)**, and in a form acceptable to the TIRZ # 3, within one (1) year of the Effective Date of this Agreement.

(b) **Job Creation and Retention.** Developer covenants and agrees by the Effective Date and during the Term of this TIRZ Agreement to cause said business to employ and maintain a minimum of _____ employment positions working at the Property.

(c) **Business Located on the Property.** Developer covenants and agrees during the Term of this TIRZ Agreement to keep open to the general public the business located on the Property.

(d) **Performance**. Developer agrees to perform and comply with all terms, conditions and provisions set forth in this TIRZ Agreement, and any other agreements by and between the TIRZ # 3 and Developer.

SECTION 5. OBLIGATIONS OF TIRZ # 3.

TIRZ # 3 covenants and agrees while this TIRZ Agreement is in effect TIRZ # 3 shall comply with the following terms and conditions:

(a) **Payment of Grant Amount.** In consideration of Developer's obligations and expenditures for the Qualified Expenditures, subject to the conditions contained in this TIRZ Agreement, TIRZ # 3 covenants and agrees to pay to Developer the lesser of the paid invoices, paid receipts, or other paid documentation of the Qualified Expenditures submitted to the TIRZ # 3 consistent with Section 4(a) of this Agreement or the Grant Amount. Said amount shall be paid from current funds in the TIRZ # 3 Tax Increment Fund, as such funds are on deposit in the TIRZ # 3 Tax Increment Fund, and such payments to Developer as described herein shall not exceed the Grant Amount. Payments made under this TIRZ Agreement shall be made solely from the TIRZ # 3 Tax Increment Fund, subject to the limitation on payments provided in this TIRZ Agreement.

(b) **Performance**. TIRZ # 3 agrees to perform and comply with all terms, conditions and provisions set forth in this TIRZ Agreement, and any other agreements by and between TIRZ # 3 and Developer.

SECTION 6. CESSATION OF ADVANCES.

If TIRZ # 3 has made any commitment to provide financial assistance to Developer, whether under this TIRZ Agreement or under any other agreement, TIRZ # 3 shall have no obligation to advance or disburse financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; (ii) if Developer is indebted to the Town, EDC or any other Government entity, or (iii) an Event of Default occurs.

SECTION 7. EVENT OF DEFAULT.

Each of the following shall constitute an Event of Default under this TIRZ Agreement:

(a) **General Event of Default.** Failure of Developer or TIRZ # 3 to comply with or to perform any other term, obligation, covenant or condition contained in this TIRZ Agreement, or failure of Developer or TIRZ # 3 to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and TIRZ # 3 is an Event of Default.

(b) **False Statements.** Any warranty, representation, or statement made or furnished to TIRZ # 3 by or on behalf of Developer under this TIRZ Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.

(c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.

(d) **Ad Valorem Taxes.** Developer allows its ad valorem taxes owed to the Town of Little Elm, Texas, to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure within thirty (30) days after written notice thereof from TIRZ # 3 and/or Denton County Central Appraisal District is an Event of Default.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this TIRZ Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this TIRZ Agreement. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by TIRZ # 3 to Developer pursuant to Section 5(a) of this TIRZ Agreement shall become immediately due and payable by Developer to TIRZ # 3.

SECTION 9. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this TIRZ Agreement:

(a) **Amendments.** This TIRZ Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this TIRZ Agreement. No alteration of or amendment to this TIRZ Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(b) **Applicable Law and Venue.** This TIRZ Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas. Venue for any action arising under this TIRZ Agreement shall lie in the state district courts of Denton County, Texas.

(c) **Assignment.** This TIRZ Agreement may not be assigned without the express written consent of the other party.

(d) **Binding Obligation.** This TIRZ Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. TIRZ # 3 warrants and represents that the individual executing this TIRZ Agreement on behalf of TIRZ # 3 has full authority to execute this TIRZ Agreement and bind TIRZ # 3 to the same. Developer warrants and represents that the individual executing this TIRZ Agreement on Developer's behalf has full authority to execute this TIRZ Agreement and bind it to the same.

(e) **Caption Headings.** Caption headings in this TIRZ Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the TIRZ Agreement.

(f) **Counterparts.** This TIRZ Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

(g) **Notices**. Any notice or other communication required or permitted by this TIRZ Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to TIRZ # 3: Tax Increment Reinvestment Zone Number Three,
Town of Little Elm, Texas
100 W. Eldorado Parkway
Little Elm, Texas 75068

Attn: Jennette Espinosa, Executive Director
Telephone: (214) 975-0455

if to Developer: _____
_____
_____
Attn: _____
Telephone: _____

(h) **Severability.** The provisions of this TIRZ Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this TIRZ Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the TIRZ Agreement shall be enforced as if the invalid provision had never been included.

(i) **Time is of the Essence.** Time is of the essence in the performance of this TIRZ Agreement.

(j) **Undocumented Workers.** Developer certifies that the 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 TIRZ Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this TIRZ Agreement plus interest, at the rate of six percent (6%), not later than the 120th day after the date the TIRZ # 3 notifies Developer of the violation.

[The Remainder of this Page Intentionally Left Blank]

THE PARTIES ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS TIRZ AGREEMENT, AND THE PARTIES AGREE TO ITS TERMS. THIS TIRZ AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

TIRZ # 3:

TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, TOWN OF LITTLE ELM, TEXAS,

By: _____
Curtis Cornelious, Chairperson
Date Signed: _____

STATE OF TEXAS **§**
§
COUNTY OF DENTON **§**

This instrument was acknowledged before me on the ____ day of _____, 2023, by Curtis J. Cornelious, President of the Tax Increment Reinvestment Zone, Number Three, Town of Little Elm, Texas, a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, on behalf of said Texas tax increment reinvestment zone.

_____
Notary Public, State of Texas

DEVELOPER:

_____,
a Texas [corporation] [partnership] [limited liability company],

By: _____
Name: _____
Title: _____
Date Signed: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2023, by _____, _____ of _____, a Texas [corporation] [partnership] [limited liability company], on behalf of said Texas [corporation] [partnership] [company].

_____
Notary Public, State of Texas

Exhibit A

[Qualified Expenditures]

Date:	06/18/2024
Agenda Item #:	5. G.
Department:	Finance
Strategic Goal:	Ensure excellence in public services while keeping up with the growth in the community
Staff Contact:	Fred Gibbs, Director of Development Services

AGENDA ITEM:

Consider Action to Approve **Expenditure Authority for a Professional Services Agreement with Bradley Tucker Investments for Inspection and Plan Review services for the Town, in the estimated annual amount of $125,000.**

DESCRIPTION:

The Town utilizes these services for Health Plan Reviews & Inspections. This agreement supports our customer service initiative to review plans within 10 days.

Expenditures for this service are approaching expenditure authority, and staff anticipates to continue services as needed.

BUDGET IMPACT:

Funding for this expenditure has been identified in the current approved budget. Funds will be committed at the issuance of a purchase order.

RECOMMENDED ACTION:

Staff recommends approval.

Date:	06/18/2024
Agenda Item #:	6. A.
Department:	Economic Development Corporation
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Hold a Public Hearing to Present, Discuss, and Consider Action on **Ordinance No. 1759 Accepting and Approving an updated Service and Assessment Plan and Assessment Roll for the Future Improvement Area of the Spiritas Ranch Public Improvement District and Levying Assessments.**

Open Public Hearing:
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1759

DESCRIPTION:

The Spiritas Ranch PID is located within the Town and contains approximately 545 acres of land and is projected to consist of 2,156 residential units and is being developed in multiple phases. The Future Improvement Area consists of approximately 294 acres and is projected to consist of 1,099 residential units and will be fully constructed at a later date.

The Future Improvement Area Projects consists of authorized improvements which benefit the property within the Future Improvement Area as well as this area's proportionate share of additional improvements that are necessary and benefit the entire PID. The costs of the Future Improvement Area Projects are allocated proportionally throughout the entire Future Improvement Area, excluding Non-Bene?ted Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. The property within the Future Improvement Area is being assessed in order to pay for the costs of the Future Improvement Area Projects.

Notice of this assessment hearing and the amount of the Future Improvement Area Projects has been provided to the public and the property owner.

The Town Council will conduct a public hearing to consider public comment and act upon

Ordinance No. 1759 levying assessments on property within the Future Improvement Area of the Spiritas Ranch Public Improvement Area District; approving an update to the Spiritas Ranch Public Improvement District Service and Assessment plan, including the Assessment Roll; making a finding of special benefit to property within the Future Improvement Area of 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 1759 – Assessment Ordinance for FIA for Spiritas Ranch PID

ORDINANCE NO. 1759

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS ACCEPTING AND APPROVING AN UPDATED SERVICE AND ASSESSMENT PLAN, INCLUDING A FUTURE IMPROVEMENT AREA ASSESSMENT ROLL – FUTURE IMPROVEMENT AREA PROJECTS FOR THE SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT; 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 now 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 December 15, 2020, 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 February 2, 2021, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 0202202101 (the "Authorization Resolution"), adopted by a majority of the members of the Town Council, authorized and created the Spiritas Ranch Public Improvement District (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 February 7, 2021, the Town published Notice of its authorization of the District in the Denton-Record Chronicle, a newspaper of general circulation in the Town; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the Town Secretary; and

WHEREAS, on May 21, 2024, the Town Council adopted a resolution approving a preliminary updated service and assessment plan, including a proposed Future Improvement Area Assessment Roll – Future Improvement Area Projects related to Future Improvement Area Projects to be constructed and/or acquired within the Future Improvement Area of the District for the benefit of the Future Improvement Area Assessed Property (the "Future Improvement Area Projects"); calling for a public hearing to consider an ordinance levying assessments on property within the Future Improvement Area of the District (the "Assessments"); authorizing and directing the Town Secretary of the Town to file the proposed assessment roll related to such improvements 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 Future Improvement Area of the District (the "Levy and Assessment Hearing"); authorizing and directing the mailing of notice of the Levy and Assessment Hearing to owners of property liable for assessment; and directing related action; and

WHEREAS, on May 22, 2024 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 May 26, 2024 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, on June 18, 2024, the Town Council opened 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 proposed Assessment Roll, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the Future Improvement Area Projects to be undertaken for the benefit of the Future Improvement Area Assessed Property, the purposes of the Assessments, the special benefits of the Future Improvement Area Projects, 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 Spiritas Ranch Public Improvement District Service and Assessment Plan, dated June 18, 2024, in a form substantially similar to the attached *Exhibit A* (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 I (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 Future Improvement Area Projects (as described in the Service and Assessment Plan), the Assessment Roll, or the levy of the Assessments against the Future Improvement Area Assessed Property; and

WHEREAS, the owners (the "Landowners"), or their representatives, of the majority of the privately-owned and taxable property located within the Future Improvement Area of 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 located within the Future Improvement Area of the District; 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 the Future Improvement Area Projects (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 assessed parcel of Future Improvement Area Assessed Property will receive from the construction of the Future Improvement Area Projects 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 Future Improvement Area Projects, and (iii) includes a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service and Assessment Plan and has been reviewed and updated annually, including the updated Service and Assessment Plan attached hereto as ***Exhibit A****;*

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

(d) All of the real property in the Future Improvement Area of the District which is being assessed in the amounts shown in the Assessment Roll will be benefited by the Future Improvement Area Projects proposed to be constructed as described in the Service and Assessment Plan, and each assessed parcel of Future Improvement Area 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 Future Improvement Area Projects and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the Actual Costs of the Future Improvement Area Projects and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the Actual Costs of the Future Improvement Area Projects;

(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 Future Improvement Area Assessed Property within the Future Improvement Area of 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 Future Improvement Area of 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 of the Future Improvement Area of the District.

Section 5. Levy and Payment of Assessments for Actual Costs of the Future Improvement Area Projects.

(a) The Town Council hereby levies an assessment on each parcel of Future Improvement Area 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 execution 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 Future Improvement Area Projects 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 Future Improvement Area 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 Future Improvement Area 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 Future Improvement Area 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.

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 and execution hereof.

[*Remainder of page intentionally left blank; signatures follow*]

PASSED AND APPROVED, this the 18th day of June, 2024.

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 _____, 2024 by Curtis J. Cornelious, Mayor of the Town of Little Elm, Texas on behalf of said Town.

_____
Notary Public, State of Texas

(SEAL)

EXHIBIT A

Service and Assessment Plan

SPIRITAS RANCH
PUBLIC IMPROVEMENT DISTRICT

TOWN OF LITTLE ELM, TEXAS

SERVICE AND ASSESSMENT PLAN

May 11, 2021 and updated for Additional Improvement Area #1 Projects July 18, 2023 and updated for Future Improvement Area Projects June 18, 2024

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

SPIRITAS RANCH
PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On February 2, 2021, the Town Council of the Town of Little Elm, Texas passed and approved Resolution No. 0202202101 approving and authorizing the creation of Spiritas Ranch Public Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property in the PID, all of which is presently located within the Town of Little Elm, Texas.

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

Chapter 372 of the Texas Local Government Code (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. This Spiritas Ranch Public Improvement District Service and Assessment Plan (this "SAP") was prepared pursuant to the PID Act. The PID Act requires that a service plan "(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 of the Texas Property Code, as amended." The PID Act also requires the City "review and update the service plan annually for the purpose of determining the annual budget for improvements." The service plan for the PID is described in more detail in Section IV herein. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix D.

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

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

Section 372.016 of the PID Act requires that "after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter." The current Assessment Rolls for the PID are included as Appendix G and Appendix H-1 and Appendix H-2 and Appendix I of this Service and Assessment Plan. The Assessments as shown on each Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

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

"Actual Cost(s)" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the 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, miscellaneous expenses, and all advances and payments for Administrative Expenses.

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

"Additional Improvement Area #1 Improvements" mean the Authorized Improvements which only benefit Improvement Area #1 Assessed Property, which are described in Section III.C and funded through the Additional Improvement Area #1 Projects Reimbursement Agreement.

"Additional Improvement Area #1 Projects Reimbursement Agreement" means that certain Additional Improvement Area #1 Projects Reimbursement Agreement dated as of July 18, 2023 by and between the Town and the Developer in which the Developer agrees to fund certain Actual Costs of Additional Improvement Area #1 Projects (which consist of the Improvement Area #1 Improvements and Improvement Area #1's pro rata share of the Additional Major Improvements), and the Town agrees to reimburse the Developer with interest as permitted by the PID Act solely from Improvement Area #1 Assessment Revenues on a subordinate basis to the Series 2021 PID Bonds and/or the net proceeds of Bonds, if issued, for a portion of such Actual Costs funded by the Developer for Additional Improvement Area #1 Projects constructed and accepted by the Town for the benefit of the Improvement Area #1 Assessed Property.

"Additional Improvement Area #1 Projects" mean (i) the pro rata portion of the Additional Major Improvements allocable to Improvement Area #1, and (ii) the Additional Improvement Area #1 Improvements.

"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.G of this Service and Assessment Plan.

"Additional Major Improvement Projects" mean the pro rata portion of the Additional Major Improvements allocable to the Future Improvement Area Assessed Property, which are described in Section III.B.

"Additional Major Improvements" mean the Authorized Improvements described in Section III.B that benefit all Assessed Property within the PID.

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses 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.

"Administrator" means the employee or designee of the Town, identified in any indenture of trust relating to any Bonds or 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: the Assessments, including any applicable interest, as shown on the Assessment Roll attached hereto

as Appendix G, Appendix H-1, Appendix H-2, and Appendix I, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, which annual payment includes amounts collected for the Additional Interest Component (if applicable) and Administrative Expenses.

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

"Assessed Property" means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes 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 actually received by or on behalf of the Town from the collection of Assessments.

"Assessment Roll" means, as applicable, the Major Improvement Area Assessment Roll – Initial Major Improvements, the Future Improvement Area – Future Improvement Area Projects, the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Improvements, the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

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

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

"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 MM Little Elm 548, LLC, a Texas limited liability company and its successors and assigns.

"Development Agreement" means that certain "Spiritas Ranch Development Agreement" by and between the Town and the Developer, and related to the development of the Property effective February 2, 2021, as the same may be amended from time to time.

"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 E attached hereto.

"Future Improvement Areas" mean, collectively, all phases of construction in the District being constructed after Improvement Area #1, which area is also contiguous with the Major Improvement Area.

"Future Improvement Area Assessment Roll – Future Improvement Area Projects" means the document included in this Service and Assessment Plan as Appendix I, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"Future Improvement Area Assessed Property" means all Parcels within the Future Improvement Area other than Non-Benefited Property and shown in the Future Improvement Area Assessment Roll – Future Improvement Area Projects against which an Assessments relating to the Future Improvement Area Projects are being levied.

"Future Improvement Area Local Improvements" mean the Authorized Improvements which only benefit Future Improvement Area Assessed Property, which are described in Section III.C and funded in part with the Series 2024 PID Bonds.

"Future Improvement Area Projects" mean (i) the Additional Major Improvements Projects benefitting the Future Improvement Area, and (ii) the Future Improvement Area Local Improvements.

"Future Improvement Area Assessment Revenues" mean the revenues actually received by or on behalf of the Town from the collection of Assessments levied against Future Improvement Area Assessed Property, or the Annual Installments thereof, for the Future Improvement Area Projects.

"Future Phase" means a phase of construction in the District being constructed after Improvement Area #1.

"Future Phase Bonds" means bonds issued to fund Future Phase Improvements (or a portion thereof) in a Future Phase. In connection with Future Phase Bonds, Assessments related to such

Future Phase Bonds will be levied only on property located within the applicable Future Phase to finance Future Phase Improvements which will only benefit such Future Phase.

"Future Phase Improvements" means those Authorized Improvements which will confer a special benefit to the related Future Phase.

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

"Homeowner Association Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a homeowner's association.

"Improvement Area" means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within an Improvement Area will be assessed in connection with the issuance of Bonds or upon the execution of a reimbursement agreement related to such Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Improvement Area.

"Improvement Area #1" or **"IA #1"** means the initial Improvement Area to be developed and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix H.

"Improvement Area #1 Assessed Property" means all Parcels within Improvement Area #1 other than Non-Benefited Property and shown in the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Improvements and the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects against which an Assessments relating to the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects are levied.

"Improvement Area #1 Assessment Revenues" mean the actual revenues received by or on behalf of the Town from the collection of Assessments levied against Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects, as applicable. The Improvement Area #1 Assessment Revenues collected from Improvement Area #1 Assessed Property shall be used first to satisfy the portion of the debt service requirements of the Series 2021 PID Bonds allocable to Improvement Area #1 and then to secure the Town's obligation in connection with the Additional Improvement Area #1 Projects Reimbursement Agreement.

"Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects" means the document included in this Service and Assessment Plan as Appendix H-2**,** as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects" means the document included in this Service and Assessment Plan as Appendix H-1**,** as updated, modified

or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"Initial Improvement Area #1 Improvements" mean the Authorized Improvements which only benefit Improvement Area #1 Assessed Property, which are described in Section III.C and funded with the Series 2021 PID Bonds.

"Initial Improvement Area #1 Projects" mean (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1, and (ii) the Initial Improvement Area #1 Improvements.

"Initial Major Improvement Projects" mean the pro rata portion of the Initial Major Improvements allocable to the Major Improvement Area Assessed Property, which are described in Section III.B.

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

"Lot Type" means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the 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 average home value for each home at the time of assessment levy (as shown in Appendix E for the calculation of Equivalent Units), 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.

"Major Improvements" mean the Initial Major Improvements and Additional Major Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

"Major Improvement Area" or **"MIA"** mean the property within the PID excluding Improvement Area #1 which is to be developed subsequent to Improvement Area #1, and generally depicted in Appendix A of this Service and Assessment Plan or any Annual Service Plan Update.

"Major Improvement Area Assessed Property" means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Improvement Area #1 against which an Assessment to the Major Improvements is or anticipated to be levied.

"Major Improvement Area Assessment Revenues" mean the revenues received by or on behalf of the Town from the collection of Assessments levied against Major Improvement Area Assessed Property, or the Annual Installments thereof, for the Initial Major Improvement Area Projects.

"Major Improvement Area Assessment Roll – Initial Major Improvements" means the document included in this Service and Assessment Plan as Appendix G, as updated, modified or

amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"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 to the extent they accrue no special benefit. 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 real property records of 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, reasonably expected to be incurred by or imposed upon the Town as a result of any prepayment of an Assessment.

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

"Series 2021 PID Bonds" mean those certain Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2021 (Spiritas Ranch Public Improvement District Improvement Area #1 Projects and Major Improvement Area Projects) that are secured collectively by Improvement Area #1 Assessment Revenues and Major Improvement Area Assessment Revenues.

"Series 2024 PID Bonds" mean those certain Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects) that are secured by Future Improvement Area 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.

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

"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.

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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 545 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 2,156 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

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

Table II-A
Proposed Development

Proposed Development	Quantity	Measurement
Single-Family - 40 Ft	876	Units
Single-Family - 50 Ft	977	Units
Single-Family - 60 Ft	303	Units
Total	**2,156**	**Units**

B. PROPERTY INCLUDED IN IMPROVEMENT AREA #1 AND THE MAJOR IMPROVEMENT AREA

Improvement Area #1 consists of approximately 251 acres and is projected to consist of 1,057 single family residential units, to be developed as Improvement Area #1, as further described in Section III. The Major Improvement Area consists of approximately 294 acres and are projected to consist of approximately 1,099 residential units. A map of the property within Improvement Area #1 and the Major Improvement Area is shown in Appendix A.

C. PROPERTY INCLUDED IN FUTURE IMPROVEMENT AREAS

As the Future Improvement Areas are developed, Future Phase Bonds may be issued for each Future Phase. In connection with the issuance of each new Future Phase Bond, this Service and Assessment Plan will be updated to add additional details of each newly developed Future Phase as shown for Improvement Area #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix G, Appendix H-1, Appendix H-2, and Appendix I.

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.

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 and III.C. below and shown in the opinion of probable costs and on the diagrams included as Appendix B 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 AND COSTS OF MAJOR IMPROVEMENTS

Initial Major Improvements

The Initial Major Improvements benefit the entire PID. The costs of the Initial Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. Each of Improvement Area #1 and the Major Improvement Area have been proportionally allocated the costs of the Initial Major Improvements, as shown on Table III-A.1.

The Initial Major Improvements descriptions are presented below as provided by the project engineer. The costs of the Initial Major Improvements are shown in Table III-A.1. The costs shown in Table III-A.1 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Initial Major Improvements follows:

Roadway Improvements

The roadway improvement portion of the Initial Major Improvements consists of the construction of Ryan Spiritas Parkway (FM 2931) with right-of-way, the New HEB Road with right-of-way, a Collector Road with right-of-way and entrance road improvements, including turn lanes. The roadway improvements include related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, 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 maintained by the Town.

Water Improvements

The water improvement portion of the Initial Major Improvements consists of construction and installation of various sized waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to Mustang Special Utility District ("MSUD") and Town standards and specifications and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Initial Major Improvements consists of construction and installation of a lift station, gravity sewer line, sewer force main, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Initial Major Improvements consist of retention/detention ponds, including excavation, fine grading, and the associated drainage improvements for each pond. Underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls will also be installed at each pond, 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.

Parks, Landscaping, and Hardscaping Improvements

Park, landscaping, and hardscaping improvements portion of the Initial Major Improvements, which consist of grading, irrigation, landscaping, site furnishings, and site elements. All park, landscaping, and hardscaping improvements will be designed and constructed in accordance with Town standards and specifications and will be maintained by a Homeowners Association.

Table III-A.1
Estimated Initial Major Improvement Costs

	Original Estimated Budget			Revised Estimated Budget[1]		
Authorized Improvements	**Total Initial Major Improvement Costs**	**IA #1 Allocated Amount (48.46%)[1]**	**MIA Allocated Amount (51.54%)[1]**	**Total Initial Major Improvement Costs**	**IA #1 Allocated Amount (48.46%)[1]**	**MIA Allocated Amount (51.54%)[1]**
Roadway Improvements	$4,006,306	$1,941,333	$2,064,973	$4,683,477	$2,269,470	$2,414,007
Water Improvements	$616,541	$298,757	$317,784	$1,627,333	$788,556	$838,777
Sanitary Sewer Improvements	$2,114,663	$1,024,701	$1,089,962	$2,407,712	$1,166,704	$1,241,008
Storm Drainage Improvements	$548,480	$265,777	$282,703	$1,420,019	$688,098	$731,921
Parks, Landscaping, and Hardscaping	$2,722,430	$1,319,206	$1,403,224	$2,172,264	$1,052,613	$1,119,651
Other Soft and Miscellaneous Costs	$4,907,105	$2,377,833	$2,529,272	$5,480,333	$2,655,602	$2,824,731
Total Authorized Improvements	**$14,915,525**	**$7,227,607**	**$7,687,918**	**$17,791,138**	**$8,621,041**	**$9,170,097**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-A.1 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Initial Major Improvements financed with PID Bond proceeds does not increase.
1 – As provided by the Developer.
2 – Based on allocation and percentages as shown in Table V-A.

Additional Major Improvements

The Additional Major Improvements benefit the entire PID. The costs of the Additional Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. Each of Improvement Area #1 and the Future Improvement Area are being proportionally allocated the costs of the Additional Major Improvements, as shown on Table III-A.2.

The Additional Major Improvements descriptions are presented below as provided by the project engineer. The costs of Additional Major Improvements are shown in Table III-A.2. These costs were not included in the initial cost estimates of the Initial Major Improvements at the time the Assessments were levied to pay for the costs of the Initial Major Improvements as described on the Major Improvement Area Assessment Roll – Initial Major Improvement Area Projects, as further described in Appendix B. The costs shown in Table III-A.2 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Additional Major Improvements follows:

The Additional Major Improvements consist of road, water, sewer, drainage improvements and soft and miscellaneous costs related to the construction of Perimeter Road, and right-of-way acreage, as shown in Appendix B.

Perimeter Road Improvements

Roadway Improvements

The roadway improvement portion of the Additional Major Improvements consists of the construction of Perimeter Road with right-of-way. The roadway improvements include related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, 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 maintained by the Town.

Water Improvements

The water improvement portion of the Additional Major Improvements consists of construction and installation of various sized waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to Mustang Special Utility District ("MSUD") and Town standards and specifications and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Additional Major Improvements consists of construction and installation of a lift station, gravity sewer line, sewer force main, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

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Storm Drainage Improvements

The storm drainage improvement portion of the Additional Major Improvements consist of retention/detention ponds, including excavation, fine grading, and the associated drainage improvements for each pond. Underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls will also be installed at each pond, 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.

Other Soft and Miscellaneous Costs

The other soft and miscellaneous costs portion of the Additional Major Improvements consist of engineering and other soft and miscellaneous costs.

Right-of-way

The Additional Major Improvements include right-of-way acquisitions for Ryan Spiritas Parkway, Hidden Oaks Trail and Spiritas Ranch Road as provided by the project engineer.

Table III-A.2
Estimated Additional Major Improvement Costs

Authorized Improvements	Total Additional Major Improvement Costs[1]	IA #1 Allocated Amount (48.46%)[2]	MIA Allocated Amount (51.54%)
Roadway Improvements (including ROW)	$1,360,555	$659,283	$701,272
Water Improvements	$434,285	$210,441	$223,844
Sanitary Sewer Improvements	$327,515	$158,704	$168,811
Storm Drainage Improvements	$383,160	$185,668	$197,492
Other Soft and Miscellaneous Costs	$292,485	$141,729	$150,756
Right-of-way	$1,665,000	$806,808	$858,192
Total Authorized Improvements	**$4,463,000**	**$2,162,633**	**$2,300,367**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-A.2 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Additional Major Improvements does not increase.
1 – Additional Major Improvement costs represent costs not included in the original estimated costs of Authorized Improvements attached as Appendix B at the time the Assessments related to the Initial Major Improvements were levied. Appendix B was revised to include Additional Major Improvements.
2 – Based on allocation and percentages as shown in Table V-B.

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C. DESCRIPTIONS AND COSTS OF INITIAL IMPROVEMENT AREA #1 IMPROVEMENTS AND ADDITIONAL IMPROVEMENT AREA #1 IMPROVEMENTS

Initial Improvement Area #1 Improvements

The Initial Improvement Area #1 Improvements descriptions are presented below as provided by the project engineer. The costs of the Initial Improvement Area #1 Improvements are shown in Table III-B.1. The costs shown in Table III-B.1 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Initial Improvement Area #1 Improvements follows, and a description of the Initial Major Improvements allocable to Improvement Area #1 that are a portion of the Initial Improvement Area #1 Projects can be found in Section III.B above.

Roadway Improvements

The road improvement portion of the Initial Improvement Area #1 Improvements consists of the construction of road improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Improvement Area #1 Assessed Property. All roadway projects will be designed and constructed in accordance with Town standards and specifications and will be owned and maintained by the Town.

Water Improvements

The water improvement portion of the Initial Improvement Area #1 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves, and appurtenances, necessary for the portion of the water distribution system that will service the Improvement Area #1 Assessed Property. The water improvements will be designed and constructed according to MSUD and Town standards and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The wastewater improvement portion of the Initial Improvement Area #1 Improvements consists of construction and installation of various sized gravity sewer lines, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Improvement Area #1 Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Initial Improvement Area #1 Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Improvement Area #1 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.

Table III-B.1
Estimated Initial Improvement Area #1 Projects Costs

	Original Estimated Budget			Revised Estimated Budget		
Authorized Improvements	Proportional Share of Initial Major Improvements[1]	Initial Improvement Area #1 Improvements Costs	Initial Improvement Area #1 Projects Total Costs	Proportional Share of Initial Major Improvements[1]	Initial Improvement Area #1 Improvements Costs[2]	Initial Improvement Area #1 Projects Total Costs
Roadway Improvements	$1,941,333	$7,677,642	$9,618,975	$2,269,470	$9,901,795	$12,171,265
Water Improvements	$298,757	$2,143,135	$2,441,892	$788,556	$4,538,874	$5,327,430
Sanitary Sewer Improvements	$1,024,701	$3,728,596	$4,753,297	$1,166,704	$4,632,792	$5,799,496
Storm Drainage Improvements	$265,777	$4,456,317	$4,722,094	$688,098	$5,423,846	$6,111,944
Parks, Landscaping, and Hardscaping	$1,319,206	$0	$1,319,206	$1,052,613	$0	$1,052,613
Other Soft and Miscellaneous Costs	$2,377,833	$3,288,389	$5,666,222	$2,655,602	$3,953,778	$6,609,380
Total Authorized Improvements	**$7,227,607**	**$21,294,079**	**$28,521,686**	**$8,621,041**	**$28,451,085**	**$37,072,126**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-B.1 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Initial Improvement Area #1 Projects does not increase.
1 – See Table III-A.1.
2 – As provided by the Developer.

Additional Improvement Area #1 Improvements

The Additional Improvement Area #1 Improvements include right-of-way acquisitions as provided by the project engineer. These costs were incorrectly not included in the initial cost estimates at the time the Assessments described on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects were levied, as described in Appendix B. In light of this error, an additional assessment was levied to correct this mistake and in order to pay for these costs. The costs of the Additional Improvement Area #1 Projects (including the portion of the Additional Major Improvements allocable to Improvement Area #1) are shown in Table III-B. The costs shown in Table III-B.2 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within Improvement Area #1.

A description of the Additional Major Improvements allocable to Improvement Area #1 that are a portion of the Additional Improvement Area #1 Projects can be found in Section III.B above.

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Table III-B.2
Estimated Additional Improvement Area #1 Projects Costs

Authorized Improvements	Proportional Share of Additional Major Improvements[2]	Additional Improvement Area #1 Improvements Costs[2]	Additional Improvement Area #1 Projects Total Costs
Roadway Improvements	$659,283	$0	$659,283
Water Improvements	$210,441	$0	$210,441
Sanitary Sewer Improvements	$158,704	$0	$158,704
Storm Drainage Improvements	$185,668	$0	$185,668
Parks, Landscaping, and Hardscaping	$0	$0	$0
Other Soft and Miscellaneous Costs	$141,729	$0	$141,729
Right-of-way	$806,808	$6,780,000	$7,586,808
Total Authorized Improvements	**$2,162,633**	**$6,780,000**	**$8,942,633**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-B.2 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Additional Improvement Area #1 Projects does not increase.
1 – See Table III-A.2.
2 – Costs of the Additional Improvement Area #1 Improvements were incorrectly not included in the initial cost estimates at the time the Assessments described on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects were levied, as described in Appendix B.

The costs of Authorized Improvements in Improvement Area #1 (including Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects) are shown in Table III-B.3.

Table III-B.3
Estimated Total Improvement Area #1 Costs

Authorized Improvements	Initial Improvement Area #1 Projects Costs[1]	Additional Improvement Area #1 Projects Costs[2]	Total Improvement Area #1 Costs
Roadway Improvements	$12,171,265	$659,283	$12,830,548
Water Improvements	$5,327,430	$210,441	$5,537,871
Sanitary Sewer Improvements	$5,799,496	$158,704	$5,958,199
Storm Drainage Improvements	$6,111,944	$185,668	$6,297,611
Parks, Landscaping, and Hardscaping	$1,052,613	$0	$1,052,613
Other Soft and Miscellaneous Costs	$6,609,380	$141,729	$6,751,109
Right-of-way	$0	$7,586,808	$7,586,808
Total Authorized Improvements	**$37,072,126**	**$8,942,633**	**$46,014,760**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-B.3 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to Improvement Area #1 does not increase.
1 – See Table III-B.1.
2 – See Table III-B.2.

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D. DESCRIPTIONS AND COSTS OF FUTURE IMPROVEMENT AREA LOCAL IMPROVEMENTS

The Future Improvement Area Local Improvements benefit only the Future Improvement Area. The costs of the Future Improvement Area Local Improvements are allocated proportionally to all Parcels within the Future Improvement Areas, excluding Non-Benefited Property, in a manner that anticipates planned development of the Future Improvement Area based on the anticipated number of Equivalent Units. The costs of the Future Improvement Area Local Improvements have not previously been included in any levy of assessments. These costs are being levied now to permit development of the Future Improvement Areas to continue in light of increased demands for sanitary sewer improvements.

The Future Improvement Area Local Improvements descriptions are presented below as provided by the project engineer. The costs of the Future Improvement Area Local Improvements are shown in Table III-C.1. The costs shown in Table III-C.1 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Future Improvement Area Local Improvements follows:

The Future Improvement Area Local Improvements consist of sewer improvements and soft and miscellaneous costs, as shown in Appendix B.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Future Improvement Area Local Improvements consists of construction and installation of a lift station, gravity sewer line, sewer force main, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Future Improvement Area Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

Other Soft and Miscellaneous Costs

The other soft and miscellaneous costs portion of the Future Improvement Area Local Improvements consist of engineering and other soft and miscellaneous costs.

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Table III-C.1
Future Improvement Area Local Improvements

Authorized Improvements	Total Costs
Sanitary Sewer Improvements	$1,959,417
Other Soft and Miscellaneous Costs	$822,421
Total Authorized Improvements	**$2,781,838**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-C.1 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Future Improvement Area Local Improvements does not increase.

A description of the Additional Major Improvements allocable to the Future Improvement Area that are a portion of the Future Improvement Area Projects can be found in Section III.B above.

Table III-C.2
Estimated Future Improvement Area Project Costs

Authorized Improvements	Proportional Share of Additional Major Improvements[1]	Future Improvement Area Local Improvements Costs[2]	Future Improvement Area Projects Total Costs
Roadway Improvements	$701,272	$0	$701,272
Water Improvements	$223,844	$0	$223,844
Sanitary Sewer Improvements	$168,811	$1,959,417	$2,128,228
Storm Drainage Improvements	$197,492	$0	$197,492
Other Soft and Miscellaneous Costs	$150,756	$822,421	$973,177
Right-of-way	$858,192	$0	$858,192
Total Authorized Improvements	**$2,300,367**	**$2,781,838**	**$5,082,205**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-C.2 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Additional Improvement Area #1 Projects does not increase.
1 – See Table III-A.2.
2 – See Table III-C.1.

E. FUTURE IMPROVEMENT AREAS

As the Future Improvement Areas are developed and Future Phase Bonds are issued, this SAP will be amended to identify the specific Future Phase Improvements that confer a special benefit to the property inside each construction phases(s) of the Future Improvement Areas (e.g. a Table III-D will be added to show the costs for the specific Authorized Improvements financed within the specific portion of the Future Improvement Areas being developed.)

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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. All Initial Major Improvements (which include Improvement Area #1's pro rata share of the Initial Major Improvements) have been completed and accepted by the Town and MSUD, as applicable, with the exception of (i) the connection of Ryan Spiritas Parkway to U.S. 380, which is pending certain approvals from the Texas Department of Transportation, (ii) acceptance of a lift station, which is pending final acceptance from MSUD and expected in the second quarter of 2024, and (iii) parks and landscaping, which is expected in the second quarter of 2024. It is anticipated that the Additional Major Improvements (which include both Improvement Area #1's and the Future Improvement Areas' pro rata share of the Additional Major Improvements) will be completed and accepted by the Town in late second quarter or early third quarter of 2024. All Initial Improvement Area #1 Improvements have been completed and accepted by the Town and MSUD, as applicable. The Additional Improvement Area #1 Improvements have been completed and accepted by the Town. It is anticipated that the Future Improvement Area Local Improvements will be completed and accepted by the Town in the third quarter of 2024.

The estimated costs for the Initial Improvement Area #1 Projects and the Initial Major Improvement Projects, plus costs related to the issuance of the Series 2021 PID Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is $56,138,692 as shown in Table IV-A. To pay for these costs, (i) an assessment totaling $32,920,000 has been levied against Improvement Area #1, as shown in Appendix H-1 and (ii) an assessment totaling $10,280,000 has been levied against the Major Improvement Area, as shown in Appendix G. The Developer will be responsible for any additional costs of the Initial Improvement Area #1 Projects and the Initial Major Improvement Projects.

The estimated costs for the Additional Improvement Area #1 Projects (which consist of the Improvement Area #1 Improvements and Improvement Area #1's pro rata share of the Additional Major Improvements) is $8,977,633 as shown in Table IV-B. To pay for these costs, an assessment totaling $7,745,000 has been levied against the Future Improvement Areas, as shown in Appendix H-2. The Developer will be responsible for any additional costs of the Additional Improvement Area #1 Projects.

The estimated costs for the Future Improvement Area Projects (which consists of the Future Improvement Area Local Improvements and the Future Improvement Area's pro rate share of the Additional Major Improvements) is $7,156,971 as shown in Table IV-C. To pay for these costs, an assessment totaling $7,000,000 is levied against the Future Improvement Areas, as shown in Appendix I. The Developer will be responsible for any additional costs of the Future Improvement Area Projects.

As Future Improvement Areas are developed in connection with the issuance of Future Phase Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-D will be added for Improvement Area #2, etc.). The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses and the Additional Interest Component, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

The Series 2021 PID Bonds shown in Table IV-A were issued in 2021 and are being used to finance a portion of the costs of the Initial Improvement Area #1 Projects and the Initial Major Improvement Projects.

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Table IV-A
Estimated Sources and Uses
Series 2021 PID Bonds

Sources of Funds	Series 2021 PID Bonds
Par amount	$43,200,000
Other funding sources	$12,938,692
Total Sources	**$56,138,692**
Uses of Funds	
Initial Major Improvement Projects:	
Roadway Improvements	$2,414,007
Water Improvements	$838,777
Sanitary Sewer Improvements	$1,241,008
Storm Drainage Improvements	$731,921
Parks, Landscaping, and Hardscaping	$1,119,651
Other Soft and Miscellaneous Costs	$2,824,731
Subtotal	*$9,170,097*
Initial Improvement Area #1 Projects[2]:	
Roadway Improvements	$12,171,265
Water Improvements	$5,327,430
Sanitary Sewer Improvements	$5,799,496
Storm Drainage Improvements	$6,111,944
Parks, Landscaping, and Hardscaping	$1,052,613
Other Soft and Miscellaneous Costs	$6,609,380
Subtotal	*$37,072,126*
Bond Issuance Costs:	
Cost of Issuance	$2,337,000
Capitalized interest	$4,257,000
Reserve Fund	$2,976,469
Administrative Expense	$110,000
Placement Agent's Fee	$216,000
Subtotal	*$9,896,469*
Total Uses	**$56,138,692**

1 – See Table III-A.1 for details.

2 – See Table III-B for detailed breakdown of the Initial Improvement Area #1 Projects.

The Additional Improvement Area #1 Projects Reimbursement Agreement shown in Table IV-B was executed on July 18, 2023, between the Town and the Developer to finance a portion of the costs of the Additional Improvement Area #1 Projects. The Town is not under any obligation to issue Bonds to replace or refinance the Additional Improvement Area #1 Projects Reimbursement Agreement.

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Table IV-B
Estimated Sources and Uses
Additional Improvement Area #1 Projects Reimbursement Agreement

Sources of Funds	Additional IA #1 Projects Reimbursement Agreement
Assessment amount	$7,745,000
Other funding sources	$1,232,633
Total Sources	**$8,977,633**
Uses of Funds	
Additional Major Improvements [1]	
Roadway Improvements	$659,283
Water Improvements	$210,441
Sanitary Sewer Improvements	$158,704
Storm Drainage Improvements	$185,668
Other Soft and Miscellaneous Costs	$141,729
Right-of-way	$806,808
Subtotal	*$2,162,633*
Additional Improvement Area #1 Improvements[1]:	
Right-of-way	*$6,780,000*
Subtotal	*$6,780,000*
Other Costs:	
Administrative Expenses	$35,000
Subtotal	*$35,000*
Total Uses	**$8,977,633**

1 – See Table III-B for details.

The Series 2024 PID Bonds shown in Table IV-C are being issued in 2024 and are being used to finance a portion of the costs of the Future Improvement Area Projects, which consist of the Additional Major Improvement Projects and the Future Improvement Area Local Improvements.

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Table IV-C
Estimated Sources and Uses
Series 2024 PID Bonds

Sources of Funds	Series 2024 PID Bonds
Par amount	$7,000,000
Other funding sources	$156,971
Total Sources	**$7,156,971**
Uses of Funds	
Additional Major Improvements Projects:[1]	
Roadway Improvements	$701,272
Water Improvements	$223,844
Sanitary Sewer Improvements	$168,811
Storm Drainage Improvements	$197,492
Other Soft and Miscellaneous Costs	$150,756
Right-of-way	$858,192
Subtotal Additional Major Improvement Projects	*$2,300,367*
Future Improvement Area Local Improvements[1]	
Sanitary Sewer Improvements	$1,959,417
Other Soft and Miscellaneous Costs	$822,421
Subtotal Future Improvement Area Local Improvements	*$2,781,838*
Bond Issuance Costs:	
Cost of Issuance	$490,216
Capitalized interest	$735,000
Reserve Fund	$604,550
Administrative Expense	$35,000
Placement Agent's Fee	$210,000
Subtotal Bond Issuance Costs	*$2,074,766*
Total Uses	**$7,156,971**

1 – See Table III-C.2 for details.

B. PROJECTED FIVE YEAR SERVICE PLAN

The annual projected costs and annual projected indebtedness with respect to the Initial Major Improvement Projects and the Initial Improvement Area #1 Projects (including the portion of the Initial Major Improvements allocated to Improvement Area #1), shown by Table IV-D. 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-D
Annual Projected Costs and Annual Projected Indebtedness
Initial Major Improvement Projects and Initial Improvement Area #1 Projects

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Initial Major Improvement Projects Annual Installments[1]	Projected Initial IA #1 Projects Annual Installments[1]
2022 & Prior	$56,138,692	$43,200,000	$12,938,692	$0	$0
2023	$0	$0	$0	$461,634	$1,473,416
2024	$0	$0	$0	$796,258	$2,502,999
2025	$0	$0	$0	$797,292	$2,504,009
2026	$0	$0	$0	$792,754	$2,508,289
2027	$0	$0	$0	$792,937	$2,505,544
2028	$0	$0	$0	$792,547	$2,501,068
Total	**$56,138,692**	**$43,200,000**	**$12,938,692**	**$4,433,421**	**$13,995,325**

1 – Projected Annual Installment amounts are net of available capitalized interest.

The annual projected costs shown in Table IV-D are the annual expenditures relating to the Initial Major Improvement Projects shown in Table III-A.1, the Initial Improvement Area #1 Projects shown in Table III-B and the costs associated with setting up the PID and bond issuance costs for the Series 2021 PID Bonds including reserves shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

The annual projected costs and annual projected indebtedness with respect to the Additional Improvement Area #1 Projects (including the portion of the Additional Major Improvements allocated to Improvement Area #1) is shown by Table IV-E. The annual projected costs and indebtedness is subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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Table IV-E
Annual Projected Costs and Annual Projected Indebtedness
Additional Improvement Area #1 Projects

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Additional IA #1 Projects Annual Installments
2023[1]	$8,977,633	$7,745,000	$1,232,633	$0
2024	$0	$0	$0	$567,019
2025	$0	$0	$0	$569,195
2026	$0	$0	$0	$572,033
2027	$0	$0	$0	$575,474
2028	$0	$0	$0	$578,459
2029	$0	$0	$0	$580,989
Total	**$8,977,633**	**$7,745,000**	**$1,232,633**	**$3,443,168**

1 – Administrative Expenses for year 2023 will be paid by the Developer.

The annual projected costs shown in Table IV-E are the annual expenditures relating to the Additional Improvement Area #1 Projects shown in Table III-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

The annual projected costs and annual projected indebtedness with respect to the Future Improvement Area Projects (including the portion of the Additional Major Improvements allocated to the Future Improvement Area and the Future Improvement Area Local Improvements) is shown by Table IV-F. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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Table IV-F
Annual Projected Costs and Annual Projected Indebtedness
Future Improvement Area Projects

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Future Improvement Area Projects Annual Installments
2024	$7,156,971	$7,000,000	$156,971	$0
2025	$0	$0	$0	$699
2026	$0	$0	$0	$700
2027	$0	$0	$0	$700
2028	$0	$0	$0	$702
2029	$0	$0	$0	$703
2030	$0	$0	$0	$703
Total	**$7,156,971**	**$7,000,000**	**$156,971**	**$4,206**

The annual projected costs shown in Table IV-F are the annual expenditures relating to the Future Improvement Area Projects shown in Table III-C.2. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

As the Future Improvement Areas are developed, in association with issuing Future Phase Bonds for portions of the Future Improvement Areas, a Table IV-G will be updated to identify the Authorized Improvements to be financed by each new series of the Future Phase Bonds and the projected indebtedness resulting from each additional series of the Future Phase Bonds.

C. PID ASSESSMENT NOTICE

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 Assessment Notice" is attached hereto as Appendix D and may be updated in an Annual Service Plan Update.

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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.

The proposed bond issuance program entails a series of bond financings and/or reimbursement agreements that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Series 2021 PID Bonds issued in 2021 to finance the Initial Improvement Area #1 Projects and the Initial Major Improvement Projects, the Additional Improvement Area #1 Projects Reimbursement Agreement obligation incurred in 2023 to finance the Additional Improvement Area #1 Projects, and the Series 2024 PID Bonds are being issued in 2024 to finance the Future Improvement Area Projects, subsequent financings may be issued and/or additional obligations created under a reimbursement agreement over the upcoming decade as the subsequent phases of the development are gradually constructed.

The purpose of this gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The bonds being issued are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

For purposes of this Service and Assessment Plan, the Town Council has determined that the costs of the Initial Major Improvement Projects, Additional Major Improvement Projects, Initial Improvement Area #1 Projects, Additional Improvement Area #1 Projects, and Future Improvement Area Local Improvements shall be allocated as described below:

1. The costs of the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects that only benefit Improvement Area #1 shall be allocated on the basis of Equivalent Units calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of

the costs of such Authorized Improvements of Improvement Area #1 Assessed Property to Parcels similarly benefited.

2. The costs of the Initial Major Improvements are proportionally allocated to the Major Improvement Area Assessed Property and the Improvement Area #1 Assessed Property based on estimated Equivalent Units calculated using the average home price for the Major Improvement Area Assessed Property and the Improvement Area #1 Assessed Property.

3. The costs of the Additional Major Improvements are proportionally allocated to the Future Improvement Area Assessed Property and the Improvement Area #1 Assessed Property based on estimated Equivalent Units calculated using the average home price for the Future Improvement Area Assessed Property and the Improvement Area #1 Assessed Property.

4. The Initial Major Improvement Projects and Additional Major Improvement Projects are allocated to each Parcel of Major Improvement Area Assessed Property based on estimated Equivalent Units calculated using the average home price of each Lot Type.

5. The Future Improvement Area Local Improvements are allocated to each Parcel of Future Improvement Area Assessed Property based on estimated Equivalent Units calculated using the average home price of each Lot Type.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements (including the Initial Major Improvements and the Additional Major Improvements) between Improvement Area #1 Assessed Property, Major Improvement Area Assessed Property or Future Improvement Area Assessed Property.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within the Future Phases will receive from the Future Phase Improvements that will benefit each individual Future Phase and that may be financed with Future Phase Bonds. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Initial Major Improvements, Initial Improvement Area #1 Improvements, Additional Improvement Area #1 Projects, and Future Improvement Area Projects, as applicable.

In connection with the issuance of Future Phase Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Future Phase Bonds issued with respect to that Future Phase. Prior to assessing Parcels located within a Future Phase in connection with issuance of Future Phase Bonds, each owner of the Parcels to be assessed must acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Initial Major Improvement Projects, Additional Major Improvement Projects, Initial Improvement Area #1 Projects, Additional Improvement Area #1 Projects, and Future Improvement Area Projects, as applicable, (ii) provides

the basis and justification for the determination that this special benefit exceeds the amount of the Assessments levied or being levied, as applicable, on the Improvement Area #1 Assessed Property, and Major Improvement Area Assessed Property, and Future Improvement Area Assessed Property for such improvements, and (iii) establishes the methodologies by which the Town Council allocates and reallocates the special benefit of the Initial Major Improvement Projects, Additional Major Improvement Projects, Initial Improvement Area #1 Projects, Additional Improvement Area #1 Projects, and Future Improvement Area Projects, as applicable, to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination by the 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.

As Future Phases are developed, in connection with the issuance of Future Phase Bonds and/or the execution of a related reimbursement agreement, this Service and Assessment Plan will be updated based on the Town's determination of the assessment methodology for each Future Phase.

B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) 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 received notice 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 have been or are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate*

Appraisal, Third Edition.) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

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

The 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 Town through the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property either has or 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 any Assessment Ordinance; (ii) the Service and Assessment Plan and any 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, as the owner of the Assessed Property, at the time of the Assessment, has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;

3. The Authorized Improvements are required for the highest and best use of the property;

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

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

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

C. ALLOCATION OF INITIAL MAJOR IMPROVEMENT COSTS TO ASSESSED PROPERTY

The Initial Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Initial Major Improvement costs must be allocated throughout all Assessed Property in the PID. Table V-A summarizes the allocation of Actual Costs for each type of Initial Major Improvement. The costs shown in Table V-A are estimates and may be revised in an Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1 is projected to contain 1,057 residential units. As shown in Appendix E, the total Equivalent Units for Improvement Area #1 is calculated as 824.33. The Major Improvement Area is projected to contain 1,099 residential units resulting in a total of 876.83 Equivalent Units as shown in Appendix E. The Total projected Equivalent Units in the PID is, therefore, calculated to be 1,701.17 (i.e., 824.33 + 876.83 = 1,701.77). As a result, 48.46 percent of the estimated costs of the Initial Major Improvements (i.e., 824.33 ÷ 1,701.77 = 48.46%) are allocated to the Improvement Area #1 Assessed Property and 51.54 percent of the estimated costs of the Initial Major Improvements (i.e., 876.83 ÷ 1,701.77 = 51.54%) are allocated to the Major Improvement Area Assessed Property. The Series 2021 PID Bonds funded the Initial Major Improvements.

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Table V-A
Allocation of Initial Major Improvement Costs

Authorized Improvement	Estimated Costs
Roadway Improvements	$4,683,477
Water Improvements	$1,627,333
Sanitary Sewer Improvements	$2,407,712
Storm Drainage Improvements	$1,420,019
Parks, Landscaping, and Hardscaping	$2,172,264
Other Soft and Miscellaneous Costs	$5,480,333
Total Initial Major Improvements	**$17,791,138**
Improvement Area #1	
Projected total Equivalent units	824.33
% of Total Equivalent Units	48.46%
Proportionate Share of Costs	$8,621,041
Major Improvement Area	
Projected total Equivalent units	876.83
% of Total Equivalent Units	51.54%
Proportionate Share of Costs	$9,170,097

D. Allocation of Additional Major Improvement Costs to Assessed Property

The Additional Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Additional Major Improvement costs must be allocated throughout all Assessed Property in the PID. Table V-A summarizes the allocation of Actual Costs for each type of Additional Major Improvement. The costs shown in Table V-B are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1 is projected to contain 1,057 residential units. As shown in Appendix E, the total Equivalent Units for Improvement Area #1 is calculated as 824.33. The Major Improvement Area is projected to contain 1,099 residential units resulting in a total of 876.83 Equivalent Units as shown in Appendix E. The Total projected Equivalent Units in the PID is, therefore, calculated to be 1,701.17 (i.e., 824.33 + 876.83 = 1,701.77). As a result, 48.46 percent of the estimated costs of the Additional Major Improvements (i.e., 824.33 ÷ 1,701.77 = 48.46%) are allocated to the Improvement Area #1 Assessed Property and 51.54 percent of the estimated costs of the Additional Major Improvements (i.e., 876.83 ÷ 1,701.77 = 51.54%) are allocated to the Major Improvement Area Assessed Property. The Additional Major Improvements are anticipated to be funded, in part under the Additional Improvement Area #1 Projects Reimbursement Agreement (for that portion allocable to Improvement Area #1) and in part by the Series 2024 Bonds, as well as from contributions from the Developer without reimbursement.

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Table V-B
Allocation of Additional Major Improvement Costs

Authorized Improvement	Estimated Costs
Roadway Improvements	$1,360,555
Water Improvements	$434,285
Sanitary Sewer Improvements	$327,515
Storm Drainage Improvements	$383,160
Other Soft and Miscellaneous Costs	$292,485
Right-of-way	$1,665,000
Total Additional Major Improvements	**$4,463,000**
Improvement Area #1	
Projected total Equivalent units	824.33
% of Total Equivalent Units	48.46%
Proportionate Share of Costs	$2,162,633
Future Improvement Areas	
Projected total Equivalent units	876.83
% of Total Equivalent Units	51.54%
Proportionate Share of Costs	$2,300,367

E. 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 Major Improvement Area

For purpose of this Service and Assessment Plan, the Town Council determined that the Initial Major Improvement Projects shall be allocated to the Major Improvement Area Assessed Property by spreading the entire Assessment for such improvements across the Parcels based on the estimated number of Equivalent Units anticipated to be developed on each Parcel within the Major Improvement Area.

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 number of Equivalent Units at the time residential Lots are platted to the total estimated number of Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council.

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

2. Assessment Methodology for Improvement Area #1

For purpose of this Service and Assessment Plan, the Town Council has determined that the Actual Costs of the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects shall be allocated to the Improvement Area #1 Assessed Property by spreading the entire Assessments identified in Appendix H-1 (with respect to the Initial Improvement Area #1 Projects) and Appendix H-2 (with respect to the Additional Improvement Area #1 Projects) across the Parcels within Improvement Area #1 based on the estimated number of Equivalent Units anticipated to be developed on each Parcel within Improvement Area #1.

Based on the estimates of the costs of the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects, as set forth in Table III-B, the Town Council has determined that the respective benefit of the Initial Improvement Area #1 Projects and Additional Improvement Area#1 Projects to Improvement Area #1 Assessed Property is at least equal to the Assessments levied on the Improvement Area #1 Assessed Property as identified in Appendix H-1 (with respect to the Initial Improvement Area #1 Projects) and Appendix H-2 (with respect to the Additional Improvement Area #1 Projects).

Upon subsequent divisions of any Parcel, each 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, each Assessment will be apportioned proportionately among each Parcel based on the ratio of the estimated number of Equivalent Units at the time residential Lots are platted to the total estimated number of Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 levied in connection with the Initial Improvement Area #1 Projects is shown on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, attached as Appendix H-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 levied in connection with the Additional Improvement Area #1 Projects is shown on the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, attached as Appendix H-2, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

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3. Assessment Methodology for the Future Improvement Area

For purpose of this Service and Assessment Plan, the Town Council determined that the Future Improvement Area Projects shall be allocated to the Future Improvement Area Assessed Property by spreading the entire Assessment for such improvements across the Parcels based on the estimated number of Equivalent Units anticipated to be developed on each Parcel within the Future Improvement Area.

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 number of Equivalent Units at the time residential Lots are platted to the total estimated number of Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council.

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

When any given Future Improvement Area is developed, and Future Phase Bonds for that portion of the Future Improvement Area is to be issued, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that portion of the Future Improvement Area.

F. ASSESSMENTS

The Assessments for the pro rata share of Initial Major Improvement Projects and the Initial Improvement Area #1 Projects to be paid with the proceeds from Series 2021 PID Bonds were levied on each Parcel or Lot according to the Major Improvement Area Assessment Roll – Initial Major Improvements and the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, as applicable. The Assessments for the Additional Improvement Area #1 Projects to be paid by the Developer and reimbursed with the Additional Improvement Area #1 Projects Reimbursement Agreement were levied on each Parcel or Lot within Improvement Area #1 according to the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects. The Assessments for the Future Improvement Area Projects are to be paid with the proceeds from Series 2024 PID Bonds and are levied on each Parcel or Lot within the Future Improvement Area according to the Future Improvement Area Assessment Roll – Future Improvement Area Projects. The Annual Installments from the Major Improvement Area Assessed Property will be collected on the dates and in the amounts shown on the Major Improvement Area Assessment Roll – Initial Major Improvements, the Annual Installments from the Improvement Area #1 Assessed Property will be collected on the dates and in the amounts shown on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects and the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, and the Annual Installments from the Future Improvement Area Assessed Property will be collected on

the dates and in the amounts shown on the Future Improvement Area Assessment Roll – Future Improvement Area Projects, as applicable, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

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

G. Administrative Expenses

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

H. 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 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 secured by such Assessments, 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. The Additional Interest Reserve shall be funded until it reaches 5.50% of the outstanding series of Bonds unless otherwise stipulated in the Bond documents. Once the Additional Interest Reserve is funded in full, the Additional Interest to be paid may be adjusted in a subsequent Annual Service Plan Update or the Town may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture. No Additional Interest will be collected on any portion of an Assessment which secures a reimbursement obligation, including the obligation created under the Additional Improvement Area #1 Reimbursement Agreement, and not a series of Bonds.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE MAJOR IMPROVEMENT AREA

The Assessment and Annual Installments for each Assessed Property located within the Major Improvement Area are shown on the Major Improvement Area Assessment Roll – Initial Major Improvements, 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 Major Improvement Area Assessed Property in an amount sufficient to pay (i) principal and interest on the Major Improvement Area Assessed Property's share of the Series 2021 PID Bonds, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay its allocated portion of Administrative Expenses related to the PID.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1

The Assessment and Annual Installments for each Assessed Property located within Improvement Area #1 is shown on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects and the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, attached as Appendix H-1 and Appendix H-2, respectively, 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 Improvement Area #1 Assessed Property in an amount sufficient to pay (i) principal and interest on the Improvement Area #1 Assessed Property's share of the Series 2021 PID Bonds (ii) principal and interest on the Additional Improvement Area #1 Projects Reimbursement Agreement for the Additional Improvement Area #1 Projects, (iii) to fund the Additional Interest Reserve described in Section V (with respect to the portion of the assessment securing the Series 2021 PID Bonds), and (iv) to pay its allocated portion of Administrative Expenses related to the PID.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE IMPROVEMENT AREAS

The Assessment and Annual Installments for each Assessed Property located within the Future Improvement Area are shown on the Future Improvement Area Assessment Roll – Future Improvement Area Projects attached as Appendix I, 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 Future Improvement Area Assessed Property in an amount sufficient to pay (i) principal and interest on the Future Improvement Area Assessed Property's share of the Series 2024 PID Bonds, (ii) to fund the Additional Interest Reserve

described in Section V, and (iii) to pay its allocated portion of Administrative Expenses related to the PID.

As any given Future Phase is developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within the Future Phase (e.g., an Appendix will be added as the Assessment Roll for Improvement Area #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

D. REALLOCATION OF ASSESSMENTS

1. Subdivision

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

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

Where the terms have the following meanings:

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

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

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

E. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the 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 Assessment per Lot calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the Town prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Lot for the Parcel exceeds the Assessment per Lot calculated in this Service and Assessment Plan.

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

F. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds and/or obligation under a related reimbursement agreement 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 and/or obligation under related reimbursement agreement, resulting in excess Bond proceeds being available to redeem Bonds of such series and/or a need to reduce the obligation under a reimbursement agreement, as the case may be, then the Assessment securing such series of Bonds and/or obligation under the related reimbursement agreement 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 and such excess Bond proceeds or Assessment Revenues shall applied to redeem Bonds of such series as provided in the Trust Indenture or to reduce the obligation under a related reimbursement agreement. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds and/or amounts due under related reimbursement agreement. If all of the Authorized Improvements are not completed, the Town may reduce the Assessments in another method if it determined 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/or a need to reduce the obligations under a related reimbursement agreement, 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 and/or repay obligations under a related reimbursement agreement, including interest on the Bonds and Administrative Expenses, and such excess Bond proceeds shall be applied to

redeem Bonds. 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, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds and/or repay obligations under a related reimbursement agreement, including interest thereon 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 and/or obligations under related reimbursement agreement is equal to the outstanding principal amount of the Bonds and/or the amounts outstanding under a related reimbursement agreement.

G. PAYMENT OF ASSESSMENTS

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Payment shall include all Prepayment Costs.

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

(c) Upon payment in full of the Assessment and all Prepayment Costs, the Town shall deposit the payment in accordance with the Trust Indenture and/or account of the applicable reimbursement agreement; whereupon the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. For purposes of Prepayments of the Assessments levied against the Improvement Area #1 Assessed Property, the obligation created under the Additional Improvement Area #1 Projects Reimbursement Agreement is and will remain subordinated to the portion of the Series 2021 Bonds allocable to Improvement Area #1 and the portion allocable to the Major Improvement Area. Prepayments of the Assessments levied against the Major Improvement Area Assessed Property and Future Improvement Area Assessed Property, shall be allocated, on an equal priority basis, in accordance with the corresponding Assessment Roll.

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

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the 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 Rolls, as updated as provided for herein, which include (i) interest, (ii) Administrative Expenses, and (iii) with respect to Assessments which secure a series of Bonds, payments required for the Additional Interest to fund the Additional Interest Reserve.

Series 2021 PID Bonds

Each Assessment levied against the Improvement Area #1 Assessed Property for the Initial Improvement Area #1 Projects and Major Improvement Area Assessed Property for the Major Improvement Area Projects shall be paid with interest of no more than the actual interest rate paid on the Series 2021 PID Bonds. The Major Improvement Area Assessment Roll – Initial Major Improvements sets forth for each year the Annual Installment for each Parcel within the Major Improvement Area based on an interest rate of 5.375% and Additional Interest for the Additional Interest Reserve. The Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects sets forth for each year the Annual Installment for each Parcel within Improvement Area #1 (and related to the Initial Improvement Area #1 Projects) based on an interest rate of 5.375% 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 applicable Assessment Rolls. The Major Improvement Area Assessment Roll – Initial Major Improvements and Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, have been updated with the actual interest rates on the Series 2021 PID Bonds, are shown as Appendix G and Appendix H-1.

The Town reserves and shall have the right and option to refund the Bonds and/or the obligations due under a related reimbursement agreement 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.

Additional Improvement Area #1 Projects Reimbursement Agreement

Each Assessment for the Improvement Area #1 Assessed Property for the Additional Improvement Area #1 Projects shall be paid with interest of no more than the actual interest rate paid on the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest on the Additional Improvement Area #1 Projects Reimbursement Agreement shall be paid based on an interest rate of 5.875% per annum for years 1 through 5 and 5.875% per annum following the fifth Annual Installment. The interest on the Additional Improvement Area #1 Projects Reimbursement Agreement shall be paid at a rate not to exceed five hundred basis points (5.00%) above the highest average index rate for tax-exempt bond reported in a daily or weekly bond index approved by the Town and reported in the month prior to the establishment of the Assessments securing such portion of the Additional Improvement Area #1 Projects Reimbursement Agreement and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points (2.00%) above the bond index rate described above and shall

continue until the Assessments are paid in full. The index approved by the Town is the *Bond Buyer Index* for which the highest average rate during the previous thirty days prior to the levy of Assessments on the Improvement Area #1 Assessed Property securing the Additional Improvement Area #1 Projects Reimbursement Agreement was 3.930%. The Town has determined that the Additional Improvement Area #1 Projects Reimbursement Agreement shall bear interest at the interest rate of 5.875% per annum for years 1 through 5 and 5.875% per annum following the fifth Annual Installment, which rates are equal to or less than the initial maximum allowable rate of interest of 8.93% for years 1 through 5 and equal to the maximum allowable rate of interest following the fifth Annual Installment, which would be 5.93%. Furthermore, the Annual Installments of the Assessments levied against Improvement Area #1 Assessed Property for the Additional Improvement Area #1 Projects may not exceed the amounts shown on the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects. The Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, is shown as Appendix H-2.

With regard to the collection of Annual Installments from the Improvement Area #1 Assessed Property, the obligation created under the Additional Improvement Area #1 Projects Reimbursement Agreement will remain subordinated to the obligation under the Series 2021 PID Bonds allocable to Improvement Area #1.

Any amounts collected as Annual Installments from the Improvement Area #1 Assessed Property shall be allocated first to amounts due for the portion of the Series 2021 PID Bonds allocated to Improvement Area #1, including any amounts due for related reserve accounts, and second to the amounts due to pay the obligation created in connection with the Additional Improvement Area #1 Projects Reimbursement Agreement.

Series 2024 PID Bonds

Each Assessment levied against the Future Improvement Area Assessed Property for the Future Improvement Area Projects shall be paid with interest of no more than the actual interest rate paid on the Series 2024 PID Bonds. The Future Improvement Area Assessment Roll – Future Improvement Area Projects sets forth for each year the Annual Installment for each Parcel within the Major Improvement Area based on an interest rate of 7.00% and Additional Interest for the Additional Interest Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the applicable Assessment Roll, shown in Appendix I.

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

H. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the 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 updated Assessment Rolls 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. 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 PID Act.

The Annual Installments shall be reduced to equal the actual costs of repaying the Bonds and/or the obligations due under a related reimbursement agreement, Additional Interest (if applicable), 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.

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

Series 2021 PID Bonds

Each Annual Installment of an Assessment related to the Series 2021 PID Bonds, including the interest on the unpaid amount of such an Assessment, shall be calculated as of September 1 and updated annually. Each such Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the Series 2021 PID Bonds were collected following the issuance of the Series 2021 PID Bonds, and were due January 31, 2022.

Additional Improvement Area #1 Projects Reimbursement Agreement

The collection of the first Annual Installment of an Assessment related to the Additional Improvement Area #1 Projects Reimbursement Agreement secured by Improvement Area #1 Assessed Property for the Additional Improvement Area #1 Projects commenced upon September 1, 2023. Such first Annual Installment for a Lot or Parcel of Improvement Area #1 Assessed Property for which collection has begun, shall be due by January 31, 2024.

Series 2024 PID Bonds

Each Annual Installment of an Assessment related to the Series 2024 PID Bonds, including the interest on the unpaid amount of such an Assessment, shall be calculated as of September 1 and

updated annually. Each such Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the Series 2024 PID Bonds will commence with the issuance of the Series 2024 PID Bonds and will be due January 31, 2025.

I. SURPLUS FUNDS REMAINING IN THE SERIES 2021 PID PROJECT FUND

If proceeds from the Series 2021 PID Bonds still remain after all of the Major Improvement Area Projects and the Initial Improvement Area #1 Projects are constructed and accepted by the Town, the proceeds may be utilized in accordance with the Indenture for the Series 2021 PID Bonds.

J. SURPLUS FUNDS REMAINING IN THE SERIES 2024 PID PROJECT FUND

If proceeds from the Series 2024 PID Bonds still remain after all of the Future Improvement Area Projects are constructed and accepted by the Town, the proceeds may be utilized in accordance with the Indenture for the Series 2024 PID Bonds.

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VII. THE ASSESSMENT ROLL

A. MAJOR IMPROVEMENT AREA ASSESSMENT ROLL – INITIAL MAJOR IMPROVEMENTS

The Town Council has evaluated each Parcel within the Major Improvement Area (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 public improvements, and other development factors deemed relevant by the Town Council) to determine the amount of Assessed Property within the Major Improvement Area.

The Major Improvement Area Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Initial Major Improvement Projects. Table VII-A summarizes the $11,762,179 in special benefit received by the Major Improvement Area Assessed Property from the Initial Major Improvement Projects, a portion of the costs of the PID formation, operation, and/or administration, and the pro rata share of the Series 2021 PID Bonds issuance costs. The portion of the Series 2021 PID Bonds allocable to Major Improvement Area Assessed Property is $10,280,000, which is less equal to the benefit received by the Major Improvement Area Assessed Property for the Initial Major Improvements. Accordingly, the total Assessment to be applied to all the Major Improvement Area Assessed Property is $10,280,000 plus the Additional Interest Component, and annual Administrative Expenses. The Assessment for each Major Improvement Area Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Major Improvement Area Assessment Roll – Initial Major Improvements is attached hereto as Appendix G.

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Table VII-A
Initial Major Improvement Projects
Special Benefit Summary

Special Benefit	Total Cost
Initial Major Improvement Projects	$9,170,097
Total Authorized Improvements[1]	*$9,170,097*
Pro rata share of PID Formation/Bond Costs of Issuance	
Cost of Issuance	$784,385
Capitalized interest	$1,013,008
Reserve Fund	$708,289
Administrative Expense	$35,000
Placement Agent's Fee	$51,400
PID Formation/Bond Cost of Issuance	*$2,592,082*
Total Special Benefit	**$11,762,179**
Special Benefit	
Total Special Benefit	$11,762,179
Projected Assessment	$10,280,000
Excess Benefit	**$1,482,179**

1 – See Table III-A for details.

B. IMPROVEMENT AREA #1 ASSESSMENT ROLL – INITIAL IMPROVEMENT AREA #1 PROJECTS AND IMPROVEMENT AREA #1 ASSESSMENT ROLL – ADDITIONAL IMPROVEMENT AREA #1 PROJECTS

The Town Council has evaluated each Parcel in Improvement Area #1 (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 public improvements, and other development factors deemed relevant by the Town Council) to determine the amount of Assessed Property within the Improvement Area #1.

The Improvement Area #1 Assessed Property is assessed separately for the special benefits conferred upon the property resulting from (i) the Initial Improvement Area #1 Projects, and (ii) the Additional Improvement Area #1 Projects. Table VII-B summarizes the $53,354,146 in special benefit received by the Improvement Area #1 Assessed Property from the Initial Improvement Area #1 Projects, a portion of the costs of the PID formation, and the pro rata share of the Series 2021 PID Bonds issuance costs and the Additional Improvement Area #1 Projects. The portion of the Series 2021 PID Bonds allocable to Improvement Area #1 Assessed Property for the Initial Improvement Area #1 Projects is $32,920,000. The Assessment levied under the Additional Improvement Area #1 Projects Reimbursement Agreement for the Additional Improvement Area #1 Projects is $7,745,000. The total of these two Assessments levied against the Improvement Area #1 Assessed Property is $40,665,000, which is less than the benefit received by the Improvement Area #1 Assessed Property from the Initial Improvement Area #1 Projects and the

Additional Improvement Area #1 Projects. Accordingly, the total Assessment (including (i) the portion related to the Initial Improvement Area #1 Projects and (ii) the portion related to the Additional Improvement Area #1 Projects) to be applied to all the Improvement Area #1 Assessed Property is $40,665,000 plus the Additional Interest Component (with respect to the portion securing the Series 2021 PID Bonds only), and annual Administrative Expenses. The Assessment for each Improvement Area #1 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects is attached hereto as Appendix H-1 and the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects is attached hereto as Appendix H-2.

Table VII-B
Improvement Area #1
Special Benefit Summary

Special Benefit	Series 2021 PID Bonds Cost	Additional IA #1 Reimbursement Agreement Cost	Total Cost
Initial Improvement Area #1 Projects	$37,072,126	$0	$37,072,126
Additional Improvement Area #1 Projects	$0	$8,942,633	$8,942,633
Total Authorized Improvements[1]	*$37,072,126*	*$8,942,633*	*$46,014,760*
Pro rata share of PID Formation/Bond Costs of Issuance			
Cost of Issuance	$1,552,615	$0	$1,552,616
Capitalized interest	$3,243,992	$0	$3,243,992
Reserve Fund	$2,268,179	$0	$2,268,179
Administrative Expense	$75,000	$35,000	$110,000
Placement Agent's Fee	$164,600	$0	$164,600
PID Formation/Bond Cost of Issuance	*$7,304,387*	*$35,000*	*$7,339,387*
Total Special Benefit	**$44,376,513**	**$8,977,634**	**$53,354,146**
Special Benefit			
Total Special Benefit	$44,376,513	$8,977,634	$53,354,146
Projected Assessment	$32,920,000	$7,745,000	$40,665,000
Excess Benefit	**$11,456,513**	**$1,232,634**	**$12,689,146**

1 – See Table III-B for details.

C. Future Improvement Area Assessment Roll – Future Improvement Area Projects

The Town Council has evaluated each Parcel within the Future Improvement Area (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 public improvements, and other development factors deemed relevant by the Town Council) to determine the amount of Assessed Property within the Future Improvement Area.

The Future Improvement Area Assessed Property is assessed for the special benefits conferred upon the property resulting from the Future Improvement Area Projects. Table VII-C summarizes the $7,156,971 in special benefit received by the Future Improvement Area Assessed Property from the Future Improvement Area Projects, a portion of the costs of the PID formation, operation, and/or administration, and the Series 2024 PID Bonds issuance costs. The Series 2024 PID Bonds allocable to Future Improvement Area Assessed Property is $7,000,000, which is less than the benefit received by the Future Improvement Area Assessed Property for the Future Improvement Area Projects. Accordingly, the total Assessment to be applied to all the Major Improvement Area Assessed Property is $7,000,000 plus the Additional Interest Component, and annual Administrative Expenses. The Assessment for each Future Improvement Area Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Future Improvement Area Assessment Roll – Future Improvement Area Projects is attached hereto as Appendix I.

Table VII-C
Future Improvement Area Projects
Special Benefit Summary

Special Benefit	Total Cost
Future Improvement Area Projects	$5,082,205
Total Authorized Improvements[1]	*$5,082,205*
Bond Issuance Costs	
Cost of Issuance	$490,216
Capitalized interest	$735,000
Reserve Fund	$604,550
Administrative Expense	$35,000
Underwriters Discount	$210,000
Bond Issuance Costs	*$2,074,766*
Total Special Benefit	**$7,156,971**
Special Benefit	
Total Special Benefit	$7,156,971
Projected Assessment	$7,000,000
Excess Benefit	**$156,971**

1 – See Table III-C.2 for details.

D. Future Improvement Area Assessment Roll

As any given Future Phase is developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Phase (e.g. an appendix will be added as the Assessment Roll for each Future Phase).

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E. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the Town Council for approval, annual updates to the Major Improvement Area Assessment Roll – Initial Major Improvements, Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects and the Future Improvement Area Assessment Roll – Future Improvement Area Projects, and 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 or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); The Additional Interest Component to be collected from the Assessed Property for the year (if the Assessment is payable in installments) and (v) payments of the Assessment, if any, as provided by Section VI.G of this Service and Assessment Plan.

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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; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The 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.

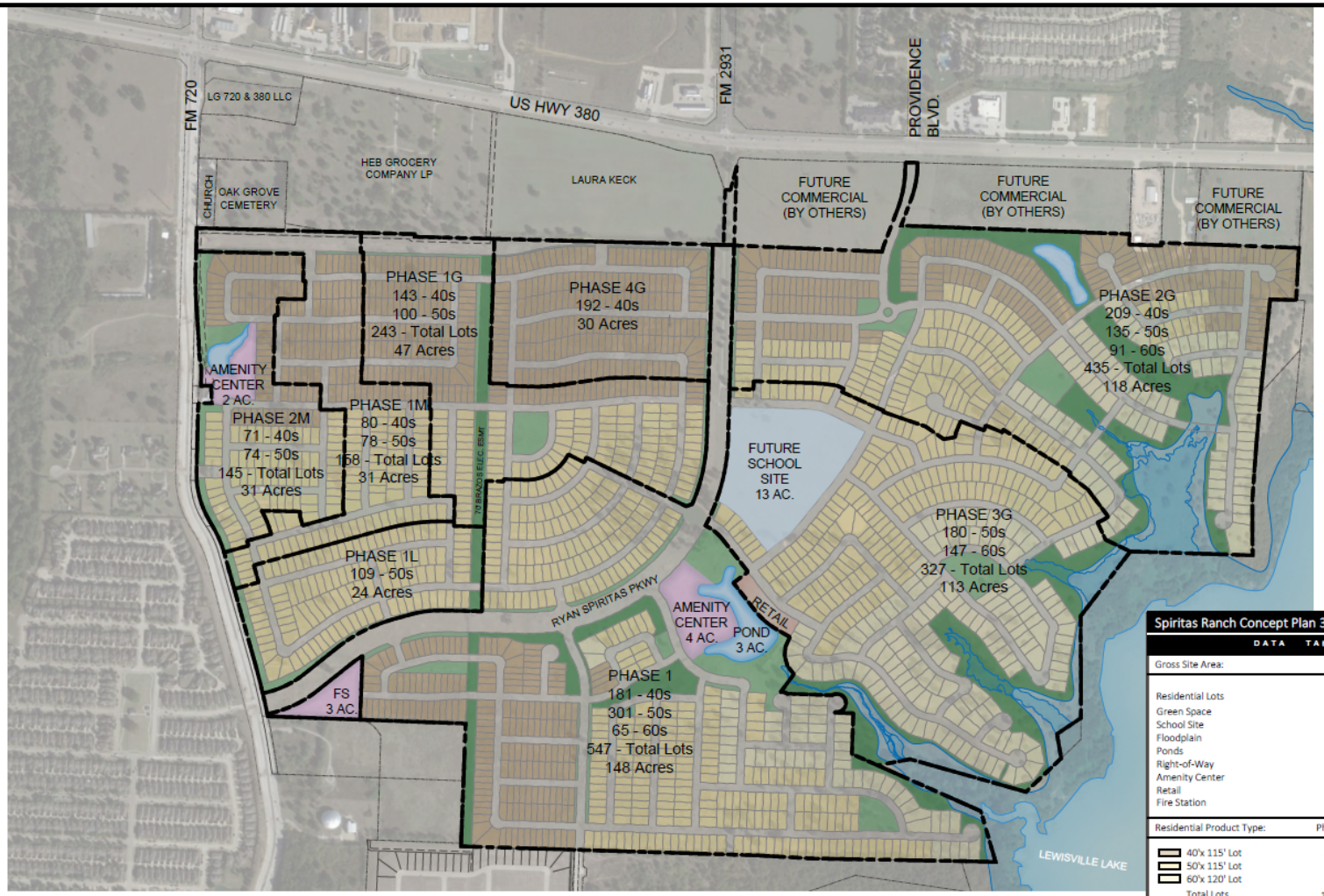
E. SEVERABILITY

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



Spiritas Ranch Concept Plan 30

DATA TABLE

Gross Site Area:		545+/-
	Acres	Gross %
Residential Lots	431	80%
Green Space	51	9%
School Site	13	2%
Floodplain	16	3%
Ponds	5	1%
Right-of-Way	17	3%
Amenity Center	7	1%
Retail	2	0.5%
Fire Station	3	0.5%

Residential Product Type:	Phase 1	Future	Total
40'x 115' Lot	404	472	876
50'x 115' Lot	588	389	977
60'x 120' Lot	65	238	303
Total Lots	1,057	1,099	2,156
Total Acres	251	294	545

BARRAZA CONSULTING GROUP, LLC

SPIRITAS RANCH DEVELOPMENT
TOWN OF LITTLE ELM , DENTON COUNTY, TEXAS

APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

COMMUNITY NAME: Spiritas Ranch
PHASES: Full Development
CITY OR TOWN: Town of Little Elm, Denton County

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

GROSS ACREAGE:	548.0
NET ACREAGE:	439.0
TOTAL LOTS:	**2,156**
TOTAL DENSITY:	4.91
LANDPLAN:	25
CREATED BY:	MC
REVIEWED BY:	AB
CREATED:	04/06/20
REVISED:	**04/16/24**

Direct Phase Costs		**TOTALS**	**PHASE 1**	**PHASE 1L**	**PHASE 1M**	**PHASE 1G (1H)**	**FUTURE PHASES**
	Lot Count	**2156**	**547**	**109**	**158**	**243**	**1099**
1	Engineering	$ 5,641,612	$ 1,388,588	$ 276,147	$ 383,593	$ 550,636	$ 3,042,647
2	Grading Site Preparation	$ 1,932,580	$ 593,844	$ 94,162	$ 136,491	$ 209,920	$ 898,164
3	Water	$ 9,549,154	$ 2,225,060	$ 505,183	$ 810,067	$ 998,564	$ 5,010,280
4	Sanitary Sewer	$ 13,437,382	$ 2,403,088	$ 540,343	$ 734,392	$ 954,969	$ 8,804,590
5	Storm Drain	$ 12,023,381	$ 3,083,651	$ 581,396	$ 915,048	$ 843,751	$ 6,599,535
6	Street Improvements	$ 19,677,740	$ 5,244,122	$ 967,866	$ 967,866	$ 1,687,524	$ 10,810,362
9	Contingency 5%	$ 3,113,092	$ 746,918	$ 148,255	$ 197,373	$ 262,268	$ 1,758,279
13	ROW Acreage[6]	$ 14,880,000	$ 3,705,000	$ 705,000	$ 1,080,000	$ 1,290,000	$ 8,100,000
	Total	$ 80,254,941	$ 19,390,271	$ 3,818,352	$ 5,224,830	$ 6,797,632	$ 45,023,856
	Cost per Lot	$ 37,224	$ 35,448	$ 35,031	$ 33,069	$ 27,974	$ 40,968

Major Improvements Costs		**TOTALS**	**PHASE 1**	**PHASE 1L**	**PHASE 1M**	**PHASE 1G (1H)**	**FUTURE PHASES**
	Lot Count	**2156**	**547**	**109**	**158**	**243**	**1099**
1	Engineering	$ 3,238,607	$ 1,759,771	$ -	$ 204,383	$ 72,793	$ 1,201,660
3	Water	$ 2,703,776	$ 1,476,315	$ -	$ 65,856	$ 85,162	$ 1,076,442
4	Sanitary Sewer	$ 2,825,912	$ 2,077,796	$ -	$ 256,534	$ 73,382	$ 418,200
5	Storm Drain	$ 2,658,742	$ 1,239,260	$ -	$ 168,555	$ 12,204	$ 1,238,722
6	Street Improvements	$ 5,234,675	$ 3,385,956	$ -	$ 370,729	$ 257,448	$ 1,220,541
7a	Screening/Landscape Walls	$ 3,095,500	$ 1,843,500	$ -	$ -	$ -	$ 1,252,000
8	Dry Utilities - Spiritas Median	$ 1,551,189	$ 1,396,189	$ -	$ -	$ -	$ 155,000
9	Contingency 5%	$ 1,268,459	$ 751,816	$ -	$ 70,332	$ 25,049	$ 421,262
10	District Formation Costs	$ 1,200,000	$ 1,200,000	$ -	$ -	$ -	$ -
11	Turn Lane Improvements	$ 1,704,344	$ 328,764	$ -	$ 340,580	$ -	$ 1,035,000
12	Common Area Amenities & Trails	$ 1,156,444	$ 328,764	$ -	$ -	$ -	$ 827,680
13	ROW Acreage[4,6,7]	$ 1,665,000	$ 615,000	$ -	$ 375,000	$ 300,000	$ 375,000
14	Perimeter Road[6,7]						
a	Engineering	$ 292,485	$ 292,485	$ -	$ -	$ -	$ -
b	Water	$ 434,285	$ 434,285	$ -	$ -	$ -	$ -
c	Sanitary Sewer	$ 327,515	$ 327,515	$ -	$ -	$ -	$ -
d	Storm Drain	$ 383,160	$ 383,160	$ -	$ -	$ -	$ -
e	Street Improvements	$ 805,555	$ 805,555	$ -	$ -	$ -	$ -
f	ROW Acreage	$ 555,000	$ 555,000	$ -	$ -	$ -	$ -
	Total	$ 31,100,648	$ 19,201,131	$ -	$ 1,851,970	$ 826,039	$ 9,221,507
	Cost per Lot	$ 14,425	$ 35,103	$ -	$ 11,721	$ 3,399	$ 8,391

Private Costs		**TOTALS**	**PHASE 1**	**PHASE 1L**	**PHASE 1M**	**PHASE 1G (1H)**	**FUTURE PHASES**
	Lot Count	**2156**	**547**	**109**	**158**	**243**	**1099**
1	Engineering	$ 1,605,279	$ 336,767	$ 67,107	$ 97,275	$ 149,606	$ 954,524
2	Grading Site Preparation	$ 10,877,373	$ 1,680,687	$ 334,908	$ 485,464	$ 746,631	$ 7,629,683
7b	Ret Walls	$ 3,932,206	$ 678,656	$ 135,235	$ 196,029	$ 301,487	$ 2,620,800
8	Dry Utilities	$ 1,306,049	$ 51,043	$ 51,043	$ 38,855	$ 60,108	$ 1,105,000
9	Contingency 5%	$ 1,036,045	$ 237,358	$ 29,415	$ 40,881	$ 62,892	$ 665,500
12	Amenity Center	$ 3,000,000	$ 2,000,000	$ -	$ -	$ -	$ 1,000,000
	Total	$ 21,756,953	$ 4,984,511	$ 617,708	$ 858,503	$ 1,320,723	$ 13,975,508
	Cost per Lot	$ 10,091	$ 9,112	$ 5,667	$ 5,434	$ 5,435	$ 12,717
TOTALS		***$ 133,112,541***	***$ 43,575,913***	***$ 4,436,060***	***$ 7,935,303***	***$ 8,944,394***	***$ 68,220,872***
per lot		***$ 61,741***	***$ 79,663***	***$ 40,698***	***$ 50,223***	***$ 36,808***	***$ 62,075***
	40' Lots	876	181	0	80	143	472
	50' Lots	977	301	109	78	100	389
	60' Lots	303	65	0	0	0	238
	Total Lots	***2156***	***547***	***109***	***158***	***243***	***1099***

Remainder Improvements[5,6]		**TOTALS**	**PHASE 1**	**PHASE 1L**	**PHASE 1M**	**PHASE 1G (1H)**	**FUTURE PHASES**
		2156	**547**	**109**	**158**	**243**	**1099**
1	Engineering	$ 309,000	$ -	$ -	$ -	$ -	$ 309,000
4	Sanitary Sewer	$ 1,959,417	$ -	$ -	$ -	$ -	$ 1,959,417
9	Contingency 5%	$ 113,421	$ -	$ -	$ -	$ -	$ 113,421
10	Developer Assessment/Bond Issuance Consulting Fee	$ 400,000	$ -	$ -	$ -	$ -	$ 400,000
TOTALS		***$ 2,781,838***	***$ -***	***$ -***	***$ -***	***$ -***	***$ 2,781,838***
per lot		***$ 1,290***	***$ -***	***$ -***	***$ -***	***$ -***	***$ 2,531***

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY.

NOTES

[1] Development cost does not include: City/District/County Fees, Bonds, & Permits

[2] Development cost does not include: Rock Excavation, Landscaping, Irrigation, Monumentation, or Common Area Amenities

[3] Professional Fees do not include: Geotechnical, Environmental, or SWPPP Administration.

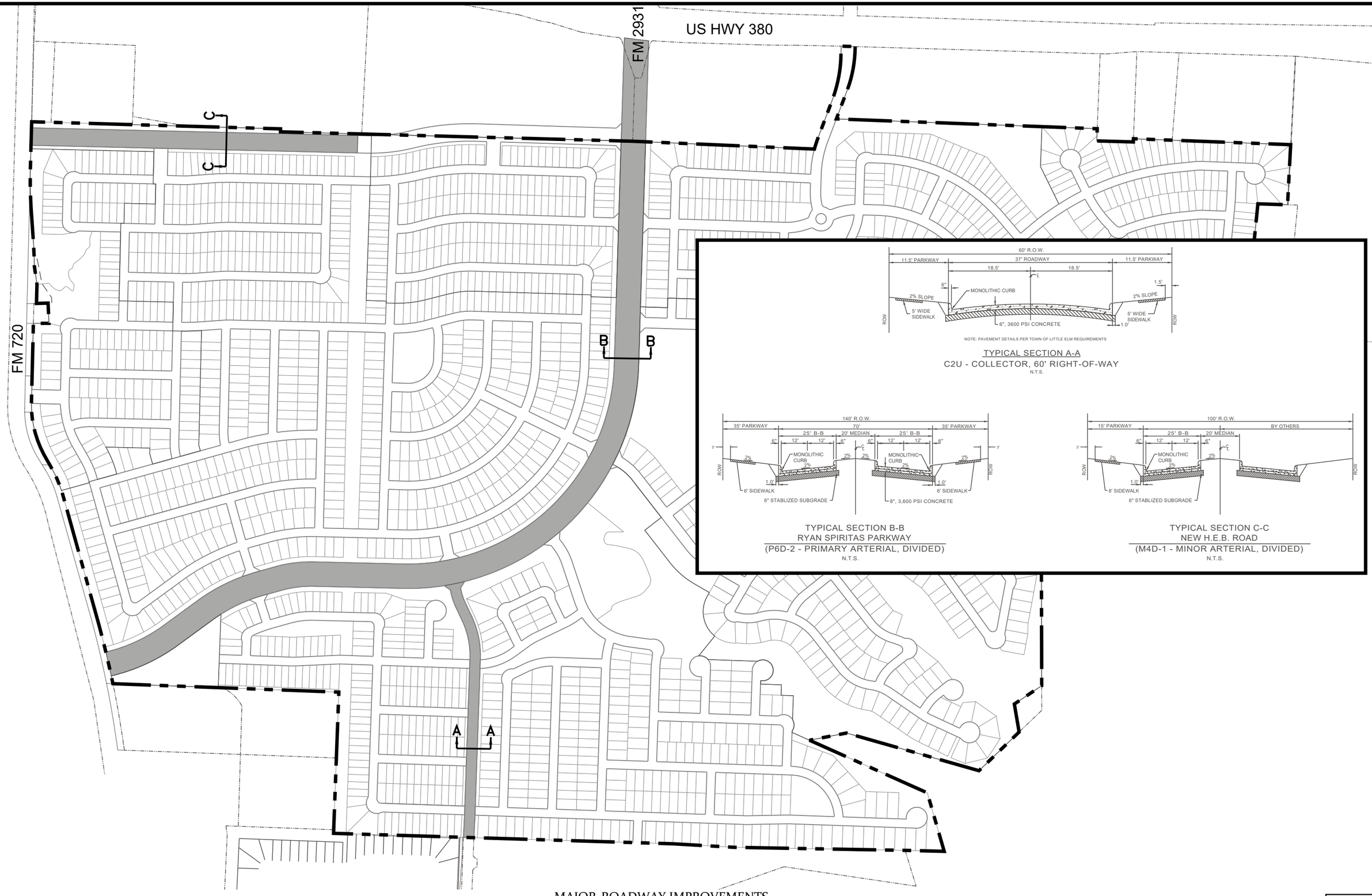
[4] Streets include Ryan Spiritas Pkwy, Hidden Oaks Trail, Spiritas Ranch Road

[5] Remainder Improvements include Lift Station #2 and associated Force Main. Lift Station #2 total capacity is 1499 LUEs: 895 LUEs reserved for Spiritas Ranch, 146 for Spiritas East, 33 for Spiritas Ranch commercial acreage, 425 for neighbor commercial acreage. Cost shown is required for 895 LUE Spiritas Ranch, less $230,000 in Spiritas East PID. Additional pumps will be required for future expansion.

[6] Represents Additional Phase #1 costs incorporated in OPC updated as of June 12, 2023.

[7] Represents Additional Major Improvements costs incorporated in OPC updated as of June 12, 2023.

APPENDIX C
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



NOTE: PAVEMENT DETAILS PER TOWN OF LITTLE ELM REQUIREMENTS

TYPICAL SECTION A-A
C2U - COLLECTOR, 60' RIGHT-OF-WAY
N.T.S.

TYPICAL SECTION B-B
RYAN SPIRITAS PARKWAY
(P6D-2 - PRIMARY ARTERIAL, DIVIDED)
N.T.S.

TYPICAL SECTION C-C
NEW H.E.B. ROAD
(M4D-1 - MINOR ARTERIAL, DIVIDED)
N.T.S.

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MAJOR ROADWAY IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

CENTURION AMERICAN

S:\2019\20190017-00 Spiritas Ranch\CAD\EXHIBITS\20190170OLP26SpiritasRanch MI Roads 02032021.dwg Feb 04 2021 - 1:33 pm chancock

US HWY 380

EX. UTRWD WATER LINE

CONNECT TO EXISTING WATER

EX. 36" UTRWD WATER LINE

FM 2931

12" WATER LINE

12" WATER LINE

FM 720

12" WATER LINE

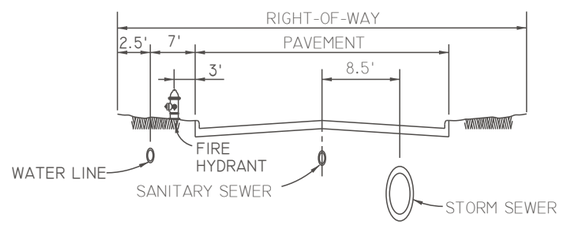
16" WATER LINE

EX. UTRWD WATER LINE

16" WATER LINE

EX. MSUD 16" WATER LINE

CONNECT TO EXISTING WATER



TYPICAL WATER LOCATION
N.T.S.

WATER LINE

MAJOR WATER IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

CENTURION AMERICAN

S:\2019\2019017-00 Spiritas Ranch\CAD\EXHIBITS\20190170LP2SSpiritasRanchPID MJ Water 02012021.dwg Feb 04 2021 - 1:33 pm chancock

EX. CANTRELL SLOUGH SEWER LINE

15" GRAVITY SEWER

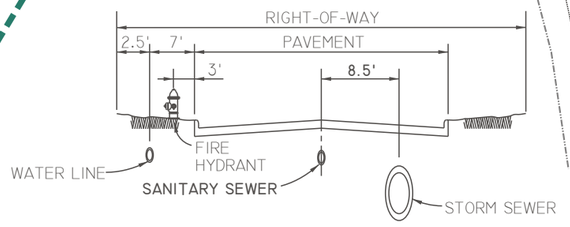
FM 720

6" FORCE MAIN

FM 2931

US HWY 380

LIFT STATION



TYPICAL SEWER LOCATION
N.T.S.

FORCE MAIN

SEWER LINE

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

MAJOR SEWER IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

CENTURION AMERICAN

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US HWY 380

FM 2931

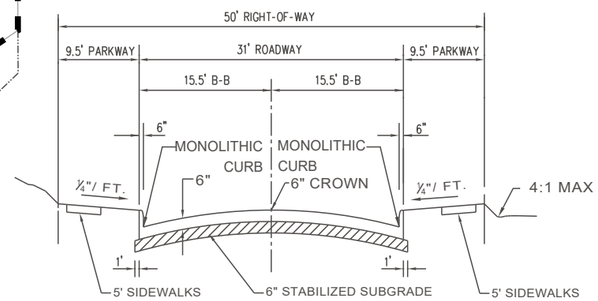
FM 720

PHASE 1

A A

A A

A A



TYPICAL 31' A-A ROADWAY PAVING SECTION

SCALE: NTS

PHASE 1 ROADWAY IMPROVEMENTS

SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT

TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
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CENTURION AMERICAN

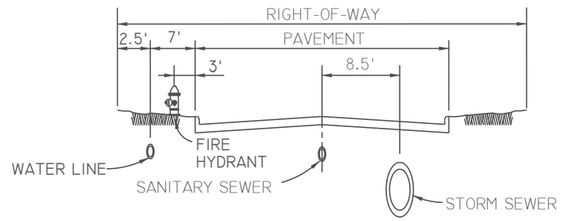
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US HWY 380

FM 2931

FM 720

PHASE 1



TYPICAL WATER LOCATION
N.T.S.

8" WATER LINE

PHASE 1 WATER IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

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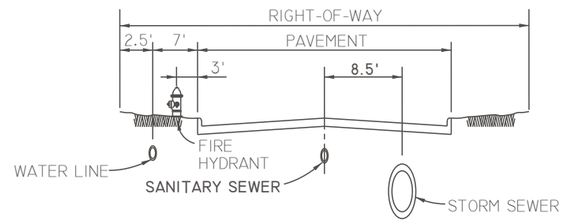
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US HWY 380

FM 2931

FM 720

PHASE 1



TYPICAL SEWER LOCATION
N.T.S.

SEWER LINE

PHASE 1 SEWER IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

CENTURION AMERICAN

S:\2019\2019017-00 Spiritas Ranch\CADEX\HIBIT'S\20190170OLP25SpiritasRanchPID PH1 Sewer 01292021.dwg Feb 04 2021 - 1:46 pm chancock

APPENDIX D
PID ASSESSMENT NOTICE

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 ***Spiritas Ranch Public Improvement District*** (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 E
ASSESSMENT PER EQUIVALENT UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS

Appendix E

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of three Lot Types.

"Lot Type 1" means lots identified as such on the Assessment Roll, being lots typically with 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.

"Lot Type 3" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 40 feet.

A) Proposed Development

Table E-A.1 shows the proposed residential units to be developed within the PID.

Table E-A.1
Proposed Development within the PID

Description	Proposed Development	
60 Ft Lots	303	Units
50 Ft Lots	977	Units
40 Ft Lots	876	Units
	2,156	**Units**

Table E-A.2 shows the proposed residential units within Improvement Area #1.

Table E-A.2
Proposed Development – Improvement Area #1

Description	Proposed Development	
60 Ft Lots	65	Units
50 Ft Lots	588	Units
40 Ft Lots	404[(a)]	Units
	1,057	**Units**

[(a)]Includes five (5) model homes.

Table E-A.3 shows the proposed residential Lot Types within the Major Improvement Area.

Table E-A.3
Proposed Development – Major Improvement Area

Description	Proposed Development	
60 Ft Lots	238	Units
50 Ft Lots	389	Units
40 Ft Lots	472	Units
	1,099	**Units**

B) Calculation of Equivalent Units

As explained under Section IV.D, for purpose of this Service and Assessment Plan, the Town Council has determined that the Actual Costs of the portion of the Initial Major Improvements to be financed with a portion of the Series 2021 PID Bonds shall be allocated to the Major Improvement Area Assessed Property and the Improvement Area #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the Town Council has determined that the Assessments shall be allocated to the Major Improvement Area Assessed Property and the Improvement Area #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the Town Council has taken into consideration (i) the type of lots (i.e., 60 Ft, 50 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the Town Council 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 3 (40 Ft Lot) representing the lowest value for residential lots are set forth in Table E-C.4. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This was 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 E-B.1 shows the Equivalent Unit Factors within the PID.

Table E-B.1
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value[1]	Equivalent Unit Factor
Lot Type 1 (60' Lot)	$378,000	1.00 per dwelling unit
Lot Type 2 (50' Lot)	$315,000	0.83 per dwelling unit
Lot Type 3 (40' Lot)	$252,000	0.67 per dwelling unit

1 – Updated estimated average unit values provided by the developer May 17, 2023. The updated estimated values are a proportional increase and do not impact Equivalent Units.

The total projected Equivalent Units for Improvement Area #1 are shown in Table E-B.2 as calculated based on the Equivalent Unit factors shown in Table E-B.1, estimated Lot Types and number of units estimated to be built within Improvement Area #1.

Table E-B.2
Projected Equivalent Units - Improvement Area #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60' Lot)	65	1.00	65.00
Lot Type 2 (50' Lot)	588	0.83	490.00
Lot Type 3 (40' Lot)	404	0.67	269.33
Total Equivalent Units	**1,057**		**824.33**

The total projected Equivalent Units for the Major Improvement Area are shown in Table E-B.3 as calculated based on the Equivalent Unit factors shown in Table E-B.1, estimated Lot Types and number of units estimated to be built within the Major Improvement Area.

Table E-B.3
Projected Equivalent Units - Major Improvement Area

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60' Lot)	238	1.00	238.00
Lot Type 2 (50' Lot)	389	0.83	324.17
Lot Type 3 (40' Lot)	472	0.67	314.67
Total Equivalent Units	**1,099**		**876.83**

C) Allocation of Assessments to Lots within Improvement Area #1

Initial Improvement Area #1 Projects

As shown in Appendix H-1 of this Service and Assessment Plan, the share of Series 2021 PID Bonds allocable to the Improvement Area #1 Assessed Property, which represents the total Assessment allocated on all Parcels within Improvement Area #1 for the Initial Improvement Area #1 Projects, is $32,920,000. As shown in Table E-B.2, there are a total of 824.33 estimated Equivalent Units in Improvement Area #1, resulting in an Assessment per Equivalent Unit of $39,935.30 for the Initial Improvement Area #1 Projects.

The Assessment per dwelling unit in Improvement Area #1 ("Assessment Per Unit") for the Initial Improvement Area #1 Projects is calculated as the product of (i) $39,935.30 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $39,935.30 (i.e. $39,935.30 × 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $33,279.42 (i.e. $39,935.30 × 0.83). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $26,623.53 (i.e. $39,935.30 × 0.67). Table E-C.1 sets forth the Assessment Per Unit for each Lot Type in Improvement Area #1 for the Initial Improvement Area #1 Projects.

Table E-C.1
Assessment Per Unit – Initial Improvement Area #1 Projects

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment Per Unit		Total Assessments
Lot Type 1 (60' Lot)	65	$39,935.30	1.00	$39,935.30	per dwelling unit	$2,595,795
Lot Type 2 (50' Lot)	588	$39,935.30	0.83	$33,279.42	per dwelling unit	$19,568,298
Lot Type 3 (40' Lot)	404	$39,935.30	0.67	$26,623.53	per dwelling unit	$10,755,908
Total	**1,057**					**$32,920,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table E-C.2.

Table E-C.2
Projected Leverage – Initial Improvement Area #1 Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	65	$84,000	$472,500	$39,935.30	2.10	11.83
50 Ft Lots	588	$70,629	$393,750	$33,279.42	2.12	11.83
40 Ft Lots	404	$44,901	$315,000	$26,623.53	1.69	11.83

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

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 E-C.3.

Table E-C.3
Projected Tax Rate Equivalent per unit – Initial Improvement Area #1 Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	65	$84,000	$472,500	$3,000.09	$3.57	$0.63
50 Ft Lots	588	$70,629	$393,750	$2,500.08	$3.54	$0.63
40 Ft Lots	404	$44,901	$315,000	$2,000.06	$4.45	$0.63

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 for the Initial Improvement Area #1 Projects is shown on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, attached as Appendix H-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Additional Improvement Area #1 Projects

As shown in Appendix H-2 of this Service and Assessment Plan, the Additional Improvement Area #1 Projects Reimbursement Agreement secured by Assessments levied against the Improvement Area #1 Assessed Property, which represents the total Assessment to be allocated on all Parcels within Improvement Area #1 for the Additional Improvement Area #1 Projects, is $8,977,633. As shown in Table E-B.1, there are a total of 824.33 estimated Equivalent Units in Improvement Area #1, resulting in an Assessment per Equivalent Unit of $10,890.78 for the Additional Improvement Area #1 Projects.

The Assessment Per Unit in Improvement Area #1 for the Additional Improvement Area #1 Projects is calculated as the product of (i) $9,395.47 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $9,395.47 (i.e. $9,395.47 × 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $7,829.56 (i.e. $9,395.47 × 0.83). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $6,263.65 (i.e. $9,395.47 × 0.67). Table E-C.4 sets forth the Assessment Per Unit for each Lot Type in Improvement Area #1 for the Additional Improvement Area #1 Projects.

Table E-C.4
Assessment Per Unit – Additional Improvement Area #1 Projects

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment Per Unit		Total Assessments
Lot Type 1 (60' Lot)	65	$9,395.47	1.00	$9,395.47	per dwelling unit	$610,706
Lot Type 2 (50' Lot)	588	$9,395.47	0.83	$7,829.56	per dwelling unit	$4,603,781
Lot Type 3 (40' Lot)	404	$9,395.47	0.67	$6,263.65	per dwelling unit	$2,530,514
Total	**1,057**					**$7,745,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table E-C.5.

Table E-C.5
Projected Leverage – Additional Improvement Area #1 Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	65	$84,000	$472,500	$9,395.47	8.94	50.29
50 Ft Lots	588	$70,629	$393,750	$7,829.56	9.02	50.29
40 Ft Lots	404	$44,901	$315,000	$6,263.65	7.17	50.29

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

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 E-C.6.

Table E-C.6
Projected Tax Rate Equivalent per unit – Additional Improvement Area #1 Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	65	$84,000	$472,500	$742.26	$0.88	$0.16
50 Ft Lots	588	$70,629	$393,750	$618.55	$0.88	$0.16
40 Ft Lots	404	$44,901	$315,000	$494.84	$1.10	$0.16

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 for the Additional Improvement Area #1 Projects is shown on the Improvement Area #1

Assessment Roll – Additional Improvement Area #1 Projects, attached as Appendix H-2, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Improvement Area #1 (Combined Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects)

The combined Assessment Per Unit in Improvement Area #1 is calculated as the sum of the Assessment Per Unit for the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $49,330.77 (i.e. $39,935.30 + $9,395.47). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $41,108.98 (i.e. $33,279.42 + $7,829.56). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $32,887.18 (i.e. $26,623.53 + $6,263.65). Table E-C.7 sets forth the combined Assessment Per Unit for each Lot Type in Improvement Area #1.

Table E-C.7
Combined Assessment Per Unit – Improvement Area #1

Type	Planned No. of Units	Assessment Per Unit (Initial IA #1 Projects)	Assessment Per Unit (Additional IA #1 Improvements)	Combined Assessment Per Unit	Total Assessments
Lot Type 1 (60' Lot)	65	$39,935.30	$9,395.47	$49,330.77	$3,206,500
Lot Type 2 (50' Lot)	588	$33,279.42	$7,829.56	$41,108.98	$24,172,078
Lot Type 3 (40' Lot)	404	$26,623.53	$6,263.65	$32,887.18	$13,286,421
Total	**1,057**				**$40,665,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table E-C.8.

Table E-C.8
Combined Projected Leverage – Improvement Area #1

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Combined Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	65	$84,000	$472,500	$49,330.77	1.70	9.58
50 Ft Lots	588	$70,629	$393,750	$41,108.98	1.72	9.58
40 Ft Lots	404	$44,901	$315,000	$32,887.18	1.37	9.58

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

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 E-C.9.

Table E-C.9
Combined Projected Tax Rate Equivalent per unit – Improvement Area #1

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	65	$84,000	$472,500	$3,742.36	$4.46	$0.79
50 Ft Lots	588	$70,629	$393,750	$3,118.63	$4.42	$0.79
40 Ft Lots	404	$44,901	$315,000	$2,494.90	$5.56	$0.79

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

The projected Annual Installments for each Parcel or Lot located within Improvement Area #1 for the Initial Improvement Area #1 Projects and the Additional Improvement Area #1 Projects is shown on the combined Improvement Area #1 projected annual installment schedule, attached as Appendix H-3.

D) Allocation of Major Improvement Area Assessments to Lot Types in the Major Improvement Area

As shown in Appendix G of this Service and Assessment Plan, the share of Series 2021 PID Bonds allocable to the Major Improvement Area Assessed Property, which represents the total Assessment allocated on all Parcels within the Major Improvement Area for the Initial Major Improvements, is $10,280,000. As shown in Table E-B.3, there are a total of 876.83 estimated Equivalent Units in the Major Improvement Area, resulting in an Assessment per Equivalent Unit of $11,724.01.

The Assessment Per Unit is calculated as the product of (i) $11,724.01 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $11,724.01 (i.e. $11,724.01 × 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $9,770.01 (i.e. $11,724.01 × 0.83). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $7,816.00 (i.e. $11,724.01 × 0.67). Table E-D.1 sets forth the Assessment Per Unit for each Lot Type in the Major Improvement Area for the Initial Major Improvements.

Table E-D.1
Assessment Per Unit – Initial Major Improvements

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment Per Unit		Total Assessments
Lot Type 1 (60' Lot)	238	$11,724.01	1.00	$11,724.01	per dwelling unit	$2,790,314
Lot Type 2 (50' Lot)	389	$11,724.01	0.83	$9,770.01	per dwelling unit	$3,800,532
Lot Type 3 (40' Lot)	472	$11,724.01	0.67	$7,816.00	per dwelling unit	$3,689,154
Total	**1,099**					**$10,280,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within the Major Improvement Area for the Initial Major Improvements is shown in Table E-D.2.

Table E-D.2
Projected Leverage – Initial Major Improvements

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	238	$96,731	$472,500	$11,724.01	8.25	40.30
50 Ft Lots	389	$79,826	$393,750	$9,770.01	8.17	40.30
40 Ft Lots	472	$66,233	$315,000	$7,816.00	8.47	40.30

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within the Major Improvement Area for the Initial Major Improvements is shown in Table E-D.3.

Table E-D.3
Projected Tax Rate Equivalent per unit – Initial Major Improvements

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	238	$96,731	$472,500	$898.92	$0.93	$0.19
50 Ft Lots	389	$79,826	$393,750	$749.10	$0.94	$0.19
40 Ft Lots	472	$66,233	$315,000	$599.28	$0.90	$0.19

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

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

E) Allocation of Future Improvement Area Assessments to Lot Types in the Future Improvement Area

As shown in Appendix I of this Service and Assessment Plan, the share of Series 2024 PID Bonds allocable to the Future Improvement Area Assessed Property, which represents the total Assessment allocated on all Parcels within the Future Improvement Area for the Future

Improvement Area Projects, is $7,000,000. As shown in Table E-B.3, there are a total of 876.83 estimated Equivalent Units in the Future Improvement Area, resulting in an Assessment per Equivalent Unit of $7,983.27.

The Assessment Per Unit is calculated as the product of (i) $7,983.27 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $7,983.27 (i.e. $7,983.27× 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $6,652.73 (i.e. $7,983.27 × 0.83). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $5,322.18 (i.e. $7,983.27 × 0.67). Table E-E.1 sets forth the Assessment Per Unit for each Lot Type in the Future Improvement Area for the Future Improvement Area Projects.

Table E-E.1
Assessment Per Unit – Future Improvement Area Projects

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment Per Unit		Total Assessments
Lot Type 1 (60' Lot)	238	$7,983.27	1.00	$7,983.27	per dwelling unit	$1,900,019
Lot Type 2 (50' Lot)	389	$7,983.27	0.83	$6,652.73	per dwelling unit	$2,587,911
Lot Type 3 (40' Lot)	472	$7,983.27	0.67	$5,322.18	per dwelling unit	$2,512,070
Total	**1,099**					**$7,000,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within the Future Improvement Area for the Future Improvement Area Projects is shown in Table E-E.2.

Table E-E.2
Projected Leverage – Future Improvement Area Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	238	$96,731	$472,500	$7,983.27	12.12	59.19
50 Ft Lots	389	$79,826	$393,750	$6,652.73	12.00	59.19
40 Ft Lots	472	$66,233	$315,000	$5,322.18	12.44	59.19

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within the Future Improvement Area for the Future Improvement Area Projects is shown in Table E-E.3.

Table E-E.3
Projected Tax Rate Equivalent per unit – Future Improvement Area Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	238	$96,731	$472,500	$756.53	$0.78	$0.16
50 Ft Lots	389	$79,826	$393,750	$630.44	$0.79	$0.16
40 Ft Lots	472	$66,233	$315,000	$504.36	$0.76	$0.16

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

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

APPENDIX F-1
SERIES 2021 PID BONDS ANNUAL INSTALLMENT SCHEDULE

Appendix F-1

Series 2021 PID Bonds Annual Installment Schedule

Year [1]	Principal	Interest	Administrative Expenses[2]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest/Available Credits	Total Annual Installment[3]
9/30/21	$0	$599,850	$0	$0	$0	($599,850)	$0
9/30/22	$0	$2,322,000	$85,000	$0	$0	($2,407,000)	$0
9/30/23	$650,000	$2,322,000	$112,200	$216,000	$0	($1,365,150)	$1,935,050
9/30/24	$685,000	$2,287,063	$114,444	$212,750	$0	$0	$3,299,257
9/30/25	$725,000	$2,250,244	$116,733	$209,325	$0	$0	$3,301,302
9/30/26	$765,000	$2,211,275	$119,068	$205,700	$0	$0	$3,301,043
9/30/27	$805,000	$2,170,156	$121,449	$201,875	$0	$0	$3,298,480
9/30/28	$845,000	$2,126,888	$123,878	$197,850	$0	$0	$3,293,615
9/30/29	$895,000	$2,081,469	$126,355	$193,625	$0	$0	$3,296,449
9/30/30	$940,000	$2,033,363	$128,883	$189,150	$0	$0	$3,291,395
9/30/31	$990,000	$1,982,838	$131,460	$184,450	$0	$0	$3,288,748
9/30/32	$1,045,000	$1,929,625	$134,089	$179,500	$0	$0	$3,288,214
9/30/33	$1,100,000	$1,873,456	$136,771	$174,275	$0	$0	$3,284,502
9/30/34	$1,160,000	$1,814,331	$139,507	$168,775	$0	$0	$3,282,613
9/30/35	$1,220,000	$1,751,981	$142,297	$162,975	$0	$0	$3,277,253
9/30/36	$1,290,000	$1,686,406	$145,143	$156,875	$0	$0	$3,278,424
9/30/37	$1,355,000	$1,617,069	$148,046	$150,425	$0	$0	$3,270,539
9/30/38	$1,430,000	$1,544,238	$151,006	$143,650	$0	$0	$3,268,894
9/30/39	$1,505,000	$1,467,375	$154,027	$136,500	$0	$0	$3,262,902
9/30/40	$1,585,000	$1,386,481	$157,107	$128,975	$0	$0	$3,257,563
9/30/41	$1,670,000	$1,301,288	$160,249	$121,050	$0	$0	$3,252,587
9/30/42	$1,760,000	$1,211,525	$163,454	$112,700	$0	$0	$3,247,679
9/30/43	$1,855,000	$1,116,925	$166,723	$103,900	$0	$0	$3,242,548
9/30/44	$1,955,000	$1,017,219	$170,058	$94,625	$0	$0	$3,236,902
9/30/45	$2,060,000	$912,138	$173,459	$84,850	$0	$0	$3,230,446
9/30/46	$2,170,000	$801,413	$176,928	$74,550	$0	$0	$3,222,891
9/30/47	$2,290,000	$684,775	$180,467	$63,700	$0	$0	$3,218,942
9/30/48	$2,410,000	$561,688	$184,076	$52,250	$0	$0	$3,208,013
9/30/49	$2,540,000	$432,150	$187,758	$40,200	$0	$0	$3,200,108
9/30/50	$2,680,000	$295,625	$191,513	$27,500	$0	$0	$3,194,638
9/30/51	$2,820,000	$151,575	$195,343	$14,100	($2,976,469)	$0	$204,549
Total	**$43,200,000**	**$45,944,425**	**$4,437,489**	**$4,002,100**	**($2,976,469)**	**($4,372,000)**	**$90,235,545**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

3- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX F-2
SERIES 2024 PID BONDS ANNUAL INSTALLMENT SCHEDULE

Appendix F-2
Series 2024 PID Bonds Annual Installment Schedule

Year [1]	Principal	Interest	Administrative Expenses[2]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest/Available Credits	Total Annual Installment[3]
9/30/24	$0	$245,000	$0	$0	$0	($245,000)	$0
9/30/25	$0	$490,000	$0	$0	$0	($490,000)	$0
9/30/26	$76,000	$490,000	$61,200	$35,000	$0	$0	$662,200
9/30/27	$82,000	$484,680	$62,424	$34,620	$0	$0	$663,724
9/30/28	$88,000	$478,940	$63,672	$34,210	$0	$0	$664,822
9/30/29	$94,000	$472,780	$64,946	$33,770	$0	$0	$665,496
9/30/30	$101,000	$466,200	$66,245	$33,300	$0	$0	$666,745
9/30/31	$108,000	$459,130	$67,570	$32,795	$0	$0	$667,495
9/30/32	$124,000	$451,570	$55,000	$32,255	$0	$0	$662,825
9/30/33	$133,000	$442,890	$55,028	$31,635	$0	$0	$662,553
9/30/34	$143,000	$433,580	$55,055	$30,970	$0	$0	$662,605
9/30/35	$154,000	$423,570	$55,083	$30,255	$0	$0	$662,908
9/30/36	$165,000	$412,790	$55,110	$29,485	$0	$0	$662,385
9/30/37	$178,000	$401,240	$55,138	$28,660	$0	$0	$663,038
9/30/38	$191,000	$388,780	$55,165	$27,770	$0	$0	$662,715
9/30/39	$205,000	$375,410	$55,193	$26,815	$0	$0	$662,418
9/30/40	$221,000	$361,060	$55,220	$25,790	$0	$0	$663,070
9/30/41	$237,000	$345,590	$55,248	$24,685	$0	$0	$662,523
9/30/42	$255,000	$329,000	$55,276	$23,500	$0	$0	$662,776
9/30/43	$274,000	$311,150	$55,303	$22,225	$0	$0	$662,678
9/30/44	$295,000	$291,970	$55,331	$20,855	$0	$0	$663,156
9/30/45	$317,000	$271,320	$55,359	$19,380	$0	$0	$663,059
9/30/46	$341,000	$249,130	$55,386	$17,795	$0	$0	$663,311
9/30/47	$366,000	$225,260	$55,414	$16,090	$0	$0	$662,764
9/30/48	$394,000	$199,640	$55,442	$14,260	$0	$0	$663,342
9/30/49	$423,000	$172,060	$55,469	$12,290	$0	$0	$662,819
9/30/50	$455,000	$142,450	$55,497	$10,175	$0	$0	$663,122
9/30/51	$489,000	$110,600	$55,525	$7,900	$0	$0	$663,025
9/30/52	$526,000	$76,370	$55,553	$5,455	$0	$0	$663,378
9/30/53	$565,000	$39,550	$55,580	$2,825	($604,550)	$0	$58,405
Total	**$7,000,000**	**$10,041,710**	**$1,602,431**	**$664,765**	**($604,550)**	**($735,000)**	**$17,969,356**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX G
MAJOR IMPROVEMENT AREA ASSESSMENT ROLL - INITIAL MAJOR IMPROVEMENTS

Appendix G

Major Improvement Area Assessment Roll – Initial Major Improvements

Parcel	**All Parcels**
Equivalent Units	**876.83**
Assessment	**$10,280,000**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$142,742	$0	$0	$0	($142,742)	$0
9/30/22	$0	$552,550	$35,000	$0	$0	($587,550)	$0
9/30/23	$155,000	$552,550	$35,700	$51,400	$0	($333,016)	$461,634
9/30/24	$165,000	$544,219	$36,414	$50,625	$0	$0	$796,258
9/30/25	$175,000	$535,350	$37,142	$49,800	$0	$0	$797,292
9/30/26	$180,000	$525,944	$37,885	$48,925	$0	$0	$792,754
9/30/27	$190,000	$516,269	$38,643	$48,025	$0	$0	$792,937
9/30/28	$200,000	$506,056	$39,416	$47,075	$0	$0	$792,547
9/30/29	$215,000	$495,306	$40,204	$46,075	$0	$0	$796,585
9/30/30	$225,000	$483,750	$41,008	$45,000	$0	$0	$794,758
9/30/31	$235,000	$471,656	$41,828	$43,875	$0	$0	$792,359
9/30/32	$250,000	$459,025	$42,665	$42,700	$0	$0	$794,390
9/30/33	$260,000	$445,588	$43,518	$41,450	$0	$0	$790,556
9/30/34	$275,000	$431,613	$44,388	$40,150	$0	$0	$791,151
9/30/35	$290,000	$416,831	$45,276	$38,775	$0	$0	$790,882
9/30/36	$305,000	$401,244	$46,182	$37,325	$0	$0	$789,751
9/30/37	$320,000	$384,850	$47,105	$35,800	$0	$0	$787,755
9/30/38	$340,000	$367,650	$48,047	$34,200	$0	$0	$789,897
9/30/39	$360,000	$349,375	$49,008	$32,500	$0	$0	$790,883
9/30/40	$375,000	$330,025	$49,989	$30,700	$0	$0	$785,714
9/30/41	$395,000	$309,869	$50,988	$28,825	$0	$0	$784,682
9/30/42	$420,000	$288,638	$52,008	$26,850	$0	$0	$787,496
9/30/43	$440,000	$266,063	$53,048	$24,750	$0	$0	$783,861
9/30/44	$465,000	$242,413	$54,109	$22,550	$0	$0	$784,072
9/30/45	$490,000	$217,419	$55,191	$20,225	$0	$0	$782,835
9/30/46	$515,000	$191,081	$56,295	$17,775	$0	$0	$780,152
9/30/47	$545,000	$163,400	$57,421	$15,200	$0	$0	$781,021
9/30/48	$575,000	$134,106	$58,570	$12,475	$0	$0	$780,151
9/30/49	$605,000	$103,200	$59,741	$9,600	$0	$0	$777,541
9/30/50	$640,000	$70,681	$60,936	$6,575	$0	$0	$778,192
9/30/51	$675,000	$36,281	$62,155	$3,375	($708,289)	$0	$68,521
Total	**$10,280,000**	**$10,935,742**	**$1,419,883**	**$952,600**	**($708,289)**	**($1,063,308)**	**$21,816,627**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix G
Assessment Roll by Lot Type

Lot Type	Lot Type 1 (60 Ft)
Assessment	**$11,724**
Equivalent Unit	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$163	$0	$0	$0	($163)	$0
9/30/22	$0	$630	$40	$0	$0	($670)	$0
9/30/23	$177	$630	$41	$59	$0	($380)	$526
9/30/24	$188	$621	$42	$58	$0	$0	$908
9/30/25	$200	$611	$42	$57	$0	$0	$909
9/30/26	$205	$600	$43	$56	$0	$0	$904
9/30/27	$217	$589	$44	$55	$0	$0	$904
9/30/28	$228	$577	$45	$54	$0	$0	$904
9/30/29	$245	$565	$46	$53	$0	$0	$908
9/30/30	$257	$552	$47	$51	$0	$0	$906
9/30/31	$268	$538	$48	$50	$0	$0	$904
9/30/32	$285	$524	$49	$49	$0	$0	$906
9/30/33	$297	$508	$50	$47	$0	$0	$902
9/30/34	$314	$492	$51	$46	$0	$0	$902
9/30/35	$331	$475	$52	$44	$0	$0	$902
9/30/36	$348	$458	$53	$43	$0	$0	$901
9/30/37	$365	$439	$54	$41	$0	$0	$898
9/30/38	$388	$419	$55	$39	$0	$0	$901
9/30/39	$411	$398	$56	$37	$0	$0	$902
9/30/40	$428	$376	$57	$35	$0	$0	$896
9/30/41	$450	$353	$58	$33	$0	$0	$895
9/30/42	$479	$329	$59	$31	$0	$0	$898
9/30/43	$502	$303	$60	$28	$0	$0	$894
9/30/44	$530	$276	$62	$26	$0	$0	$894
9/30/45	$559	$248	$63	$23	$0	$0	$893
9/30/46	$587	$218	$64	$20	$0	$0	$890
9/30/47	$622	$186	$65	$17	$0	$0	$891
9/30/48	$656	$153	$67	$14	$0	$0	$890
9/30/49	$690	$118	$68	$11	$0	$0	$887
9/30/50	$730	$81	$69	$7	$0	$0	$888
9/30/51	$770	$41	$71	$4	($808)	$0	$78
Total	**$11,724**	**$12,472**	**$1,619**	**$1,086**	**($808)**	**($1,213)**	**$24,881**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix G
Assessment Roll by Lot Type

Lot Type	Lot Type 2 (50 Ft)
Assessment	**$9,770**
Equivalent Unit	**0.83**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$136	$0	$0	$0	($136)	$0
9/30/22	$0	$525	$33	$0	$0	($558)	$0
9/30/23	$147	$525	$34	$49	$0	($316)	$439
9/30/24	$157	$517	$35	$48	$0	$0	$757
9/30/25	$166	$509	$35	$47	$0	$0	$758
9/30/26	$171	$500	$36	$46	$0	$0	$753
9/30/27	$181	$491	$37	$46	$0	$0	$754
9/30/28	$190	$481	$37	$45	$0	$0	$753
9/30/29	$204	$471	$38	$44	$0	$0	$757
9/30/30	$214	$460	$39	$43	$0	$0	$755
9/30/31	$223	$448	$40	$42	$0	$0	$753
9/30/32	$238	$436	$41	$41	$0	$0	$755
9/30/33	$247	$423	$41	$39	$0	$0	$751
9/30/34	$261	$410	$42	$38	$0	$0	$752
9/30/35	$276	$396	$43	$37	$0	$0	$752
9/30/36	$290	$381	$44	$35	$0	$0	$751
9/30/37	$304	$366	$45	$34	$0	$0	$749
9/30/38	$323	$349	$46	$33	$0	$0	$751
9/30/39	$342	$332	$47	$31	$0	$0	$752
9/30/40	$356	$314	$48	$29	$0	$0	$747
9/30/41	$375	$294	$48	$27	$0	$0	$746
9/30/42	$399	$274	$49	$26	$0	$0	$748
9/30/43	$418	$253	$50	$24	$0	$0	$745
9/30/44	$442	$230	$51	$21	$0	$0	$745
9/30/45	$466	$207	$52	$19	$0	$0	$744
9/30/46	$489	$182	$54	$17	$0	$0	$741
9/30/47	$518	$155	$55	$14	$0	$0	$742
9/30/48	$546	$127	$56	$12	$0	$0	$741
9/30/49	$575	$98	$57	$9	$0	$0	$739
9/30/50	$608	$67	$58	$6	$0	$0	$740
9/30/51	$642	$34	$59	$3	($673)	$0	$65
Total	**$9,770**	**$10,393**	**$1,349**	**$905**	**($673)**	**($1,011)**	**$20,734**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix G
Assessment Roll by Lot Type

Lot Type	Lot Type 3 (40 Ft)
Assessment	**$7,816**
Equivalent Unit	**0.67**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$109	$0	$0	$0	($109)	$0
9/30/22	$0	$420	$27	$0	$0	($447)	$0
9/30/23	$118	$420	$27	$39	$0	($253)	$351
9/30/24	$125	$414	$28	$38	$0	$0	$605
9/30/25	$133	$407	$28	$38	$0	$0	$606
9/30/26	$137	$400	$29	$37	$0	$0	$603
9/30/27	$144	$393	$29	$37	$0	$0	$603
9/30/28	$152	$385	$30	$36	$0	$0	$603
9/30/29	$163	$377	$31	$35	$0	$0	$606
9/30/30	$171	$368	$31	$34	$0	$0	$604
9/30/31	$179	$359	$32	$33	$0	$0	$602
9/30/32	$190	$349	$32	$32	$0	$0	$604
9/30/33	$198	$339	$33	$32	$0	$0	$601
9/30/34	$209	$328	$34	$31	$0	$0	$602
9/30/35	$220	$317	$34	$29	$0	$0	$601
9/30/36	$232	$305	$35	$28	$0	$0	$600
9/30/37	$243	$293	$36	$27	$0	$0	$599
9/30/38	$259	$280	$37	$26	$0	$0	$601
9/30/39	$274	$266	$37	$25	$0	$0	$601
9/30/40	$285	$251	$38	$23	$0	$0	$597
9/30/41	$300	$236	$39	$22	$0	$0	$597
9/30/42	$319	$219	$40	$20	$0	$0	$599
9/30/43	$335	$202	$40	$19	$0	$0	$596
9/30/44	$354	$184	$41	$17	$0	$0	$596
9/30/45	$373	$165	$42	$15	$0	$0	$595
9/30/46	$392	$145	$43	$14	$0	$0	$593
9/30/47	$414	$124	$44	$12	$0	$0	$594
9/30/48	$437	$102	$45	$9	$0	$0	$593
9/30/49	$460	$78	$45	$7	$0	$0	$591
9/30/50	$487	$54	$46	$5	$0	$0	$592
9/30/51	$513	$28	$47	$3	($539)	$0	$52
Total	**$7,816**	**$8,315**	**$1,080**	**$724**	**($539)**	**($808)**	**$16,587**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX H-1
IMPROVEMENT AREA #1 ASSESSMENT ROLL – INITIAL IMPROVEMENT AREA #1 PROJECTS

Appendix H-1
Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects

Parcel	**All Parcels**
Equivalent Units	**824.33**
Assessment	**$32,920,000**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$457,108	$0	$0	$0	($457,108)	$0
9/30/22	$0	$1,769,450	$50,000	$0	$0	($1,819,450)	$0
9/30/23	$495,000	$1,769,450	$76,500	$164,600	$0	($1,032,134)	$1,473,416
9/30/24	$520,000	$1,742,844	$78,030	$162,125	$0	$0	$2,502,999
9/30/25	$550,000	$1,714,894	$79,591	$159,525	$0	$0	$2,504,009
9/30/26	$585,000	$1,685,331	$81,182	$156,775	$0	$0	$2,508,289
9/30/27	$615,000	$1,653,888	$82,806	$153,850	$0	$0	$2,505,544
9/30/28	$645,000	$1,620,831	$84,462	$150,775	$0	$0	$2,501,068
9/30/29	$680,000	$1,586,163	$86,151	$147,550	$0	$0	$2,499,864
9/30/30	$715,000	$1,549,613	$87,874	$144,150	$0	$0	$2,496,637
9/30/31	$755,000	$1,511,181	$89,632	$140,575	$0	$0	$2,496,388
9/30/32	$795,000	$1,470,600	$91,425	$136,800	$0	$0	$2,493,825
9/30/33	$840,000	$1,427,869	$93,253	$132,825	$0	$0	$2,493,947
9/30/34	$885,000	$1,382,719	$95,118	$128,625	$0	$0	$2,491,462
9/30/35	$930,000	$1,335,150	$97,020	$124,200	$0	$0	$2,486,370
9/30/36	$985,000	$1,285,163	$98,961	$119,550	$0	$0	$2,488,673
9/30/37	$1,035,000	$1,232,219	$100,940	$114,625	$0	$0	$2,482,784
9/30/38	$1,090,000	$1,176,588	$102,959	$109,450	$0	$0	$2,478,996
9/30/39	$1,145,000	$1,118,000	$105,018	$104,000	$0	$0	$2,472,018
9/30/40	$1,210,000	$1,056,456	$107,118	$98,275	$0	$0	$2,471,850
9/30/41	$1,275,000	$991,419	$109,261	$92,225	$0	$0	$2,467,905
9/30/42	$1,340,000	$922,888	$111,446	$85,850	$0	$0	$2,460,184
9/30/43	$1,415,000	$850,863	$113,675	$79,150	$0	$0	$2,458,687
9/30/44	$1,490,000	$774,806	$115,948	$72,075	$0	$0	$2,452,830
9/30/45	$1,570,000	$694,719	$118,267	$64,625	$0	$0	$2,447,611
9/30/46	$1,655,000	$610,331	$120,633	$56,775	$0	$0	$2,442,739
9/30/47	$1,745,000	$521,375	$123,045	$48,500	$0	$0	$2,437,920
9/30/48	$1,835,000	$427,581	$125,506	$39,775	$0	$0	$2,427,863
9/30/49	$1,935,000	$328,950	$128,016	$30,600	$0	$0	$2,422,566
9/30/50	$2,040,000	$224,944	$130,577	$20,925	$0	$0	$2,416,446
9/30/51	$2,145,000	$115,294	$133,188	$10,725	($2,268,179)	$0	$136,028
Total	**$32,920,000**	**$35,008,683**	**$3,017,606**	**$3,049,500**	**($2,268,179)**	**($3,308,692)**	**$68,418,918**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix H-1

Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 1 (60 Ft)
Assessment	**$39,935**
Equivalent Unit	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$555	$0	$0	$0	($555)	$0
9/30/22	$0	$2,147	$61	$0	$0	($2,207)	$0
9/30/23	$600	$2,147	$93	$200	$0	($1,252)	$1,787
9/30/24	$631	$2,114	$95	$197	$0	$0	$3,036
9/30/25	$667	$2,080	$97	$194	$0	$0	$3,038
9/30/26	$710	$2,044	$98	$190	$0	$0	$3,043
9/30/27	$746	$2,006	$100	$187	$0	$0	$3,039
9/30/28	$782	$1,966	$102	$183	$0	$0	$3,034
9/30/29	$825	$1,924	$105	$179	$0	$0	$3,033
9/30/30	$867	$1,880	$107	$175	$0	$0	$3,029
9/30/31	$916	$1,833	$109	$171	$0	$0	$3,028
9/30/32	$964	$1,784	$111	$166	$0	$0	$3,025
9/30/33	$1,019	$1,732	$113	$161	$0	$0	$3,025
9/30/34	$1,074	$1,677	$115	$156	$0	$0	$3,022
9/30/35	$1,128	$1,620	$118	$151	$0	$0	$3,016
9/30/36	$1,195	$1,559	$120	$145	$0	$0	$3,019
9/30/37	$1,256	$1,495	$122	$139	$0	$0	$3,012
9/30/38	$1,322	$1,427	$125	$133	$0	$0	$3,007
9/30/39	$1,389	$1,356	$127	$126	$0	$0	$2,999
9/30/40	$1,468	$1,282	$130	$119	$0	$0	$2,999
9/30/41	$1,547	$1,203	$133	$112	$0	$0	$2,994
9/30/42	$1,626	$1,120	$135	$104	$0	$0	$2,984
9/30/43	$1,717	$1,032	$138	$96	$0	$0	$2,983
9/30/44	$1,808	$940	$141	$87	$0	$0	$2,976
9/30/45	$1,905	$843	$143	$78	$0	$0	$2,969
9/30/46	$2,008	$740	$146	$69	$0	$0	$2,963
9/30/47	$2,117	$632	$149	$59	$0	$0	$2,957
9/30/48	$2,226	$519	$152	$48	$0	$0	$2,945
9/30/49	$2,347	$399	$155	$37	$0	$0	$2,939
9/30/50	$2,475	$273	$158	$25	$0	$0	$2,931
9/30/51	$2,602	$140	$162	$13	($2,752)	$0	$165
Total	**$39,935**	**$42,469**	**$3,661**	**$3,699**	**($2,752)**	**($4,014)**	**$82,999**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix H-1

Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 2 (50 Ft)
Assessment	**$33,279**
Equivalent Unit	**0.83**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$462	$0	$0	$0	($462)	$0
9/30/22	$0	$1,789	$51	$0	$0	($1,839)	$0
9/30/23	$500	$1,789	$77	$166	$0	($1,043)	$1,490
9/30/24	$526	$1,762	$79	$164	$0	$0	$2,530
9/30/25	$556	$1,734	$80	$161	$0	$0	$2,531
9/30/26	$591	$1,704	$82	$158	$0	$0	$2,536
9/30/27	$622	$1,672	$84	$156	$0	$0	$2,533
9/30/28	$652	$1,639	$85	$152	$0	$0	$2,528
9/30/29	$687	$1,603	$87	$149	$0	$0	$2,527
9/30/30	$723	$1,567	$89	$146	$0	$0	$2,524
9/30/31	$763	$1,528	$91	$142	$0	$0	$2,524
9/30/32	$804	$1,487	$92	$138	$0	$0	$2,521
9/30/33	$849	$1,443	$94	$134	$0	$0	$2,521
9/30/34	$895	$1,398	$96	$130	$0	$0	$2,519
9/30/35	$940	$1,350	$98	$126	$0	$0	$2,514
9/30/36	$996	$1,299	$100	$121	$0	$0	$2,516
9/30/37	$1,046	$1,246	$102	$116	$0	$0	$2,510
9/30/38	$1,102	$1,189	$104	$111	$0	$0	$2,506
9/30/39	$1,158	$1,130	$106	$105	$0	$0	$2,499
9/30/40	$1,223	$1,068	$108	$99	$0	$0	$2,499
9/30/41	$1,289	$1,002	$110	$93	$0	$0	$2,495
9/30/42	$1,355	$933	$113	$87	$0	$0	$2,487
9/30/43	$1,430	$860	$115	$80	$0	$0	$2,486
9/30/44	$1,506	$783	$117	$73	$0	$0	$2,480
9/30/45	$1,587	$702	$120	$65	$0	$0	$2,474
9/30/46	$1,673	$617	$122	$57	$0	$0	$2,469
9/30/47	$1,764	$527	$124	$49	$0	$0	$2,465
9/30/48	$1,855	$432	$127	$40	$0	$0	$2,454
9/30/49	$1,956	$333	$129	$31	$0	$0	$2,449
9/30/50	$2,062	$227	$132	$21	$0	$0	$2,443
9/30/51	$2,168	$117	$135	$11	($2,293)	$0	$138
Total	**$33,279**	**$35,391**	**$3,051**	**$3,083**	**($2,293)**	**($3,345)**	**$69,166**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix H-1

Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 3 (40 Ft)
Assessment	**$26,624**
Equivalent Unit	**0.67**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$370	$0	$0	$0	($370)	$0
9/30/22	$0	$1,431	$40	$0	$0	($1,471)	$0
9/30/23	$400	$1,431	$62	$133	$0	($835)	$1,192
9/30/24	$421	$1,409	$63	$131	$0	$0	$2,024
9/30/25	$445	$1,387	$64	$129	$0	$0	$2,025
9/30/26	$473	$1,363	$66	$127	$0	$0	$2,029
9/30/27	$497	$1,338	$67	$124	$0	$0	$2,026
9/30/28	$522	$1,311	$68	$122	$0	$0	$2,023
9/30/29	$550	$1,283	$70	$119	$0	$0	$2,022
9/30/30	$578	$1,253	$71	$117	$0	$0	$2,019
9/30/31	$611	$1,222	$72	$114	$0	$0	$2,019
9/30/32	$643	$1,189	$74	$111	$0	$0	$2,017
9/30/33	$679	$1,155	$75	$107	$0	$0	$2,017
9/30/34	$716	$1,118	$77	$104	$0	$0	$2,015
9/30/35	$752	$1,080	$78	$100	$0	$0	$2,011
9/30/36	$797	$1,039	$80	$97	$0	$0	$2,013
9/30/37	$837	$997	$82	$93	$0	$0	$2,008
9/30/38	$882	$952	$83	$89	$0	$0	$2,005
9/30/39	$926	$904	$85	$84	$0	$0	$1,999
9/30/40	$979	$854	$87	$79	$0	$0	$1,999
9/30/41	$1,031	$802	$88	$75	$0	$0	$1,996
9/30/42	$1,084	$746	$90	$69	$0	$0	$1,990
9/30/43	$1,144	$688	$92	$64	$0	$0	$1,988
9/30/44	$1,205	$627	$94	$58	$0	$0	$1,984
9/30/45	$1,270	$562	$96	$52	$0	$0	$1,979
9/30/46	$1,338	$494	$98	$46	$0	$0	$1,976
9/30/47	$1,411	$422	$100	$39	$0	$0	$1,972
9/30/48	$1,484	$346	$102	$32	$0	$0	$1,963
9/30/49	$1,565	$266	$104	$25	$0	$0	$1,959
9/30/50	$1,650	$182	$106	$17	$0	$0	$1,954
9/30/51	$1,735	$93	$108	$9	($1,834)	$0	$110
Total	**$26,624**	**$28,313**	**$2,440**	**$2,466**	**($1,834)**	**($2,676)**	**$55,333**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX H-2
IMPROVEMENT AREA #1 ASSESSMENT ROLL – ADDITIONAL IMPROVEMENT AREA #1 PROJECTS

Appendix H-2

Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects

Parcel	**All Parcels**
Equivalent Units	**824.33**
Assessment	**$7,745,000**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Total Annual Installment[4]
9/30/24	$61,000	$455,019	$60,000	$576,019
9/30/25	$64,000	$451,435	$61,200	$576,635
9/30/26	$67,000	$447,675	$62,424	$577,099
9/30/27	$71,000	$443,739	$63,672	$578,411
9/30/28	$75,000	$439,568	$64,946	$579,513
9/30/29	$78,000	$435,161	$66,245	$579,406
9/30/30	$83,000	$430,579	$67,570	$581,148
9/30/31	$87,000	$425,703	$68,921	$581,624
9/30/32	$129,000	$420,591	$25,000	$574,591
9/30/33	$141,000	$413,013	$25,013	$579,025
9/30/34	$154,000	$404,729	$25,025	$583,754
9/30/35	$168,000	$395,681	$25,038	$588,719
9/30/36	$182,000	$385,811	$25,050	$592,861
9/30/37	$197,000	$375,119	$25,063	$597,181
9/30/38	$213,000	$363,545	$25,075	$601,620
9/30/39	$230,000	$351,031	$25,088	$606,119
9/30/40	$249,000	$337,519	$25,100	$611,619
9/30/41	$268,000	$322,890	$25,113	$616,003
9/30/42	$288,000	$307,145	$25,125	$620,270
9/30/43	$310,000	$290,225	$25,138	$625,363
9/30/44	$333,000	$272,013	$25,150	$630,163
9/30/45	$358,000	$252,449	$25,163	$635,612
9/30/46	$384,000	$231,416	$25,176	$640,592
9/30/47	$411,000	$208,856	$25,188	$645,044
9/30/48	$440,000	$184,710	$25,201	$649,911
9/30/49	$471,000	$158,860	$25,213	$655,073
9/30/50	$504,000	$131,189	$25,226	$660,415
9/30/51	$539,000	$101,579	$25,239	$665,817
9/30/52	$575,000	$69,913	$25,251	$670,164
9/30/53	$615,000	$36,131	$25,264	$676,395
Total	**$7,745,000**	**$9,543,291**	**$1,067,875**	**$18,356,167**

1 – The 9/30/XX dates represent the assessment year end for the Additional Improvement Area #1 Projects Reimbursement Agreement.

2- Represents the principal and interest due under the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest is calculated using an interest rate of 5.875% per annum for years 1 to 5 and 5.875% per annum thereafter.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

Appendix H-2
Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 1 (60 Ft)
Assessment	**$9,395**
Equivalent Unit	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Total Annual Installment[4]
9/30/24	$74	$552	$73	$699
9/30/25	$78	$548	$74	$700
9/30/26	$81	$543	$76	$700
9/30/27	$86	$538	$77	$702
9/30/28	$91	$533	$79	$703
9/30/29	$95	$528	$80	$703
9/30/30	$101	$522	$82	$705
9/30/31	$106	$516	$84	$706
9/30/32	$156	$510	$30	$697
9/30/33	$171	$501	$30	$702
9/30/34	$187	$491	$30	$708
9/30/35	$204	$480	$30	$714
9/30/36	$221	$468	$30	$719
9/30/37	$239	$455	$30	$724
9/30/38	$258	$441	$30	$730
9/30/39	$279	$426	$30	$735
9/30/40	$302	$409	$30	$742
9/30/41	$325	$392	$30	$747
9/30/42	$349	$373	$30	$752
9/30/43	$376	$352	$30	$759
9/30/44	$404	$330	$31	$764
9/30/45	$434	$306	$31	$771
9/30/46	$466	$281	$31	$777
9/30/47	$499	$253	$31	$783
9/30/48	$534	$224	$31	$788
9/30/49	$571	$193	$31	$795
9/30/50	$611	$159	$31	$801
9/30/51	$654	$123	$31	$808
9/30/52	$698	$85	$31	$813
9/30/53	$746	$44	$31	$821
Total	**$9,395**	**$11,577**	**$1,295**	**$22,268**

1 – The 9/30/XX dates represent the assessment year end for the Additional Improvement Area #1 Projects Reimbursement Agreement.
2- Represents the principal and interest due under the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest is calculated using an interest rate of 5.875% per annum for years 1 to 5 and 5.875% per annum thereafter.
3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

Appendix H-2
Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 2 (50 Ft)
Assessment	**$7,830**
Equivalent Unit	**0.83**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Total Annual Installment[4]
9/30/24	$62	$460	$61	$582
9/30/25	$65	$456	$62	$583
9/30/26	$68	$453	$63	$583
9/30/27	$72	$449	$64	$585
9/30/28	$76	$444	$66	$586
9/30/29	$79	$440	$67	$586
9/30/30	$84	$435	$68	$587
9/30/31	$88	$430	$70	$588
9/30/32	$130	$425	$25	$581
9/30/33	$143	$418	$25	$585
9/30/34	$156	$409	$25	$590
9/30/35	$170	$400	$25	$595
9/30/36	$184	$390	$25	$599
9/30/37	$199	$379	$25	$604
9/30/38	$215	$368	$25	$608
9/30/39	$233	$355	$25	$613
9/30/40	$252	$341	$25	$618
9/30/41	$271	$326	$25	$623
9/30/42	$291	$310	$25	$627
9/30/43	$313	$293	$25	$632
9/30/44	$337	$275	$25	$637
9/30/45	$362	$255	$25	$643
9/30/46	$388	$234	$25	$648
9/30/47	$415	$211	$25	$652
9/30/48	$445	$187	$25	$657
9/30/49	$476	$161	$25	$662
9/30/50	$510	$133	$26	$668
9/30/51	$545	$103	$26	$673
9/30/52	$581	$71	$26	$677
9/30/53	$622	$37	$26	$684
Total	**$7,830**	**$9,647**	**$1,080**	**$18,557**

1 – The 9/30/XX dates represent the assessment year end for the Additional Improvement Area #1 Projects Reimbursement Agreement.
2- Represents the principal and interest due under the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest is calculated using an interest rate of 5.875% per annum for years 1 to 5 and 5.875% per annum thereafter.
3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

Appendix H-2
Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 3 (40 Ft)
Assessment	**$6,264**
Equivalent Unit	**0.67**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Total Annual Installment[4]
9/30/24	$49	$368	$49	$466
9/30/25	$52	$365	$49	$466
9/30/26	$54	$362	$50	$467
9/30/27	$57	$359	$51	$468
9/30/28	$61	$355	$53	$469
9/30/29	$63	$352	$54	$469
9/30/30	$67	$348	$55	$470
9/30/31	$70	$344	$56	$470
9/30/32	$104	$340	$20	$465
9/30/33	$114	$334	$20	$468
9/30/34	$125	$327	$20	$472
9/30/35	$136	$320	$20	$476
9/30/36	$147	$312	$20	$479
9/30/37	$159	$303	$20	$483
9/30/38	$172	$294	$20	$487
9/30/39	$186	$284	$20	$490
9/30/40	$201	$273	$20	$495
9/30/41	$217	$261	$20	$498
9/30/42	$233	$248	$20	$502
9/30/43	$251	$235	$20	$506
9/30/44	$269	$220	$20	$510
9/30/45	$290	$204	$20	$514
9/30/46	$311	$187	$20	$518
9/30/47	$332	$169	$20	$522
9/30/48	$356	$149	$20	$526
9/30/49	$381	$128	$20	$530
9/30/50	$408	$106	$20	$534
9/30/51	$436	$82	$20	$538
9/30/52	$465	$57	$20	$542
9/30/53	$497	$29	$20	$547
Total	**$6,264**	**$7,718**	**$864**	**$14,845**

1 – The 9/30/XX dates represent the assessment year end for the Additional Improvement Area #1 Projects Reimbursement Agreement.
2- Represents the principal and interest due under the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest is calculated using an interest rate of 5.875% per annum for years 1 to 5 and 5.875% per annum thereafter.
3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

APPENDIX H-3
COMBINED IMPROVEMENT AREA #1 ANNUAL INSTALLMENT SCHEDULE

Appendix H-3
Combined Improvement Area #1 Annual Installment Schedule

Year [1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[2,3]	Additional Interest Reserve[3]	Debt Service Reserve Fund[3]	Capitalized Interest/ Available Credits[3]	Total Annual Installment
9/30/21	$0	$457,108	$0	$0	$0	$0	$0	($457,108)	$0
9/30/22	$0	$1,769,450	$0	$0	$50,000	$0	$0	($1,819,450)	$0
9/30/23	$495,000	$1,769,450	$0	$0	$76,500	$164,600	$0	($1,032,134)	$1,473,416
9/30/24	$520,000	$1,742,844	$61,000	$455,019	$138,030	$162,125	$0	$0	$3,079,018
9/30/25	$550,000	$1,714,894	$64,000	$451,435	$140,791	$159,525	$0	$0	$3,080,644
9/30/26	$585,000	$1,685,331	$67,000	$447,675	$143,606	$156,775	$0	$0	$3,085,388
9/30/27	$615,000	$1,653,888	$71,000	$443,739	$146,479	$153,850	$0	$0	$3,083,955
9/30/28	$645,000	$1,620,831	$75,000	$439,568	$149,408	$150,775	$0	$0	$3,080,582
9/30/29	$680,000	$1,586,163	$78,000	$435,161	$152,396	$147,550	$0	$0	$3,079,270
9/30/30	$715,000	$1,549,613	$83,000	$430,579	$155,444	$144,150	$0	$0	$3,077,785
9/30/31	$755,000	$1,511,181	$87,000	$425,703	$158,553	$140,575	$0	$0	$3,078,012
9/30/32	$795,000	$1,470,600	$129,000	$420,591	$116,425	$136,800	$0	$0	$3,068,416
9/30/33	$840,000	$1,427,869	$141,000	$413,013	$118,266	$132,825	$0	$0	$3,072,972
9/30/34	$885,000	$1,382,719	$154,000	$404,729	$120,143	$128,625	$0	$0	$3,075,216
9/30/35	$930,000	$1,335,150	$168,000	$395,681	$122,058	$124,200	$0	$0	$3,075,089
9/30/36	$985,000	$1,285,163	$182,000	$385,811	$124,011	$119,550	$0	$0	$3,081,535
9/30/37	$1,035,000	$1,232,219	$197,000	$375,119	$126,003	$114,625	$0	$0	$3,079,965
9/30/38	$1,090,000	$1,176,588	$213,000	$363,545	$128,034	$109,450	$0	$0	$3,080,617
9/30/39	$1,145,000	$1,118,000	$230,000	$351,031	$130,106	$104,000	$0	$0	$3,078,137
9/30/40	$1,210,000	$1,056,456	$249,000	$337,519	$132,219	$98,275	$0	$0	$3,083,469
9/30/41	$1,275,000	$991,419	$268,000	$322,890	$134,374	$92,225	$0	$0	$3,083,907
9/30/42	$1,340,000	$922,888	$288,000	$307,145	$136,571	$85,850	$0	$0	$3,080,454
9/30/43	$1,415,000	$850,863	$310,000	$290,225	$138,813	$79,150	$0	$0	$3,084,050
9/30/44	$1,490,000	$774,806	$333,000	$272,013	$141,099	$72,075	$0	$0	$3,082,993
9/30/45	$1,570,000	$694,719	$358,000	$252,449	$143,430	$64,625	$0	$0	$3,083,223
9/30/46	$1,655,000	$610,331	$384,000	$231,416	$145,808	$56,775	$0	$0	$3,083,331
9/30/47	$1,745,000	$521,375	$411,000	$208,856	$148,234	$48,500	$0	$0	$3,082,965
9/30/48	$1,835,000	$427,581	$440,000	$184,710	$150,707	$39,775	$0	$0	$3,077,773
9/30/49	$1,935,000	$328,950	$471,000	$158,860	$153,230	$30,600	$0	$0	$3,077,640
9/30/50	$2,040,000	$224,944	$504,000	$131,189	$155,803	$20,925	$0	$0	$3,076,860
9/30/51	$2,145,000	$115,294	$539,000	$101,579	$158,427	$10,725	($2,268,179)	$0	$801,845
9/30/52	$0	$0	$575,000	$69,913	$25,251	$0	$0	$0	$670,164
9/30/53	$0	$0	$615,000	$36,131	$25,264	$0	$0	$0	$676,395
Total	**$32,920,000**	**$35,008,683**	**$7,745,000**	**$9,543,291**	**$4,085,481**	**$3,049,500**	**($2,268,179)**	**($3,308,692)**	**$86,775,084**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds and/or reimbursement agreement.
2 – See Appendix H-1.
3 – See Appendix H-2.

APPENDIX I
FUTURE IMPROVEMENT AREA ASSESSMENT ROLL – FUTURE IMPROVEMENT AREA PROJECTS

Appendix I

Future Improvement Area Assessment Roll – Future Improvement Area Projects

Parcel	**All Parcels**
Equivalent Units	**876.83**
Assessment	**$7,000,000**

Year[1]	Principal	Interest	Administrative Expenses[2]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[3]
9/30/24	$0	$245,000	$0	$0	$0	($245,000)	$0
9/30/25	$0	$490,000	$0	$0	$0	($490,000)	$0
9/30/26	$76,000	$490,000	$61,200	$35,000	$0	$0	$662,200
9/30/27	$82,000	$484,680	$62,424	$34,620	$0	$0	$663,724
9/30/28	$88,000	$478,940	$63,672	$34,210	$0	$0	$664,822
9/30/29	$94,000	$472,780	$64,946	$33,770	$0	$0	$665,496
9/30/30	$101,000	$466,200	$66,245	$33,300	$0	$0	$666,745
9/30/31	$108,000	$459,130	$67,570	$32,795	$0	$0	$667,495
9/30/32	$124,000	$451,570	$55,000	$32,255	$0	$0	$662,825
9/30/33	$133,000	$442,890	$55,028	$31,635	$0	$0	$662,553
9/30/34	$143,000	$433,580	$55,055	$30,970	$0	$0	$662,605
9/30/35	$154,000	$423,570	$55,083	$30,255	$0	$0	$662,908
9/30/36	$165,000	$412,790	$55,110	$29,485	$0	$0	$662,385
9/30/37	$178,000	$401,240	$55,138	$28,660	$0	$0	$663,038
9/30/38	$191,000	$388,780	$55,165	$27,770	$0	$0	$662,715
9/30/39	$205,000	$375,410	$55,193	$26,815	$0	$0	$662,418
9/30/40	$221,000	$361,060	$55,220	$25,790	$0	$0	$663,070
9/30/41	$237,000	$345,590	$55,248	$24,685	$0	$0	$662,523
9/30/42	$255,000	$329,000	$55,276	$23,500	$0	$0	$662,776
9/30/43	$274,000	$311,150	$55,303	$22,225	$0	$0	$662,678
9/30/44	$295,000	$291,970	$55,331	$20,855	$0	$0	$663,156
9/30/45	$317,000	$271,320	$55,359	$19,380	$0	$0	$663,059
9/30/46	$341,000	$249,130	$55,386	$17,795	$0	$0	$663,311
9/30/47	$366,000	$225,260	$55,414	$16,090	$0	$0	$662,764
9/30/48	$394,000	$199,640	$55,442	$14,260	$0	$0	$663,342
9/30/49	$423,000	$172,060	$55,469	$12,290	$0	$0	$662,819
9/30/50	$455,000	$142,450	$55,497	$10,175	$0	$0	$663,122
9/30/51	$489,000	$110,600	$55,525	$7,900	$0	$0	$663,025
9/30/52	$526,000	$76,370	$55,553	$5,455	$0	$0	$663,378
9/30/53	$565,000	$39,550	$55,580	$2,825	($604,550)	$0	$58,405
Total	**$7,000,000**	**$10,041,710**	**$1,602,431**	**$664,765**	**($604,550)**	**($735,000)**	**$17,969,356**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix I
Assessment Roll by Lot Type

Lot Type	Lot Type 1 (60 Ft)
Assessment	**$7,983**
Equivalent Unit	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/24	$0	$279	$0	$0	$0	($279)	$0
9/30/25	$0	$559	$0	$0	$0	($559)	$0
9/30/26	$87	$559	$70	$40	$0	$0	$755
9/30/27	$94	$553	$71	$39	$0	$0	$757
9/30/28	$100	$546	$73	$39	$0	$0	$758
9/30/29	$107	$539	$74	$39	$0	$0	$759
9/30/30	$115	$532	$76	$38	$0	$0	$760
9/30/31	$123	$524	$77	$37	$0	$0	$761
9/30/32	$141	$515	$63	$37	$0	$0	$756
9/30/33	$152	$505	$63	$36	$0	$0	$756
9/30/34	$163	$494	$63	$35	$0	$0	$756
9/30/35	$176	$483	$63	$35	$0	$0	$756
9/30/36	$188	$471	$63	$34	$0	$0	$755
9/30/37	$203	$458	$63	$33	$0	$0	$756
9/30/38	$218	$443	$63	$32	$0	$0	$756
9/30/39	$234	$428	$63	$31	$0	$0	$755
9/30/40	$252	$412	$63	$29	$0	$0	$756
9/30/41	$270	$394	$63	$28	$0	$0	$756
9/30/42	$291	$375	$63	$27	$0	$0	$756
9/30/43	$312	$355	$63	$25	$0	$0	$756
9/30/44	$336	$333	$63	$24	$0	$0	$756
9/30/45	$362	$309	$63	$22	$0	$0	$756
9/30/46	$389	$284	$63	$20	$0	$0	$756
9/30/47	$417	$257	$63	$18	$0	$0	$756
9/30/48	$449	$228	$63	$16	$0	$0	$757
9/30/49	$482	$196	$63	$14	$0	$0	$756
9/30/50	$519	$162	$63	$12	$0	$0	$756
9/30/51	$558	$126	$63	$9	$0	$0	$756
9/30/52	$600	$87	$63	$6	$0	$0	$757
9/30/53	$644	$45	$63	$3	($689)	$0	$67
Total	**$7,983**	**$11,452**	**$1,828**	**$758**	**($689)**	**($838)**	**$20,493**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.
2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.
3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix I
Assessment Roll by Lot Type

Lot Type	Lot Type 2 (50 Ft)
Assessment	**$6,653**
Equivalent Unit	**0.83**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/24	$0	$233	$0	$0	$0	($233)	$0
9/30/25	$0	$466	$0	$0	$0	($466)	$0
9/30/26	$72	$466	$58	$33	$0	$0	$629
9/30/27	$78	$461	$59	$33	$0	$0	$631
9/30/28	$84	$455	$61	$33	$0	$0	$632
9/30/29	$89	$449	$62	$32	$0	$0	$632
9/30/30	$96	$443	$63	$32	$0	$0	$634
9/30/31	$103	$436	$64	$31	$0	$0	$634
9/30/32	$118	$429	$52	$31	$0	$0	$630
9/30/33	$126	$421	$52	$30	$0	$0	$630
9/30/34	$136	$412	$52	$29	$0	$0	$630
9/30/35	$146	$403	$52	$29	$0	$0	$630
9/30/36	$157	$392	$52	$28	$0	$0	$630
9/30/37	$169	$381	$52	$27	$0	$0	$630
9/30/38	$182	$369	$52	$26	$0	$0	$630
9/30/39	$195	$357	$52	$25	$0	$0	$630
9/30/40	$210	$343	$52	$25	$0	$0	$630
9/30/41	$225	$328	$53	$23	$0	$0	$630
9/30/42	$242	$313	$53	$22	$0	$0	$630
9/30/43	$260	$296	$53	$21	$0	$0	$630
9/30/44	$280	$277	$53	$20	$0	$0	$630
9/30/45	$301	$258	$53	$18	$0	$0	$630
9/30/46	$324	$237	$53	$17	$0	$0	$630
9/30/47	$348	$214	$53	$15	$0	$0	$630
9/30/48	$374	$190	$53	$14	$0	$0	$630
9/30/49	$402	$164	$53	$12	$0	$0	$630
9/30/50	$432	$135	$53	$10	$0	$0	$630
9/30/51	$465	$105	$53	$8	$0	$0	$630
9/30/52	$500	$73	$53	$5	$0	$0	$630
9/30/53	$537	$38	$53	$3	($575)	$0	$56
Total	**$6,653**	**$9,544**	**$1,523**	**$632**	**($575)**	**($699)**	**$17,078**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.
2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.
3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix I
Assessment Roll by Lot Type

Lot Type	Lot Type 3 (40 Ft)
Assessment	**$5,322**
Equivalent Unit	**0.67**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/24	$0	$186	$0	$0	$0	($186)	$0
9/30/25	$0	$373	$0	$0	$0	($373)	$0
9/30/26	$58	$373	$47	$27	$0	$0	$503
9/30/27	$62	$369	$47	$26	$0	$0	$505
9/30/28	$67	$364	$48	$26	$0	$0	$505
9/30/29	$71	$359	$49	$26	$0	$0	$506
9/30/30	$77	$354	$50	$25	$0	$0	$507
9/30/31	$82	$349	$51	$25	$0	$0	$508
9/30/32	$94	$343	$42	$25	$0	$0	$504
9/30/33	$101	$337	$42	$24	$0	$0	$504
9/30/34	$109	$330	$42	$24	$0	$0	$504
9/30/35	$117	$322	$42	$23	$0	$0	$504
9/30/36	$125	$314	$42	$22	$0	$0	$504
9/30/37	$135	$305	$42	$22	$0	$0	$504
9/30/38	$145	$296	$42	$21	$0	$0	$504
9/30/39	$156	$285	$42	$20	$0	$0	$504
9/30/40	$168	$275	$42	$20	$0	$0	$504
9/30/41	$180	$263	$42	$19	$0	$0	$504
9/30/42	$194	$250	$42	$18	$0	$0	$504
9/30/43	$208	$237	$42	$17	$0	$0	$504
9/30/44	$224	$222	$42	$16	$0	$0	$504
9/30/45	$241	$206	$42	$15	$0	$0	$504
9/30/46	$259	$189	$42	$14	$0	$0	$504
9/30/47	$278	$171	$42	$12	$0	$0	$504
9/30/48	$300	$152	$42	$11	$0	$0	$504
9/30/49	$322	$131	$42	$9	$0	$0	$504
9/30/50	$346	$108	$42	$8	$0	$0	$504
9/30/51	$372	$84	$42	$6	$0	$0	$504
9/30/52	$400	$58	$42	$4	$0	$0	$504
9/30/53	$430	$30	$42	$2	($460)	$0	$44
Total	**$5,322**	**$7,635**	**$1,218**	**$505**	**($460)**	**($559)**	**$13,662**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.
2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.
3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

Date:	06/18/2024
Agenda Item #:	6. B.
Department:	Economic Development Corporation
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. 1760 Approving and Authorizing the Issuance and Sale of the Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects); 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 Future Improvement Area Projects of the Spiritas Ranch Public Improvement District, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Future Improvement Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)(the "Bonds"), such series to be payable from and secured by the Trust Estate, as 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 Future Improvement Area Projects 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 homeowners in said District.

RECOMMENDED ACTION:

Staff recommends approval of Ordinance No. 1760 which includes the following documents:

- Indenture of Trust
- Bond Purchase Agreement
- Continuing Disclosure Agreement
- Construction, Funding and Acquisition Agreement
- Future Improvement Area Projects Landowner Agreement

Attachments

Ordinance No. 1760 Bond 2024 Bond Ordinance -Spiritas Ranch Addtional Assessment

ORDINANCE NO. 1760

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE TOWN OF LITTLE ELM, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS); 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 "Spiritas Ranch Public Improvement District" (the "District"), pursuant to Resolution No. 0202202101 adopted by the Town Council of the Town (the "Town Council") on February 2, 2021; and

WHEREAS, pursuant to the PID Act, the Town Council published notice of and convened a public hearing on June 18, 2024 regarding the levy of special assessments against benefitted property located within the Future Improvement Area of the District and, after hearing testimony at such public hearing, the Town Council closed the public hearing and adopted Ordinance No. 1759 (the "Assessment Ordinance") on June 18, 2024; and

WHEREAS, in the Assessment Ordinance, the Town Council approved and accepted the Spiritas Ranch Public Improvement District Service and Assessment Plan (the "Service and Assessment Plan"), relating to the District and levied special assessments (the "Assessments") against the Future Improvement Area 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 I (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 Future Improvement Area Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Future Improvement Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)" (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 Future Improvement Area Projects, 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 Future Improvement Area Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Future Improvement Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 July 1, 2024, 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) 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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects) 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 "Spiritas Ranch Public Improvement District Future Improvement Area Projects Construction, Funding, and Acquisition Agreement" (the "Construction, Funding, and Acquisition Agreement") between the Town and MM Little Elm 548, 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 "Future Improvement Area Projects Landowner Agreement" (the "Landowner Agreement") between the Town and MM Little Elm 548, 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 Future Improvement Area Projects.

SECTION 8. Contract with Advisors. The Town authorizes the Mayor, the Mayor Pro Tem, the Town Manager, the Deputy Town Manager, and the Chief Financial Officer of the Town, or any authorized official or the designee thereof, to take all actions necessary to execute any necessary contracts or amendments with SAMCO Capital Markets, Inc., as the financial advisor to the Town (the "Financial Advisor") or Norton Rose Fulbright US LLP, as the bond counsel to the Town (the "Bond Counsel"). The Town Council confirms the continuation of the engagement of Bond Counsel and the Town understands that under applicable federal securities laws and regulations that the Town must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Bonds.

SECTION 9. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

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

SECTION 11. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 12. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 13. Incorporation of Findings and Determinations. The findings and determinations of the 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 14. Effective Date. This Ordinance shall take effect and be in force immediately from and after its adoption on the date shown below in accordance with Texas Government Code, Section 1201.028, as amended.

PASSED AND APPROVED, this the 18th day of June, 2024.

TOWN OF LITTLE ELM, TEXAS

_____
Cornelious J. Curtis, 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 JULY 1, 2024

SECURING

$_____
TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
FUTURE IMPROVEMENT AREA PROJECTS)

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of July 1, 2024 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 now located within the corporate limits of the Town to be known as the Spiritas Ranch Public Improvement District (the "District"); and

WHEREAS, the petition contained the signature of the owner of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Denton Central Appraisal District, and the signature of the property 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 December 15, 2020, 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 February 2, 2021, the Town Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 0202202101, adopted by a majority of the members of the Town Council, authorized the creation of the District in accordance with its findings 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 February 7, 2021, the Town published notice of its authorization of the District in the *Denton Record Chronicle*, a newspaper of general circulation in the Town and in the part of the extraterritorial jurisdiction of the Town in which the District is to be located or in which the improvements are to be undertaken; 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 February 7, 2021, and

WHEREAS, the Town has previously issued the Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2021 (Spiritas Ranch Public Improvement District Improvement Area #1 Projects and Major Improvement Area Projects) (the "2021 Bonds") secured by (i) certain assessments levied against property located within Improvement Area #1 and (ii) certain assessments levied against property located within the construction phases of the District located outside of Improvement Area #1; and

WHEREAS, in the indenture authorizing the 2021 Bonds, the Town reserves the right to issue one or more additional series of bonds pursuant to other indentures, which are not payable from the pledged revenues which secure the 2021 Bonds, provided that prior to the issuance of such additional series of bonds the requirements set forth in Section 13.2(c) of the indenture authorizing the issuance of the 2021 Bonds must be satisfied; and

WHEREAS, prior to the issuance of the Bonds, the owners of 100% of the 2021 Bonds have executed and delivered to the Town a Waiver and Consent of Bondholder, waiving all requirements set forth in Section 13.2 of the indenture authorizing the 2021 Bonds, including the provisions of Section 13.2(c), and consenting to the issuance of the Bonds as an additional series of bonds under the indenture authorizing the 2021 Bonds; and

WHEREAS, on May 21, 2024, the Town Council by Resolution No. 0521202403 made findings and determinations relating to the Actual Costs of certain Future Improvement Area Projects, received and accepted a preliminary service and assessment plan, a proposed assessment roll, called a public hearing for June 18, 2024, and directed Town staff to: (i) file the proposed assessment roll with the Town Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish and mail such notice relating to the June 18, 2024 hearing as required by the PID Act; and

WHEREAS, on May 25, 2024, the Town staff, 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 Service and Assessment Plan, the Future Improvement Area Assessment Roll and the levy of the Assessments on the property within the Future Improvement Area of the District; and

WHEREAS, the Town staff, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Future Improvement Area Assessment Roll, the Service and Assessment Plan, and the levy of the Assessments on property within the Future Improvement Area of the District, to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the Town Council opened and convened the public hearing on June 18, 2024 and at such public hearing, all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Future Improvement Area 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 estimated costs of the Future Improvement Area Projects to the Assessed Property within the Future Improvement Area of the District, the purposes of the Assessments, the special benefits of the Future Improvement Area Projects, and the penalties and interest on Annual Installments of the Assessments and on delinquent Annual Installments; and

WHEREAS, there were no written protests, objections or evidence submitted to the Town Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Future Improvement Area Projects to the Assessed Property within the Future Improvement Area of the District, the Future Improvement Area Assessment Roll, or the levy of the Assessments; 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, the Town Council approved Ordinance No. 1759, which levied the Assessments and approved and accepted the Service and Assessment Plan, including the Future Improvement Area Assessment Roll, 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 Future Improvement Area Assessment Roll; and

WHEREAS, the Town Secretary of the Town filed a copy of the Assessment Ordinance and the Service and Assessment Plan, including the Future Improvement Area Assessment Roll

not later than the seventh day after the date the Town Council approved the Assessment Ordinance with the County Clerk of Denton County; 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 Future Improvement Area Projects, (ii) paying a portion of the interest on the Bonds (as defined herein) during and after the period of acquisition and construction of the Future Improvement Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)" (the "Bonds"), such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms set forth in this Indenture; and

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 Future Improvement Area Projects, the demonstrated, reasonable, allocable, and allowable costs of constructing such Future Improvement Area Projects, 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 Future Improvement Area Projects, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Future Improvement Area Projects, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Future Improvement Area Projects, (d) the costs for external professional costs associated with such Future Improvement Area Projects, 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 Future Improvement Area Projects, (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, and all advances and payments for Administrative 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 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.

"Additional Major Improvements" means the Authorized Improvements which will benefit all of the property within the District subject to assessment, as more particularly described in Section III.B of the Service and Assessment Plan.

“Additional Major Improvement Projects” means the pro rata portion of the Additional Major Improvements allocable to the Assessed Property, as more particularly described in Section III.B of the 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 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) 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’s 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 Future Improvement Area Projects. 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 the employee or third-party designee of the Town who shall have the responsibilities provided for in the Service and Assessment Plan. 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 and interest) as shown on Future Improvement Area Assessment Roll attached to the Service and Assessment Plan as Appendix I as it relates to the Future Improvement Area Projects; which annual payment includes the 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 an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the Town Council.

"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, or may be, governed or from which its powers may be derived.

"Assessed Parcel" means each Parcel of land located within the Future Improvement Area of the District against which an Assessment levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessed Property" means, collectively, all Assessed Parcels.

"Assessment Ordinance" means Ordinance No. 1759 adopted by the Town Council on June 18, 2024, that levied the Assessments on the Assessed Property located within the Future Improvement Area of the District.

"Assessments" means the aggregate Assessments as shown on the Future Improvement Area Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Future Improvement Area Assessment Roll, or in the Service and Assessment Plan, 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 an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment, or Annual Installment thereof, during any period of delinquency, (ii) a Prepayment, and (iii) Foreclosure Proceeds.

"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 improvements authorized by Section 372.003 of the PID Act, including, but not limited to the Future Improvement Area Projects, as described and listed in Section III of the Service and Assessment Plan or an Annual Service Plan Update.

"Bond" means any of the Bonds.

"Bond Counsel" means Norton Rose Fulbright US LLP or any other attorney or firm of attorneys designated by the 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 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. 1760 adopted by the Town Council on June 18, 2024, 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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)".

"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 A 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 Future Improvement Area Projects 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 "Spiritas Ranch Public Improvement District Future Improvement Area Projects Construction, Funding, and Acquisition Agreement" by and between the Town and the Developer dated as of June 18, 2024 which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Future Improvement Area Projects 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 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.

"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 MM Little Elm 548, LLC a Texas limited liability company, and its successors and assigns.

"Development Agreement" means that certain "Spiritas Ranch Development Agreement" executed by and between the Town and the Developer effective February 2, 2021, as it may be amended from time to time.

"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(s), whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

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

"Future Improvement Area" means collectively, all phases of construction in the District being constructed after Improvement Area #1.

"Future Improvement Area Assessment Roll" means the assessment roll attached as Appendix I to the Service and Assessment Plan or any other assessment roll for the Future Improvement Area of the District in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessment against each Assessed Parcel related to the Bonds and the Future Improvement Area Projects, as updated, modified, or amended from time to time, in accordance with the terms of the Service and Assessment Plan and the PID Act.

"Future Improvement Area Local Improvements" means the Authorized Improvements which will benefit only the Assessed Property within the Future Improvement Area of the District, as more particularly described in Section III.C of the Service and Assessment Plan.

"Future Improvement Area Projects" means, collectively, (i) the portion of the Additional Major Improvement Projects benefiting the Future Improvement Area and (ii) the Future Improvement Area Local Improvements.

"Future Improvement Area Projects Account" means the Account of such name established pursuant to Section 6.1.

“Future Phase” means a phase of construction in the District being constructed after Improvement Area #1.

“Improvement Area #1” shall have the meaning given to it in the Service and Assessment Plan.

"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 March 1 and September 1 of each year, commencing September 1, 2024.

"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.

"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 the 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.

“Parcel” means a specific property within the Future Improvement Area of the District identified by either a tax parcel identification number assigned by the Denton Central Appraisal District for real property tax purpose, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of Denton County, or by any other means determined by the Town.

"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. Amounts received at the time of a prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

"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, the amount of par plus accrued and unpaid interest to the date of redemption.

"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 of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, 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 for the Bonds, 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 "Spiritas Ranch Public Improvement District, Service and Assessment Plan", dated June 18, 2024, including the Future Improvement Area Assessment Roll, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise.

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

"Stated Maturity" means the date the Bonds, or any portion of the Bonds, as applicable, are scheduled to mature without regard to any redemption or prepayment.

"Substantial Amount Redemption" means a redemption, pursuant to Section 4.4 of this Indenture, of a principal amount of the 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 Section 2.1 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, including the granting clause, 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. Granting Clauses

(a) In order to secure the payment of debt service on all Bonds, and the performance and observance by the Town of all the covenants expressed or implied herein, the Town does hereby grant to the Trustee, as good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, a security interest in, mortgage, create a first lien on, and pledge to the Trustee, all of its right, title, and interest, whether now owned or hereafter acquired, in, to, and under the following (the "Trust Estate"):

(i) All Pledged Revenues 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

(ii) 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.

(b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received by the Trustee and its successors or assigns, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture. Provided, however, if the Town or its assigns shall well and truly pay, or cause to be paid, the principal or redemption price of and the interest on 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 shall remain in full force and effect.

(c) Except as otherwise provided in the remaining provisions of this Indenture, nothing in this Section 2.1 shall prohibit the Trustee from bringing any actions or proceedings for the enforcement of the obligation of the Town hereunder except that nothing in this Section shall prejudice the rights of the Trustee under Articles IX and XI hereof; provided further that the priority of payment and the source for the repayment of the debt service on the Bonds shall be subject to the terms as set forth herein, including without limitation Article VI herein; provided further that the right to direct remedies following an Event of Default shall be limited to the Owners of the Bonds to the extent provided as set forth in Articles XI and XV herein.

(d) The Bonds are to be issued, registered, authenticated, and delivered, and the Trust Estate is to be held, dealt with and disposed of by the Trustee, upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Indenture.

Section 2.2. 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 from and after the Closing Date. 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 registered owners of the Bonds the perfection of the security interest in said pledge, the Town agrees to take such measures as it determines are reasonable and necessary under 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 2.3. 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 2.4. 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 2.5. 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 Future Improvement Area Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Future Improvement Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 July 16, 2024 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 of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2024, 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 Assessment Ordinance;

(b) a certified copy of the 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 of such bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the 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 direction, 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 its records retention requirements.

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 written 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 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 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 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__
September 1, 20__
September 1, 20__
September 1, 20__
September 1, 20__
September 1, 20__
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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__	
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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 the 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__, such redemption date or dates to be fixed by the Town, at the Redemption Price for such Bonds.

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 any date specified in a Town Certificate, at the Redemption Price 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 other transfers to the Redemption Fund under the terms of this Indenture, or as a result of unexpended amounts transferred from the Project 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 or portion of a Bond, as applicable, to be redeemed shall be selected 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; and

(ii) with respect to a Minor Amount Redemption, the Outstanding Bonds, 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) Upon the written notification by the Town to the Trustee of the exercise of any redemption, 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, the place at which the Bonds are to be surrendered for payment, and, if less than all the Outstanding Bonds 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 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.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the Town and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller 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 may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and, none of the Town, the 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) Future Improvement Area Projects 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) Except as set forth in Section 6.10(f), 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.

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 Future Improvement Area Projects 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, 2025, 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, 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 Future Improvement Area Projects, 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, and the other deposits described in (a) above, 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 ($)**
September 1, 2024	
March 1, 2025	

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 Future Improvement Area Projects Account of the Project Fund, pursuant to directions provided in a Town Certificate, or, if the Future Improvement Area Projects Account of the Project Fund has been closed as provided in Section 6.5(f) 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.

(c) Disbursements from the Future Improvement Area Projects Account of the Project Fund to pay Actual Costs of the Future Improvement Area Projects 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 Future Improvement Area Projects Account 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.

(d) If a Town Representative determines in his or her sole discretion that amounts then on deposit in the Future Improvement Area Projects Account of the Project Fund are not expected to be expended for purposes of the Future Improvement Area Projects Account of the Project Fund due to the abandonment, or constructive abandonment, of the Future Improvement Area Projects, such that, in the opinion of the Town Representative, it is unlikely that the amounts in the Future Improvement Area Projects Account of the Project Fund, 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 Future Improvement Area Projects 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 Future Improvement Area Projects Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

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

(f) Upon the filing of a Town Certificate stating that all Future Improvement Area Projects have been completed and that all Actual Costs of the Future Improvement Area Projects have been paid, or that any such Actual Costs of the Future Improvement Area Projects are not required to be paid from the Future Improvement Area Projects Account of the Project Fund pursuant to a Certification for Payment or written direction from the Town or its designee, the Trustee shall transfer the amount, if any, remaining within the Future Improvement Area Projects Account of the Project Fund to the Principal and Interest Account of the Bond Fund or to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 as directed by the Town Representative in a Town Certificate filed with the Trustee. If the Future Improvement Area Projects Account of the Project Fund has 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(g), the Project Fund shall be closed.

(g) Not later than six 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 Actual Costs, or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the 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 Sections 6.2 and 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, 2025, an amount equal to the Additional Interest, collected, if any, as shown on the Future Improvement Area Assessment Roll attached to the Service and Assessment Plan or an Annual Service Plan Update, 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 Future Improvement Area 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 30 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 a specified Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the Closing Date of the Bonds, 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), 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 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 JPMorgan U.S. Government Money Market Fund (CUSIP 4812C0662); 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 any 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, no later than the 15th day of the following month, 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) If, following an annual calculation of the Rebate Amount in accordance with Sections 6.8 and 7.5(h) hereof, it is determined that a Rebate Amount is owed with respect to the Bonds, the Town shall direct the Trustee, pursuant to a Town Certificate, to transfer to the Rebate Fund an amount equal to the Rebate Amount owed by the Town from investment earnings derived from the investment of the amount on deposit in Pledged Funds. The Town Certificate shall specify the amount to be transferred and identify the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

(g) 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 are as so 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 Future Improvement Area Projects in accordance with the Construction, Funding and Acquisition Agreement, 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 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 as specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the Town shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Trust Estate.

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 Future Improvement Area Projects in accordance with the Construction, Funding, and Acquisition Agreement, 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 Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the Town by the Trustee or duly authorized representative, as applicable. The Town shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the Town's regular business hours and on a mutually agreeable date not later than 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, 100% of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, 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 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 Trust Estate 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 or 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 Trust Estate, 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 or 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 person designated by the Town Council to so act on behalf of the Town, and such certificate shall be full warrant to the Town for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the Town may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may 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 by the Owners, 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 to the extent the same shall have been finally adjudicated by a court of competent jurisdiction to have been directly caused by the Trustee's 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 and expressly 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

(i) this subparagraph shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(i) 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)(ii) of this Section;

(ii) 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;

(iii) 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

(iv) 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 of any kind 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:

(i) the validity, priority, recording, re-recording, filing or re-filing of this Indenture or any Supplemental Indenture,

(ii) any instrument or document of further assurance or collateral assignment,

(iii) the filing, execution, delivery, recording, or authorization of any financing statements, amendments thereto or continuation statements,

(iv) insurance of the Future Improvement Area Projects or collection of insurance money,

(v) the validity of the execution by the Town of this Indenture, any Supplemental Indenture or instruments or documents of further assurance, or

(vi) 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 written instructions provided by the Town with respect to the use of the proceeds of the Bonds.

(j) The Trustee, as an Administrative Expense, 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)(i), 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 Future Improvement Area Projects 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 Future Improvement Area Projects 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, as an Administrative Expense, request, conclusively rely on and shall be protected in acting or refraining from acting upon any resolution, instrument, opinion, report, direction, order, notice, judgment, request, consent, waiver, certificate, statement, affidavit, requisition, bond, debenture, note, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith 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 taken or omitted to be taken upon the advice or written opinion of any counsel, architect, engineer, insurance consultant, management consultant, accountant or other professional retained or consulted by the Trustee, 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, the Trustee may request a Town Certificate, and such matter may be deemed to be conclusively proved and established by such 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.

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) Unless and 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 in accordance with the immediately preceding paragraph.

(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 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, including any supplement or amendment to this Indenture, 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. Under no circumstances shall the Trustee have an obligation or responsibility to file such financing statements or continuation statements except as provided in this Section.

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.

(a) This Indenture and the rights and obligations of the Town and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, executed by both the Town and the Trustee, 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 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 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 Applicable Laws and this Indenture), or reduce the percentage of Owners of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights, immunities or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the Town and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for 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 hereof;

(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.

(c) Any modification or amendment made pursuant to Section 10.1(b) shall not be subject to the notice procedures specified in Section 10.3 below.

(d) 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 and the issuance of Refunding Bonds in accordance with the provisions of Section 13.2 hereof are each 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 60-day period.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the Town, the Trustee, and all Owners of Outstanding Bonds 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 51% of the Owners in aggregate principal amount of the Bonds then Outstanding, the Owners may waive non-compliance by the Town with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners. 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 it is in violation of any applicable state law or court order.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners

of at least 25% 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 a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his, or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, 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 or 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 which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds issued in accordance with this Section, 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) Notwithstanding anything to the contrary herein, no Refunding Bonds or Additional Obligations may be issued by the Town unless: (1) the principal (including sinking fund installments) of such Refunding Bonds or Additional Obligations are scheduled to mature on September 1 of the years in which principal is schedule to mature, and (2) the interest on such Refunding Bonds or Additional 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 on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other qualified third-party 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 on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency 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 exhibit(s) 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, or 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: Grace Yang 15950 N. Dallas Parkway, Suite 200 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 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 Town and the Trustee agree that electronic signatures to this Indenture may be regarded as original signatures.

Section 15.10. Statutory Verifications.

The Trustee makes the following representation and verifications to enable the Town to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) Not a Sanctioned Company. 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, Government Code. The foregoing representation 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.

(b) 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 will not boycott Israel during the term of this Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee 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 Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee 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 Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[*Remainder of page intentionally left blank; signature pages to follow]*

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

(e) 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 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
FUTURE IMPROVEMENT AREA PROJECTS)

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 March 1 and September 1 of each year, commencing September 1, 2024, 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 July 16, 2024 and issued in the aggregate principal amount of $_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of July 1, 2024 (the "Indenture"), by and between the Town and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the Town, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Future Improvement Area Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Future Improvement Area Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization 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 Principal and Interest Account of the Bond 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__
September 1, 20__
September 1, 20__
September 1, 20__
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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__	
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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 mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture and not previously credited to a mandatory sinking fund redemption.

The Town reserves the right and option to redeem the Bonds maturing on or after September 1, 20___, before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the Town, at the redemption price of par plus accrued and unpaid interest to the date of redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part and in an amount and on any date specified in a Town Certificate, at the redemption price of par 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) or other transfers to the Redemption Fund under the terms of the Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of 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 holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the Town with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer 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]

(f) 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 an opinion 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]

(g) 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

(h) 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.

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

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

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

Years	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 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS)

BOND PURCHASE AGREEMENT

June 18, 2024

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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)" (the "Bonds"), at a purchase price of $_____ (representing the aggregate principal amount of the Bonds less an Underwriter's discount of $_____).

Inasmuch as this purchase and sale represents a negotiated transaction, the 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 Future Improvement Area Projects financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the Town.

The Bonds shall be dated July 16, 2024 and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on July 16, 2024 (or such other date as may be agreed to by the Town and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the Town Council of the Town (the "Town Council") on June 18, 2024 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust, dated as of July 1, 2024, 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 Future Improvement Area of the Spiritas Ranch Public Improvement District (the "District"). The District was established by a resolution enacted by the Town Council on February 2, 2021 (the "Creation Resolution") in accordance with the Act. An updated Service and Assessment Plan (the "Service and Assessment Plan") which sets forth the costs of the Future Improvement Area Projects and the method of payment of the Assessments levied against assessable property located within the Future Improvement Area of the District, was approved pursuant to an ordinance adopted by the Town Council on June 18, 2024 (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 Actual Costs of the Future Improvement Area Projects, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Future Improvement Area Projects, (iii) funding a reserve fund for the payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District and (v) paying the costs 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 (as 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 June 4, 2024 (together the "Preliminary Limited Offering Memorandum"), in a "designated electronic format," as defined in MSRB Rule G-32 ("Rule G-32"). The Town will prepare, or cause to be prepared, a final 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 —Development Plan, Status of Development and Plan of Finance," "BOOK-ENTRY ONLY SYSTEM," "THE FUTURE IMPROVEMENT AREA PROJECTS," "OVERLAPPING TAXES AND DEBT – Homeowner's Association," "THE

DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Future Improvement Area Projects and the Development), "THE ADMINISTRATOR," "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE – The Developer," "CONTINUING DISCLOSURE – The Developer's Compliance with Prior Undertakings," "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 "Spiritas Ranch Development Agreement," which was entered into by and between the Town and the Developer dated February 2, 2021 as amended by that First Amendment to Spiritas Ranch Development Agreement dated April 5, 2022 and that Second Amendment to Spiritas Ranch Development Agreement dated July 18, 2023 (as amended, the "Development Agreement");

(4) the "Spiritas Ranch Public Improvement District Future Improvement Area Projects Construction, Funding, and Acquisition Agreement" between the Developer and the Town dated as of June 18, 2024 (the "CFA Agreement"),

(5) the "Continuing Disclosure Agreement of the Issuer" with respect to the Bonds, dated as of July 1, 2024 (the "Town Continuing Disclosure Agreement"), executed and delivered by the Town, MuniCap, Inc., as Administrator and MuniCap, Inc., as Dissemination Agent; and

(6) the "Spiritas Ranch Public Improvement District Landowner Agreement" effective as of June 18, 2024 executed by the Town and the Developer (the "Landowner Agreement");

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

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Development Agreement, (4) the CFA Agreement, (5) the Town Continuing Disclosure Agreement, (6) the Landowner 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 (7) 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(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(l) Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the 25th day subsequent to the "end of the underwriting period," the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that if the Town notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(m) Compliance with Rule 15c2-12. During the past five years, the Town has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as 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 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 CFA Agreement, the Landowner Agreement, the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of July 1, 2024, 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 Future Improvement Area Projects 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 C to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 9(b), to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(b) Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the 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", "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS", "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE – The Town," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and "APPENDIX A," and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance and Indenture;

(ii) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(iii) The Town has full power and authority to adopt the Creation Resolution, the Assessment Ordinance, and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the "Town Actions") and perform its obligations thereunder and the Town Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the Development Agreement, the CFA Agreement, the Landowner 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. The 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 Locke Lord LLP, 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 that the Town has met the qualifications of paragraph (b)(5)(i) of Rule 15c2-12; and

(iii) although such counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the information contained in the Limited Offering Memorandum, it has participated in the preparation of the Limited Offering Memorandum and without independent verification, no facts came to its attention that caused it to believe that the Limited Offering Memorandum (except for the Appendices as well as any other financial, engineering and statistical data contained therein or included therein by reference or any litigation disclosed therein, as to which it expresses no view) as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

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

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

(l) Federal Tax Certificate. A certificate of the Town in form and substance satisfactory to Bond Counsel and 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) 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.

(q) 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.

(r) Lender Consent Certificate. Lender Consent Certificate of International Bank of Commerce 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.

(s) 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.

(t) BLOR. A copy of the Blanket Letter of Representation to DTC relating to the Bonds and signed by the Town.

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

10. Town's Closing Conditions. The obligation of the Town hereunder to deliver the Bonds shall be subject to receipt on or before 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, 16, 21, and 23 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 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, Developers' 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. The City and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

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. Statutory Verifications**.** The Underwriter makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means 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. Liability for breach of any such verification prior to the expiration or earlier termination of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Underwriter 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, Government Code. The foregoing representation 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.

(b) No Boycott of Israel. The Underwriter 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. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Underwriter 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. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

24. Term of this Agreement. Except for the representations and warranties designated as surviving the term of the Agreement, the term of this Agreement shall end on the 25th day after the end of the underwriting period.

25. Attorney General Standing Letter. The Underwriter represents that it has, or will have prior to the date of Closing, on file with the Texas Attorney General a standing letter addressing the representation and verifications contained in Section 21 of this Agreement in a form accepted by the Texas Attorney General. In addition, if the Underwriter or the parent company, a wholly- or majority-owned subsidiary or another affiliate of such Underwriter receives or has received a letter from the Texas Comptroller of Public Accounts pursuant to Chapter 809, Texas Government Code seeking written verification that it does not boycott energy companies (a "Comptroller Request Letter"), such Underwriter shall promptly notify the City and Bond Counsel (if it has not already done so) and provide to the City or Bond Counsel, two business days prior to Closing and additionally upon request by the City or Bond Counsel, written verification to the effect that its standing letter described in the preceding sentence remains in effect and may be relied upon by the City and the Texas Attorney General (the "Bringdown Verification"). The Bringdown Verification shall also confirm that such Underwriter (or the parent company, a wholly- or majority-owned subsidiary or other affiliate of the Underwriter that received the Comptroller Request Letter) intends to timely respond or has timely responded to the Comptroller Request Letter. The Bringdown Verification may be in the form of an e-mail.

[*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSBONDS, INC.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President, Trading

Accepted at _____ a.m./p.m. central time on the date first stated above.

TOWN OF LITTLE ELM, TEXAS

By: _____
Mayor

SCHEDULE I

$[PAR AMOUNT]
TOWN OF LITTLE ELM, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS)

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 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 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS)

DEVELOPER LETTER OF REPRESENTATIONS

June 18, 2024

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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)" (the "Bonds"). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the Town, and the Town has agreed to sell to the Underwriter, the Bonds. In order to induce the Town to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the Town and the purchase of them by the Underwriter, the undersigned, MM Little Elm 548, LLC, a Texas limited liability company (the "Developer") makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Developer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the Developer makes no representations with respect to (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York, or its book-entry-only system and (ii) the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions "THE TOWN," "THE DISTRICT," "BONDHOLDERS' RISKS" (except as it pertains to the Developer, the Future Improvement Area Projects and the Development, as defined in the Limited Offering Memorandum), "TAX MATTERS," "LEGAL MATTERS — Litigation — The Town," "CONTINUING DISCLOSURE — The Town," "CONTINUING DISCLOSURE — The Town's Compliance With Prior Undertakings," and "INFORMATION RELATING TO THE TRUSTEE."

3. Developer Documents. The Developer represents and warrants that it 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 the Developer in accordance with its terms:

(a) this Developer Letter of Representations;

(b) the Development Agreement;

(c) the CFA Agreement;

(d) the Landowner Agreement; and

(e) the Continuing Disclosure Agreement of the Developer.

The Developer has complied in all material respects with all of the Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

4. Developer Representations, Warranties and Covenants. The Developer represents, warrants, and covenants to the 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) Due Authorization and Approval. By all necessary action, the Developer has duly authorized and approved its execution and delivery of the Developer Documents and the performance by the Developer of its obligations contained in the Developer Documents as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(d) 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.

(e) No Litigation. Other than as described in the Preliminary Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Development in accordance with the description thereof in the Preliminary Limited Offering Memorandum.

(f) Information. The information prepared and submitted by the Developer to the Town or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

(g) Preliminary Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the Preliminary Limited Offering Memorandum under the captions "PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance," "THE FUTURE IMPROVEMENT AREA PROJECTS," "OVERLAPPING TAXES AND DEBT – Homeowner's Association," "THE DEVELOPMENT," "THE DEVELOPMENT AGREEMENT," "THE DEVELOPER," "CONTINUING DISCLOSURE – The Developer" and "CONTINUING DISCLOSURE – The Developer's Compliance With Prior Undertakings" and, to the best of the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Future Improvement Area Projects and the Development, as defined in the Limited Offering Memorandum), "LEGAL MATTERS — Litigation — The Developer," SOURCES OF INFORMATION" (only as it pertains to the Developer), "APPENDIX D-2" and "APPENDIX F" (collectively, the "Developer

Disclosures") 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 (g) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(h) Agreement. The Developer covenants that, while the Bonds are outstanding, the Developer will not bring any action, suit proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the District, the validity of the Developer Documents, the levy or collection of the Assessments or the validity of the Bonds or the proceedings relating to their issuance.

(i) Permits, Licenses, and Approvals. The Developer has obtained and there are currently in force and effect, or the Developer is not aware of any fact that will prevent the Developer from receiving at or prior to the Closing Date or by the date required or necessary therefor, all consents, permits, licenses, certificates and other approvals (governmental or otherwise) required of it that:

a. are necessary to conduct the Developer's business as it is currently being conducted;

b. would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance of its obligations under this Agreement, the Developer Documents and any other material agreement or instrument to which they are a party and which is to be used or contemplated for use in the consummation of the transactions described herein or by the Limited Offering Memorandum relating to the financing and construction of the Future Improvement Area Projects (as such term is defined in the Limited Offering Memorandum); or

c. are necessary for the acquisition, construction and operation of the Future Improvement Area Projects.

(j) Events of Default. No "Event of Default" or "event of default" by the Developer under any of the Developer Documents, any documents to which Developer is a party described in the Preliminary Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Future Improvement Area Projects to which the Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such "Event of Default" or "event of default," by the Developer has occurred and is continuing.

(k) Financing. Other than the Assessments, no debt will be issued nor will any additional liens be placed on the property within the Future Improvement Area of the District in order to complete the construction of the Future Improvement Area Projects unless such debt or additional liens are subordinate to the liens created by the levy of the

Assessments, and the Developer provides written notice of such subordination to the lender of such subordinate debt and the Town.

(l) Taxes and Assessments. All ad valorem taxes and assessments are current on the property owned by the Developer within the Future Improvement Area of the District.

(m) Intentional Actions Regarding Representations and Warranties. The Developer 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 or Section 3 to be untrue as of the Closing.

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 Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum or any amendment or supplement to the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum amending or supplementing the information set forth in the Developer Disclosures, or arise out of or are based upon the omission, untrue statement, 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 page to follow*]

DEVELOPER:

MM LITTLE ELM 548, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By:_____
Name: Mehrdad Moayedi
Its: Manager

APPENDIX B

$[PAR AMOUNT]
TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS)

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 Little Elm, 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 June 18, 2024.

(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 _____, 2024.

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.]

July 16, 2024

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

Locke Lord LLP
2200 Ross Avenue
Suite 2800
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 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS)

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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)" (the "Bonds"), by the Town, a political subdivision of the State of Texas (the "State").

The Bonds are authorized pursuant to Ordinance No. [_____] and enacted by the Town Council of the Town (the "Town Council") on June 18, 2024 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "Act") and the Indenture of Trust dated as of July 1, 2024 (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 June 18, 2024 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. _____ (the "Creation Resolution"), enacted by the Town Council on February 2, 2021;

(b) Ordinance No. [_____] approved by the Town Council on June 18, 2024, (the "Assessment Ordinance")and the Service and Assessment Plan (the "Service and Assessment Plan") attached as an exhibit thereto;

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Bond Purchase Agreement;

(f) That Development Agreement;

(g) That certain Town Continuing Disclosure Agreement;

(h) That certain Landowner Agreement;

(i) That certain CFA Agreement;

(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 in the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the 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 my limited participation in the preparation of the Limited Offering Memorandum, the statements and information contained in 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," "THE DEVELOPMENT AGREEMENT," "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.

_____

APPENDIX D

[LETTERHEAD OF MIKLOS CINCLAIR]

July 16, 2024

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

Locke Lord LLP
2200 Ross Avenue, Suite 2800
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 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS)

Ladies & Gentlemen:

We have acted as special counsel to MM Little Elm 548, 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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects) (the *"Bonds"),* pursuant to the Indenture of Trust dated as of July 1, 2024 (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 Spiritas Ranch Public Improvement District (the *"District")* located in the Town.

The Bonds are being sold by FMSbonds, Inc. (the *"Underwriter"),* pursuant to that certain Bond Purchase Agreement dated June 18, 2024 (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 *CFA Agreement*;

(3) the *Continuing Disclosure Agreement of the Developer*;

(4) the *Landowner Agreement*; and

(5) the *Developer Letter of Representations* dated as of June 18, 2024;

(b) General Certificate of the Developer and the Closing Certificate of the Developer, each dated as of the date hereof (together, the "*Developer Certificate")*;

(c) The Preliminary Limited Offering Memorandum, dated June June 4, relating to the issuance of the Bonds (the *"Preliminary Limited Offering Memorandum")*;

(d) The final Limited Offering Memorandum, dated June 18, 2024, relating to the issuance of the Bonds (collectively with the Preliminary Limited Offering Memorandum, the "Limited Offering Memorandum"); and

(e) Such other documents, records, agreements and certificates of the Developer as we have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Developer the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Developer), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the Developer to execute, deliver, and perform its obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv)

the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents submitted to us as photostatic or certified copies, (viii) that no laws or judicial, administrative, or other action of any governmental authority of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party to or otherwise subject to or any order, writ, injunction or decree of any court applicable to such party.

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

We assume that none of the parties to the Material Documents (other than 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) limited liability company duly formed, validly existing under the laws of the State of Texas and qualified to transact business as a limited liability company, and (b) in good standing under the laws of the State of Texas.

2. The Developer has the limited liability company power and authority under the Texas Business Organizations Code and its organizational 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's organizational documents.

3. The execution and delivery by the Developer of the Material Documents and the performance by the Developer of its obligations under the Material Documents will not (i) violate any applicable law; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its obligations under the Material Documents to which it is a party.

4. To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to the performance by the Developer of its obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

5. The Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Developer, enforceable against the Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, (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.

6. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the Developer identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to the validity or enforceability against it of such Material Documents or the transactions described therein.

7. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, Indenture, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Developer Certificate which violation, breach or default would materially adversely affect the Developer or its performance of its obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer, except as expressly described in the Material

Documents (a) under applicable law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

8. The information set forth in the Limited Offering Memorandum under the captions *"PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance," "THE FUTURE IMPROVEMENT AREA PROJECTS," "OVERLAPPING TAXES AND DEBT – Homeowner's Association," "THE DEVELOPMENT," "THE DEVELOPMENT AGREEMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Future Improvement Area Projects, and the Development, as defined in the Limited Offering Memorandum)," "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE – The Developer," "CONTINUING DISCLOSURE – The Developer's Compliance With Prior Undertakings," "SOURCES OF INFORMATION" (only as it pertains to the Developer), "APPENDIX D-2" and "APPENDIX F" and* 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 and its lawyers, 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 5 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

MM Little Elm 548, LLC, a Texas limited liability company ("Developer"), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the 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 the 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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects) (the "Bonds"), pursuant to the Town's Limited Offering Memorandum dated June 18, 2024 (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) the Developer Letter of Representations;

(b) the Development Agreement;

(c) the CFA Agreement;

(d) the Landowner Agreement; and

(e) the Continuing Disclosure Agreement of the Developer.

6. The Developer has complied in all material respects with all of the Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

7. The execution and delivery of the Developer Documents by 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. To the Developer's knowledge, after due inquiry, 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 Limited Offering Memorandum.

8. The Developer has reviewed and approved the information contained in the Limited Offering Memorandum under the captions "PLAN OF FINANCE – Development Plan, Status of Development and Plan of Finance," "THE FUTURE IMPROVEMENT AREA PROJECTS," "OVERLAPPING TAXES AND DEBT – Homeowner's Association," "THE DEVELOPMENT AGREEMENT," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Future Improvement Area Projects, and the Development), "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE – The Developer," "CONTINUING DISCLOSURE – The Developer's Compliance With Prior Undertakings," "SOURCES OF INFORMATION" (only as it pertains to the Developer), "APPENDIX D-2," and "APPENDIX F" 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 the Developer and the Development, 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 the 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 the Developer or any portion of the Development that would materially and adversely affect the Developer's ability to complete or cause to be completed the development of such portion of the Development as described in the Limited Offering Memorandum; and (b) we have no reason to believe that any additional permits, consents and licenses required to complete the Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

10. The Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

11. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in the District owned by the Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Developer is a party or to which the 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 the 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: July 16, 2024

[Signature page to follow]

DEVELOPER:

MM LITTLE ELM 548, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By:_____
Name: Mehrdad Moayedi
Its: Manager

APPENDIX F

[LETTERHEAD OF ADMINISTRATOR]

July 16, 2024

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

Locke Lord LLP
2200 Ross Avenue
Suite 2800
Dallas, Texas 75201

Re: Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects) (the "Bonds")

Ladies and Gentlemen:

The undersigned, _____, of MuniCap, Inc., ("MuniCap"), consultant in connection with the creation by the Town of Little Elm, Texas (the "Town"), of the Spiritas Ranch 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 June 4, 2024 and the Limited Offering Memorandum for the Bonds, dated on or about June 18, 2024 (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 AND COLLACTION DATA FOR 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 the name of my firm in the Limited Offering Memorandum for the Bonds.

4. We agree that, to the best of my 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 July 16, 2024) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.

Sincerely yours,

MUNICAP, INC.

By: _____
Its: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

TOWN OF LITTLE ELM, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of July 1, 2024 (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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)" (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 July 1, 2024, 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 have the meaning given to it in the Indenture.

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

"Developer" shall mean MM Little Elm 548, 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 July 1, 2024 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 Spiritas Ranch 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.

"Future Improvement Area" shall have the meaning given to it in the Indenture.

"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, 2024, 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, 2024. 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; and

(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 Future Improvement Area of 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 Future Improvement Area of the District.

(v) The aggregate taxable assessed valuation for parcels or lots within the Future Improvement Area of 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 Future Improvement Area of the District, such SAP Update shall include the following:

(A) the number of new homes in the Future Improvement Area of 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 Future Improvement Area of the District for which a certificate of occupancy has been issued since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2024.

(vii) Listing of any property or property owners in the Future Improvement Area of the District 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 Assessments relative to the entire levy of the Assessments, all as of the October 1 billing date for the Fiscal Year.

(viii) Collection and delinquency history of the Assessments within the Future Improvement Area of the District for the past five Fiscal Years, in the following format:

Collection and Delinquency History of Assessments in the Future Improvement Area of 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.

(ix) Total amount of Prepayments collected, as of the April 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 Future Improvement Area of the District if the assessed property represents more than one percent (1%) of the total amount of the Assessments, as applicable.

(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 Future Improvement Area of 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 pursuant to subsection (d).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with the

MSRB (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 Future Improvement Area of the District against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the

Dissemination Agent's 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 Future Improvement Area of the District against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability resulting from information provided to the Administrator by the Issuer, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties or the Developer, or the failure of any third party or the Developer to provide information to the Administrator as and when required under this Agreement. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the

provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

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 Future Improvement Area of 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. Form 1295. Submitted by the Administrator and the Dissemination Agent 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 Issuer hereby confirms receipt of the Form 1295 from the Administrator and the Dissemination Agent. The Administrator, the Dissemination Agent and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer 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 or the Dissemination Agent, as applicable; and, neither the Issuer nor its consultant has verified such information.

Section 22. Anti-Boycott Verification. Statutory Verifications**.** The Dissemination Agent and Administrator each respectively makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or Administrator, as applicable, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

a. Not a Sanctioned Company. The Dissemination Agent and Administrator each respectively 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, Government Code. The foregoing representation excludes the Dissemination Agent, Administrator and each of their respective 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.

b. No Boycott of Israel. The Dissemination Agent and Administrator each respectively 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 Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

c. No Discrimination Against Firearm Entities. The Dissemination Agent and Administrator each respectively 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 Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Dissemination Agent and Administrator each respectively 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 Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[Remainder of Page Intentionally Left Blank]

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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)
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 July 1, 2024, 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 2024
(SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS)

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP NOs.]

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

*Excluding Audited Financial Statements of the Issuer

BALANCE OF FUNDS AND ACCOUNTS SECURING THE BONDS

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

Form of Accounting □ Cash □ Accrual □ Modified Accrual

ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (vii)

[Insert a line item for each applicable listing]

SECTION 4(a)(viii) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN THE FUTURE IMPROVEMENT AREA OF THE DISTRICT FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:

Collection and Delinquency History of Assessments in the Future Improvement Area of 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.

ITEMS REQUIRED BY SECTIONS 4(a)(xii) – (xii)

[Insert a line item for each applicable listing]

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

SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT

THIS SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT FUTURE IMPROVEMENT AREA PROJECTS CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this "Agreement"), dated as of June 18, 2024, is by and between the **TOWN OF LITTLE ELM, TEXAS**, a home-rule municipality of the State of Texas (the "Town"), and **MM LITTLE ELM 548, 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 Future Improvement Area Projects actually paid or incurred for construction and installation of the Future Improvement Area Projects in accordance with the Service and Assessment Plan.

"Additional Major Improvements" means the Authorized Improvements which will benefit all of the property within the District subject to assessment, as more particularly described in Section III.B of the Service and Assessment Plan.

"Additional Major Improvement Projects" means the pro rata portion of the Additional Major Improvements allocable to the Assessed Property, as more particularly described in Section III.B of 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.

"Bond Ordinance" means the ordinance adopted by the Town Council on June 18, 2024 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 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects)".

"Budgeted Costs" means the anticipated, agreed upon costs of the Future Improvement Area Projects as shown in Section III of the Service and Assessment Plan.

"Certification for Payment" means a certificate, substantially in the form of **Exhibit A** hereto or otherwise agreed to by the Developer and a Town Representative, executed by a Person approved by a Town Representative, provided no more frequently than once per month, delivered to a Town Representative and the Trustee, specifying the amount of work performed related to the Future Improvement Area Projects and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an account of the Project Fund.

"Construction Contracts" means the contracts for the construction of a Future Improvement Area Project. "Construction Contract" means any one of the Construction Contracts.

"Cost" means the Budgeted Costs or the Actual Costs of a Future Improvement Area Project 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 Future Improvement Area Project, the Actual Cost, as appropriate, of such Future Improvement Area Project in excess of the Budgeted Cost.

"Development Agreement" means that certain Spiritas Ranch Development Agreement executed by and between the Town and Developer effective February 2, 2021, as the same may be amended from time to time.

"District" shall mean the Spiritas Ranch Public Improvement District authorized by the Town on February 2, 2021.

"Final Completion" means the time at which the construction of a Future Improvement Area Project (or specified segment, section or part thereof) has progressed to the point where such Future Improvement Area Project (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Future Improvement Area Project (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended and is in compliance with existing Town or Mustang SUD standards for dedication to the Town or Mustang SUD, as applicable.

"Future Improvement Area" means collectively, all phases of construction in the District being constructed after Improvement Area #1, which area is also contiguous with the Major Improvement Area.

"Future Improvement Area Local Improvements" means the Authorized Improvements which will benefit only the Future Improvement Area of the District against which an Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan, as more particularly described in Section III.C of the Service and Assessment Plan.

"Future Improvement Area Projects" means, collectively, (i) the portion of the Additional Major Improvement Projects benefiting the Future Improvement Area and (ii) the Future Improvement Area Local Improvements. An individual Future Improvement Area Project, including a completed segment, section or part, shall be referred to as a Future Improvement Area Project.

"Future Improvement Area Projects Account" means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

"Indenture" means that certain Indenture of Trust between the Town and Wilmington Trust, National Association, as trustee, dated as of July 1, 2024 relating to the Bonds.

"Improvement Area #1" shall have the meaning given to it in the Service and Assessment Plan.

"Mustang SUD" means Mustang Special Utility District.

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

"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.

"Plans" means the plans, specifications, schedules and related construction contracts for the Future Improvement Area Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the Town or Mustang SUD, as applicable, the Development Agreement, and any other applicable governmental entity.

"Project Fund" means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds 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 Spiritas Ranch Public Improvement District Service and Assessment Plan dated May 11, 2021, updated for Additional Improvement Area #1 Projects July 18, 2023 and updated for Future Improvement Area Projects June 18, 2024, prepared pursuant to the Act, and approved by the Town Council on June 18, 2024.

"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 Future Improvement Area Projects.

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

(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 Future Improvement Area Projects in accordance with the terms and limitations of the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Future Improvement Area Projects 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 shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Future Improvement Area Projects for acquisition and acceptance by the Town or Mustang SUD, as applicable, 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 partially financed with the proceeds of the Bonds are the Future Improvement Area Projects. The payment of costs from the proceeds of the Bonds for such Future Improvement Area Projects shall be made from the Future Improvement Area Projects Account of the Project Fund established under the Indenture.

(c) The Town's obligation with respect to the payment of the Future Improvement Area Projects 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 Future Improvement Area Projects, 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 Future Improvement Area Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Future Improvement Area Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

Section 3.02 Accounts. All disbursements from the Future Improvement Area Projects 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 FUTURE IMPROVEMENT AREA PROJECTS

Section 4.01. Duty of Developer to Construct.

(a) All Future Improvement Area Projects shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Future Improvement Area Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ, at all times, adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition,

construction and installation of all Future Improvement Area Projects to be acquired and accepted by the Town or Mustang SUD, 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 Future Improvement Area Project and, upon completion, inspection, and acceptance, convey each such Future Improvement Area Project to the Town or Mustang SUD, where applicable, in accordance with the terms hereof, even if there are insufficient funds in the Project Fund or other funds or accounts created under the Indenture 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 Future Improvement Area Projects required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Future Improvement Area Projects shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the Town or Mustang SUD with respect to the Future Improvement Area Projects.

Section 4.04. Remaining Funds After Completion of a Future Improvement Area Project. Upon the Final Completion of a Future Improvement Area Project and payment of all outstanding invoices for such Future Improvement Area Project, if the Actual Cost of such Future Improvement Area Project is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Future Improvement Area Project. 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 Future Improvement Area Projects and shall include an update reflecting such change in the subsequent Annual Service Plan Update. Any Cost Underrun for any Future Improvement Area Project is available to pay Cost Overruns on any other Future Improvement Area Project.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "change orders") required for the construction of the Future Improvement Area Projects. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of a Future Improvement Area Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available, 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. The costs of issuance of the Bonds shall be paid from the Costs of Issuance Account of the Project Fund at closing pursuant to one or more Town Certificates. In order to receive disbursement for a Future Improvement Area Project from the Future Improvement Area Projects Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit A** 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 Certification for Payment, to the Trustee for disbursement to be made from the Future Improvement Area Projects Account of the Project Fund.

Section 5.02. Certification for Payment for a Future Improvement Area Project.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on a Future Improvement Area Project until a Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit A** hereto (and all accompanying documentation required by the Town) from the Developer, the Town Inspector (for a Town owned Future Improvement Area Project) and/or the Mustang SUD Inspector (for a Mustang SUD owned Future Improvement Area Project) shall conduct a review in order to confirm that such request is complete, that the work with respect to such Future Improvement Area Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the "Developer Compliance Requirements"). The 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, the Mustang SUD 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, the Mustang SUD 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 a Future Improvement Area Project.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the Future Improvement Area Projects 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 Future Improvement Area Project, unless a Cost Overrun amount has been approved for a particular Future Improvement Area Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, 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 Future Improvement Area Project identified in such request for payment being paid, then Trustee shall hold the payment until work with respect to that Future Improvement Area Project 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 Future Improvement Area Project to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Future Improvement Area Project 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 Future Improvement Area Projects until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI
OWNERSHIP AND TRANSFER OF A FUTURE IMPROVEMENT AREA PROJECT

Section 6.01. Future Improvement Area Project to be Owned by the Town or Mustang SUD – Title Evidence. If required by the Town or Mustang SUD, as applicable, the Developer shall furnish to the Town or Mustang SUD, as applicable, a preliminary title report for land with respect to a Future Improvement Area Project to be acquired and accepted by the Town or Mustang SUD, as applicable, from the Developer, and not previously dedicated or otherwise conveyed to the Town or Mustang SUD, as applicable, for review and approval at least thirty (30) calendar days prior to the transfer of title of a Future Improvement Area Project to the Town or Mustang SUD, as applicable. 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. Mustang SUD is expected to follow its standard procedures to approve the title report. In the event the Town or Mustang SUD, as applicable, does not approve the preliminary title report, the Town or Mustang SUD, as applicable, shall not be obligated to accept title to the Future Improvement Area Project until the Developer has cured such objections to title to the reasonable satisfaction of the Town, or Mustang SUD, as applicable.

Section 6.02. Future Improvement Area Project Constructed on Town Land or Developer Land. If the Future Improvement Area Project 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 Future Improvement Area Project. If the Future Improvement Area Project 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 Future Improvement Area Project. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the Town or Mustang SUD title to property and/or easements related to the Future Improvement Area Project 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 Future Improvement Area Project. The provisions for inspection and acceptance of such Future Improvement Area Project otherwise provided herein shall apply.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the 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 Future Improvement Area Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Future Improvement Area Projects.

(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 Actual Costs associated with the Future Improvement Area Projects, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Future Improvement Area Projects, the Developer covenants to maintain proper books of record and account for the construction of the Future Improvement Area Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the 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 Future Improvement Area Projects 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 Future Improvement Area Projects 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 Future Improvement Area Projects 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 that certain "Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects) Continuing Disclosure Agreement of Developer 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 Future Improvement Area Projects) 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 FUTURE IMPROVEMENT AREA PROJECTS 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 FUTURE IMPROVEMENT AREA PROJECTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE FUTURE IMPROVEMENT AREA PROJECTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE FUTURE IMPROVEMENT AREA PROJECTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE FUTURE IMPROVEMENT AREA PROJECTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR NEGLIGENCE OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND TOWN AGAINST ALL SUCH CLAIMS, AND TOWN IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, 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 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 Future Improvement Area Projects, 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 Future Improvement Area Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer are or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer are or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII
TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the Town and the Developer, in which event the Town may either execute contracts for or perform any remaining work related to the Future Improvement Area Projects 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 Future Improvement Area Project 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 breach or default described in Section 8.02(a) occurs, the Town shall give written notice of its knowledge of such breach or default to the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the Town to receive such notice). Upon receipt of such notice, Developer agrees to promptly meet and confer with the Town Inspector and other appropriate Town staff and consultants as to available options to assure timely completion, subject to the terms of this Agreement, of the Future Improvement Area Projects. The Town shall allow the Developer a minimum of forty-five (45) days to eliminate or to mitigate such

breach or default to the reasonable satisfaction of the Town ("Cure Period"). The Cure 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 breach or default. If at the end of the Cure 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. Upon termination of this Agreement, the Town shall (i) provide written notice of such termination the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the Town to receive such notice) and (ii) instruct the Trustee to cease making payments for the Actual Costs and/or Budgeted Costs, as appropriate, of Future Improvement Area Projects, provided that the Developer shall receive payment of the Actual Costs or Budgeted Costs, as appropriate, of any Future Improvement Area Projects that were accepted by the Town at the time of termination, so long as the Developer has complied with the requirements of the Development Agreement, this Agreement and the Indenture.

(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 Future Improvement Area Projects 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 Future Improvement Area Projects hereunder, except as otherwise may be provided upon the mutual written consent of the Town and the Developer. The Town shall have no obligation to perform any work related to a Future Improvement Area Project 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 refund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Future Improvement Area Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Future Improvement Area Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) ("Force Majeure"), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, within ten (10) business days of 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 as a result of the occurrence 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 Future Improvement Area Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the Town:
Attn: 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
MM Little Elm 548, 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, (which consent shall not be unreasonably withheld if assignee demonstrates financial ability to perform to the reasonable satisfaction of the Town), except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for a Future Improvement Area Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Future Improvement Area Project. 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 any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned and may not otherwise amend the terms of this Agreement. 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 Future Improvement Area Projects that have been approved by the Town pursuant to a Certification for Payment prior to the date of termination based on such 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 Statutory Verifications.

The Developer makes the following representation and verifications to enable the Town to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means 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. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned 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, Government Code. The foregoing representation 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.

(b) No Boycott of Israel. 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. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. 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. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

Section 9.16. 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 _____, 2024.

TOWN OF LITTLE ELM, TEXAS

By: _____
Name: Curtis Cornelious
Title: Mayor

ATTEST:

_____
Name: Caitlan Biggs
Title: Town Secretary

(Town Seal)

APPROVED AS TO FORM:

_____
Attn: Robert Brown, Town Attorney

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the ___ day of _____ 2024 by Curtis Cornelious, Mayor of the Town of Little Elm, Texas on behalf of the Town.

_____
Notary Public, State of Texas

DEVELOPER:

MM Little Elm 548, LLC
a Texas limited liability company

By: MMM Ventures, LLC
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2024 by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of MM Little Elm 548, LLC, a Texas limited liability company on behalf of said company.

_____
Notary Public, State of Texas

EXHIBIT A
CERTIFICATION FOR PAYMENT FORM – FUTURE IMPROVEMENT AREA PROJECTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for MM Little Elm 548, LLC, (the "Developer") and requests payment from the Future Improvement Area Projects 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 Future Improvement Area Projects related to the Spiritas Ranch Public Improvement District (the "Future Improvement Area Projects"):

[insert specific Future Improvement Area Projects this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Spiritas Ranch Public Improvement District Future Improvement Area Projects 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 Future Improvement Area Project(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 Future Improvement Area Project(s) below is a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Future Improvement Area Project(s) identified above, and such costs are (i) in compliance with the Spiritas Ranch Public Improvement District Future Improvement Area Projects Construction, Funding and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Spiritas Ranch Public Improvement District Future Improvement Area Projects Construction, Funding and Acquisition Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture (as defined in the Spiritas Ranch Public Improvement District Future Improvement Area Projects Construction, Funding and Acquisition Agreement) for the payment hereby requested have been satisfied.

6. The work with respect to the Future Improvement Area Project(s) identified above (or its completed segment, portion or segment) has been completed and the Town or Mustang Special Utility District has inspected or may begin inspection of the Future Improvement Area Project(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Future Improvement Area Project(s) identified above being paid, then the work with respect to the Future Improvement Area Project(s) have been completed and the Town or Mustang Special Utility District, as applicable, has inspected and accepted the Future Improvement Area Project(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 Future Improvement Area Project	**Total Cost of Future Improvement Area Project**	**Budgeted Cost of Future Improvement Area Project**	**Amount to be paid from the Project Fund**

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Spiritas Ranch Public Improvement District Future Improvement Area Projects Construction, Funding, and Acquisition Agreement, after receiving this Certification for Payment, the Town is authorized to inspect the Future Improvement Area Project (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.

MM LITTLE ELM 548, 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 the 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 Spiritas Ranch Public Future Improvement Area Projects 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 Future Improvement Area Projects.

TOWN OF LITTLE ELM, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT E

LANDOWNER AGREEMENT

FUTURE IMPROVEMENT AREA PROJECTS LANDOWNER AGREEMENT

This **FUTURE IMPROVEMENT AREA PROJECTS LANDOWNER AGREEMENT** (the "Agreement") is entered into as of June 18, 2024, between the **TOWN OF LITTLE ELM, TEXAS** (the "Town"), a home rule municipality of the State of Texas (the "State"), and **MM LITTLE ELM 548, LLC,** a Texas limited liability company (the "Landowner").

RECITALS:

WHEREAS, Landowner owns the Assessed Parcels described by the description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the "Landowner Parcel") which is located within the Spiritas Ranch Public Improvement District (the "District") in the Town; and

WHEREAS the Town Council has adopted an assessment ordinance for the Future Improvement Area Projects (including all exhibits and attachments thereto the "Future Improvement Area Assessment Ordinance") and the Service and Assessment Plan included as an Exhibit A to the Future Improvement Area Assessment Ordinance as updated and amended (the "Service and Assessment Plan") and which is incorporated herein for all purposes and has levied an assessment on each Assessed Parcel in the Future Improvement Area of the District (as identified in the Service and Assessment Plan) that will be pledged for the payment of certain infrastructure improvements and to pay the costs of constructing the Future Improvement Area Projects that will benefit the Future Improvement Area Assessed Property (as defined in the Service and Assessment Plan); and

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

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the 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 Future Improvement Area Projects on the Landowner Parcel and on the property within the Future Improvement Area of the District;

(ii) the determinations and findings as to the benefits by the Town Council in the Service and Assessment Plan and the Future Improvement Area Assessment Ordinance;

(iii) the Future Improvement Area 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 each Assessed Parcel within the Future Improvement Area of the District as shown on the assessment roll attached as Appendix I to the Service and Assessment Plan (the "Future Improvement Area Assessment Roll - Future Improvement Area Projects");

(ii) the Future Improvement Area Projects specially benefit the Future Improvement Area of the District, and the Landowner's Parcel, in an amount at least equal to the Assessment levied on each Assessed Parcel within the Future Improvement Area of the District, as such Assessment is shown on the Future Improvement Area Assessment Roll - Future Improvement Area Projects;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of an Assessed 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 Assessed Parcel(s) owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Future Improvement Area 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 Assessed 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 Assessed Parcel regardless of whether such owner is named;

(vi) the Assessment lien on each Assessed Parcel is a lien and covenant that runs with the land and is effective from the date of the Future Improvement Area 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 an Assessed Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner's Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Future Improvement Area Assessment Roll - Future Improvement Area Projects) 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 Future Improvement Area 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 Assessed Parcel, and Landowner hereby authorizes the Town to so record such documents against the Assessed Parcels owned by Landowner;

(ii) 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

Assessed Parcel(s) subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions; and

(iii) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the Town) any party who purchases any Assessed 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 FUTURE IMPROVEMENT AREA PROJECTS

A. Ownership and Transfer of Future Improvement Area Projects. Landowner acknowledges that all of the Future Improvement Area Projects and the land (or easements, as applicable) needed therefor shall be owned by the Town and/or Mustang Special Utility District ("MSUD") as constructed and/or conveyed to the Town and/or MSUD 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 Future Improvement Area Projects.

(i) Any subsequent owner of an Assessed Parcel shall, upon the request of the Town, MSUD, or Landowner, grant and convey to the Town, MSUD, or Landowner and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Future Improvement Area Projects 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 Future Improvement Area Projects 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 Future Improvement Area Projects. Any subsequent owner of an Assessed Parcel may require that each contractor constructing the Future Improvement Area Projects cause such owner of an Assessed Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of an Assessed Parcel. The right to use and enjoy any easement and license provided above shall continue until the construction of the Future Improvement Area Projects are 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 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 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 Future Improvement Area Projects on those portions of the property within the Future Improvement Area of the District which are to be owned by the Town and/or MSUD, 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 Future Improvement Area Projects. 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 Future Improvement Area Projects.

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
With a copy to:	Town Attorney Attn: Robert F. Brown 100 West Eldorado Parkway Little Elm, Texas 75068
To the Landowner:	MM Little Elm 548, LLC Attn: Mehrdad Moayedi 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234

With a copy to: Texas Real Estate Law
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 Future Improvement Area Assessment Revenues of the Town or any part thereof to finance the costs of the Future Improvement Area Projects, 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 an Assessed 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 each Assessed Parcel upon payment in full of the Assessment(s) against such Assessed Parcel.

I. Representations.

The Landowner makes the following representation and verifications to enable the Town to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means 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. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

Not a Sanctioned Company. 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, Government Code. The foregoing representation 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.

No Boycott of Israel. 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. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

No Discrimination Against Firearm Entities. 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. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

No Boycott of Energy Companies. 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

J. 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.

TOWN OF LITTLE ELM, TEXAS

By: _____
Curtis J. Cornelious
Mayor

Date: _____

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on the __ day of _____, 2024 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:

MM Little Elm 548, LLC,
a Texas limited liability company

By: MMM Ventures, LLC,
a Texas limited liability company
Its Manager

By: 2M Ventures, LLC,
a Delaware limited liability company
Its Manager

By: _____
Name: Mehrdad Moayedi
Its: Manager

Date: _____

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the _____ day of _____, 2024 by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of MM Little Elm 548, LLC, a Texas limited liability company on behalf of said company.

_____
Notary Public, State of Texas

(SEAL)

_____
Name printed or typed

Commission Expires:_____

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I

TRACT I: SPIRITAS RANCH PHASE 2M - 31.101 ACRES

BEING that certain tract of land situated in the Marsella Jones Survey, Abstract No. 662, in the Town of Little Elm, Denton County, Texas and being part of that certain tract of land described in deed to MM Little Elm 548, LLC recorded in Instrument No. 2020-123025 of the Real Property Records of Denton County, Texas (RPRDCT), and part of that certain tract of land described in deed to MM Little Elm 548, LLC recorded in Instrument No. 2020-187997, RPRDCT, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-Inch iron rod with cap stamped "BCG 10194538" found at the intersection of the east right-of-way line of Farm-To-Market Road No. 720 (FM-720 - a variable-width right-of-way), said east line described in deed to the State of Texas recorded in Volume 348, Page 559, RPRDCT, and at the south right-of-way line of Spiritas Ranch Road (a called 100-foot right-of-way) according to Spiritas Ranch Phase 1M, an addition to the Town of Little Elm, Texas recorded in Document No. 2024-37, of the Plat Records of Denton County, Texas (PRDCT), and being the southwest corner of Lot 1X, Block B, of said Spiritas Ranch Phase 1M;

THENCE South 88˚39'07" East, with the south line of said Lot 1X, Block B, a distance of 705.20 feet to a 5/8-Inch iron rod with cap stamped "BCG 10194538" found at the southeast corner of Lot 1X, Block B, and being located on the west right-of-way line of Britannia Boulevard (a variable-width right-of-way dedicated according to said Spiritas Ranch Phase 1M Final Plat);

THENCE with the easterly line of Spiritas Ranch Phase 1M, the following courses to 5/8-Inch iron rods with cap stamped "BCG 10194538" found;

South 01˚20'53" West, a distance of 178.07 feet;

South 88˚39'07" East, a distance of 15.00 feet;

South 01˚20'53" West, a distance of 115.00 feet;

North 88˚39'07" West, a distance of 176.75 feet;

South 01˚20'53" West, distance of 115.00 feet;

North 88˚39'07" West, a distance of 18.14 feet;

South 01˚20'53" West, a distance of 451.93 feet;

South 88˚39'07" East, a distance of 311.71;

South 01˚20'53" West, a distance of 165.00 feet;

South 88˚39'07" East, a distance of 35.69 feet to the beginning of a tangent curve to the left;

Northeasterly, with said curve which has a central angle of 05˚26'09", a radius of 1365.00 feet, a chord which bears North 88˚37'48" East, a chord distance of 129.46 feet, and for an arc distance of 129.50 feet;

South 01˚20’53” West, a distance of 657.63 feet;

And South 15˚30’56” East, a distance of 33.85 feet to the southeast corner of Lot 25, Block T, of Spiritas Ranch Phase 1M, and also being located on the northerly line of Hatherly Street (a called 50-foot right-of-way according to said Spiritas Ranch Phase 1M Final Plat);

THENCE with a northerly line of Spiritas Ranch Phase 1M, the following courses to 5/8-Inch iron rods with caps stamped “BCG 10194538” found for corner:

South 74˚29’04” West, a distance of 284.18 feet;

North 15˚30’56” West, a distance of 61.57 feet;

North 01˚20’53” East, a distance of 32.39 feet to the northeast corner of said Lot 14;

North 88˚39’07” West, a distance of 252.68 feet;

South 28˚46’40” East, a distance of 31.75 feet;

South 23˚52’56” East, a distance of 61.40 feet;

South 17˚53’12” East, a distance of 74.29 feet;

South 74˚29’04” West, a distance of 165.00 feet;

South 15˚30’56” East, a distance of 34.07 feet;

And South 74˚29’04” West, a distance of 165.04 feet, said iron rod being the northwest corner of Lot 2X, Block Y, of said Spiritas Ranch Phase 1M, and being located on the northeast right-of-way line of said FM-720, said northeast right-of-way line according to that certain tract of land described as Parcel 18 in deed to the State of Texas recorded in Document No. 2018-119616, RPRDCT, and being the beginning of a non-tangent curve to the left;

THENCE northwesterly, with said northeast right-of-way line of FM-720 according to said Parcel 18, and said curve which has a central angle of 13˚35’46”, a radius of 740.00 feet, a chord which bears North 22˚55’11” West, a chord distance of 175.19 feet, and for an arc distance of 175.60 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

THENCE North 29˚42’12” West, continuing with said northeast right-of-way line of said FM-720 and said Parcel 18, passing at a distance of 13.57 feet a TXDOT aluminum disk found at the northeast corner of Parcel 18, and the southeast corner of that certain tract of land described as Parcel 19-1 in deed to the State of Texas recorded in Document No. 2016-155966, RPRDCT, continuing with said northeast right-of-way line of FM-720 according to Parcel 19-1, in all, a total distance of 64.49 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found at the beginning of a non-tangent curve to the right;

THENCE northeasterly, continuing with said northeast right-of-way line of said FM-720 according to Parcel 19-1, and that certain tract of land described as Parcel 20 in deed to the State of Texas recorded in Document No. 2016-155956, RPRDCT, and with said curve which has a central angle of 31˚07’08”, a radius of 610.00 feet, a chord which bears North 14˚09’30” West, a chord distance of 327.25 feet, and for an arc distance of 331.31 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found;

THENCE North 01˚24’04” East, continuing with said northeast right-of-way line of said FM-720 according to Parcel 20, and that certain tract of land described as Parcel 19-2 in deed to the State of Texas recorded in Document No. 2016-155966, RPRDCT, a distance of 450.53 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found at the northeast corner of said Parcel 20;

THENCE North 89˚42’58” East, with the south line of that certain tract of land described in deed to Ellis Meals recorded in Document No. 2012-95998, RPRDCT, a distance of 89.21 feet to a fence corner post found;

THENCE North 02˚29’05” West, with the east line of said Ellis Meals tract, a distance of 115.92 feet to a fence corner post found;

THENCE South 88˚24’12” West, with the north line of said Meals tract, a distance of 66.45 feet to an aluminum “TXDOT” monument found on said northeast right-of-way line of said FM-720, and being the southeast corner of that certain tract of land described as Parcel 22 in deed to the State of Texas recorded in Document No. 2018-121447, RPRDCT;

THENCE with said northeast right-of-way line of FM 720 according to said Parcel 22, the following courses to 5/8-Inch iron rods with caps stamped “BCG 10194538” found:

North 01˚25’09” East, a distance of 108.99 feet;

North 08˚03’45” West, a distance of 105.97 feet, said iron rod being the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 03˚01’34”, a radius of 2929.79 feet, a chord which bears North 02˚26’32” West, a chord distance of 154.72 feet, and for an arc distance of 154.74 feet;

North 03˚57’19” West, a distance of 149.61 feet, said iron rod being the beginning of a tangent curve to the right;

Northwesterly, with said curve which has a central angle of 05˚07’53”, a radius of 2799.79 feet, a chord which bears North 01˚23’23” West, a chord distance of 250.66 feet, and for an arc distance of 250.74 feet;

THENCE North 01˚36’16” East, continuing with the northeast right-of-way line of FM-720 according to said deed to the State of Texas recorded in Volume 348, Page 559, RPRDCT, a distance of 118.62 feet to the **POINT OF BEGINNING**, and containing an area of 31.101 acres of land.

TRACT II: SPIRITAS RANCH PHASE 2G – 117.157 ACRES

BEING that certain tract of land situated in the Marsella Jones Survey, Abstract No. 662, in the Town of Little Elm, Denton County, Texas and being part of that certain tract of land described in deed to MM Little Elm 548, LLC recorded in Instrument No. 2020-123025 of the Real Property Records of Denton County, Texas (RPRDCT), all of that certain called 1.000 acre tract of land described in deeds to MM Little Elm 548, LLC recorded in Instrument No. 2023-37144, RPRDCT; Instrument No. 2023-37145, RPRDCT; Instrument No. 2023-37146, RPRDCT; Instrument No. 2023-37147, RPRDCT; and Instrument No. 2023-37148, RPRDCT, and part of that certain tract of land described in deed to MM Little Elm, LLC recorded in Instrument No. 2021-221320, RPRDCT, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "BCG 10194538" found at the northeast corner of that certain tract of land described in Dedication Deed (Ryan Spiritas Parkway – called 70-foot right-of-way) to the Town of Little Elm recorded in Instrument No. 2021-95337, RPRDCT;

THENCE South 87°31'42" East, with a north line of said MM Little Elm 548, LLC tract recorded in Instrument No. 2020-123025, RPRDCT, a distance of 968.64 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" found, said iron rod being located at the beginning of a non-tangent curve to the right;

THENCE with a westerly line of said MM Little Elm 548, LLC tract recorded in Instrument No. 2020-123025, RPRDCT, the following courses to 5/8-inch iron rods with cap stamped "BCG 10194538" found:

Northeasterly, with said curve which has a central angle of 05°43'53", a radius of 629.99 feet, a chord which bears North 17°45'02" East, a distance of 62.99 feet, and an arc length of 63.02 feet;

North 20°36'58" East, a distance of 232.75 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 18°12'35", a radius of 802.13 feet, a chord which bears North 11°29'56" East, a distance of 253.86 feet, and an arc length of 254.93 feet;

And North 01°42'20" East, a distance of 63.42 feet, said iron rod being located on the south line of that certain tract of land described in State of Texas Possession and Use Agreement recorded in Instrument No. 2020-27969, RPRDCT;

THENCE South 88°18'55 East, with the south line of said State of Texas Possession and Use Agreement tract, a distance of 80.00 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" found;

THENCE with an easterly line of said MM Little Elm 548, LLC tract recorded in Instrument No. 2020-123025, RPRDCT, the following courses to 5/8-inch iron rods with cap stamped "BCG 10194538" found:

South 01°42'20" West, a distance of 19.27 feet, said iron rod being the beginning of a tangent curve to the right;

Southwesterly, with said curve which has a central angle of 18°54'39", a radius of 720.00 feet, a chord which bears South 11°09'39" West, a distance of 236.56 feet, and an arc length of 237.64 feet;

And South 20°36'58" West, a distance of 174.58 feet;

THENCE South 87°50'52" East, with a north line of said MM Little Elm 548, LLC tract recorded in Instrument No. 2020-123025, RPRDCT, a distance of 1496.33 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" found on the west line of that certain tract of land described in deed to RPMx Construction, LLC recorded in Instrument No. 2014-54052, RPRDCT;

THENCE South 02°13'59" West, with said west line of the RPMx tract, a distance of 70.01 feet to a 5/8-inch iron rod found;

THENCE South 88°24'29" East, with the south line of the RPMx tract, a distance of 209.79 feet to a 5/8-inch iron rod found;

THENCE North 02°14'40" East, with the east line of said RPMx tract, a distance of 18.33 feet to a 5/8-inch iron rod with cap stamped "BCG 10194538" found;

THENCE South 87°50'18" East, with a north line of said MM Little Elm 548, LLC tract recorded in Instrument No. 2020-123025, RPRDCT, and over and across said MM Little Elm 43, LLC tract, a distance of 903.04 feet to the west line of The Reserve at Spiritas Ranch, an addition to the Town of Little Elm, Texas according to Final Plat recorded in Instrument No. 2024-137, of the Plat Records of Denton County, Texas (PRDCT);

THENCE with the westerly line of said Reserve at Spiritas Ranch, the following courses to 5/8-inch iron rods with cap stamped "BCG 10194538" found:

South 03º11'21" West, a distance of 115.41 feet to the beginning of a non-tangent curve to the right;

Southeasterly, with said curve which has a central angle of 00º22'56", a radius of 275.00 feet, a chord which bears South 84º34'17" East, a chord distance of 1.84 feet, and an arc length of 1.84 feet;

South 84º22'49" East, a distance of 2.24 feet;

South 05º37'11" West, a distance of 165.00 feet;

North 84º22'49" West, a distance of 5.56 feet;

And North 87º50'18" West, a distance of 158.63 feet;

THENCE South 05º42'19" West, continuing with the westerly line of said Reserve at Spiritas Ranch, a distance of 687.93 feet to a U.S. Army Corps of Engineers (USCOE) monument found on the westerly "take" line of Lake Lewisville;

THENCE with said westerly "take" line of Lake Lewisville, the following courses to USCOE monuments found:

South 04°54'16" West, a distance of 350.10 feet;

South 04°07'29" West, a distance of 349.25 feet;

South 00°09'01" East, a distance of 373.36 feet;

And North 88°11'41" West, a distance of 800.30 feet;

THENCE over and across said MM Little Elm 548, LLC tract recorded in Instrument No. 2020-123025, RPRDCT, the following courses:

North 39°43'07" West, a distance of 146.84 feet;

North 32°37'25" West, a distance of 125.00 feet to the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 07°'21’56”, a radius of 275.00 feet, a chord which bears North 53°41'37" East, a chord distance of 35.33 feet, and an arc length of 35.35 feet;

North 36°35'11" West, a distance of 50.11 feet to the beginning of a non-tangent curve to the right;

Southwesterly, with said curve which has a central angle of 03°'49’24”, a radius of 225.00 feet, a chord which bears South 51°09'55" West, a chord distance of 15.01 feet, and an arc length of 15.01 feet;

North 36°35'11" West, a distance of 171.07 feet;

North 52°16'31" West, a distance of 156.97 feet;

North 37°43'29" East, a distance of 33.08 feet;

North 52°16'31" West, a distance of 50.00 feet;

South 37°43'29" West, a distance of 15.00 feet;

North 52°16'31" West, a distance of 63.72 feet;

North 60°02'37" West, a distance of 142.72 feet;

North 57°32'51" West, a distance of 269.88 feet;

North 31°16'19" East, a distance of 29.68 feet;

North 59°22'47" West, a distance of 117.92 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 02°'24’47”, a radius of 475.00 feet, a chord which bears North 31°49'36" East, a chord distance of 20.00 feet, and an arc length of 20.01 feet;

North 59°22'47" West, a distance of 50.04 feet to the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 07°'21’38”, a radius of 525.00 feet, a chord which bears South 29°07'24" West, a chord distance of 67.40 feet, and an arc length of 67.44 feet;

South 68°15'35" West, a distance of 14.54 feet;

North 68°22'40" West, a distance of 125.11 feet;

South 21°37'20" West, a distance of 50.00 feet;

South 68°22'40" East, a distance of 20.00 feet;

South 21°37'20" West, a distance of 84.28 feet;

South 09°29'44" West. a distance of 22.98 feet;

South 81°13'20" West, a distance of 82.59 feet;

North 54°48'00" West, a distance of 148.24 feet;

North 70°54'55" West, a distance of 283.70 feet to the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 00°'41'37", a radius of 2225.00 feet, a chord which bears North 22°16'05" East, a chord distance of 26.93 feet, and an arc length of 26.93 feet;

North 68°04'43" West, a distance of 50.00 feet to the beginning of a non-tangent curve to the right;

Southwesterly, with said curve which has a central angle of 00°'23'43", a radius of 2175.00 feet, a chord which bears South 22°07'08" West, a chord distance of 15.00 feet, and an arc length of 15.00 feet;

North 67°41'01" West, a distance of 124.31 feet;

North 65°14'34" West, a distance of 124.42 feet;

North 24°45'26" East, a distance of 38.97 feet;

North 65°15'38" West, a distance of 50.00 feet;

South 24°45'26" West, a distance of 14.99 feet;

North 79°27'12" West, a distance of 85.23 feet;

North 85°43'20" West, a distance of 69.68 feet;

North 88°13'25" West, a distance of 340.80 feet;

North 01°46'35" East, a distance of 19.38 feet;

North 88°13'25" West, a distance of 50.00 feet;

South 01°46'35" West, a distance of 129.38 feet;

South 46°46'35" West, a distance of 14.14 feet;

North 88°13'25" West, a distance of 115.00 feet;

And North 43°13'25" West, a distance of 42.43 feet to the east right-of-way line of said Ryan Spiritas Parkway;

THENCE North 01°46'35" East, with said east right-of-way line of Ryan Spiritas Parkway, a distance of 976.91 feet to the **POINT OF BEGINNING** and containing an area of 117.157 acres of land.

TRACT III: SPIRITAS RANCH PHASE 3G – 100.171 ACRES

BEING that certain tract of land situated in the Marsella Jones Survey, Abstract No. 662, in the Town of Little Elm, Denton County, Texas, and being part of that certain called 523.172 acre tract of land described in deed to MM Little Elm 548, LLC recorded in Instrument No. 2020-123025 of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "BCG 10194538" found on the easterly line of that certain called 13.492 tract of land described in Dedication Deed to the Town of Little Elm (Ryan Spiritas Parkway) recorded in Instrument No. 2021-95337, RPRDCT, and being a north corner of Spiritas Ranch Phase 1 – South, an addition to the Town of Little Elm, Texas according to Final Plat recorded in Document No. 2023-288, of the Plat Records of Denton County, Texas, said iron rod also being the beginning of curve to the left;

THENCE northeasterly, with said easterly right-of-way line of Ryan Spiritas Parkway, and with said curve which has a central angle of 09°04'26", a radius of 1320.00 feet, a chord which bears North 24°13'35" East, a chord distance of 208.82 feet, and for an arc distance of 209.04 feet to a 5/8-inch iron rod found for corner at the southwest corner of that certain called 13.166 acre tract of land described in deed to the Denton County Independent School District recorded in Instrument No. 2022-91186, RPRDCT;

THENCE with the southwest, southeast, and north lines of said Denton County Independent School District tract, the following courses to 5/8-inch iron rods found for corner:

South 70°18'38" East, a distance of 30.00 feet;

South 54°39'34" East, a distance of 121.04 feet;

South 44°09'41" East, a distance of 62.77 feet;

South 38°26'09" East, a distance of 54.91 feet;

South 37°49'59" East, a distance of 210.00 feet;

North 52°10'01" East, a distance of 152.50 feet, said iron rod being the beginning of a tangent curve to the left;

Northeasterly, with said curve which has a central angle of 13°03'49", a radius of 320.00 feet, a chord which bears North 45°38'07" East, a chord distance of 72.80 feet, and for an arc distance of 72.96 feet;

North 39°06'12" East, a distance of 343.54 feet, said iron rod being the beginning of a tangent curve to the left;

Northeasterly, with said curve which has a central angle of 11°44'17", a radius of 2170.00 feet, a chord which bears North 33°14'04" East, a chord distance of 443.78 feet, and for an arc distance of 444.56 feet;

North 18°13'43" West, a distance of 14.03 feet;

North 63°41'27" West, a distance of 245.36 feet, said iron rod being the beginning of a tangent curve to the left;

Northwesterly, with said curve which has a central angle of 24°31'58", a radius of 320.00 feet, a chord which bears North 75°57'26" West, a chord distance of 135.97 feet, and for an arc distance of 137.02 feet;

North 88°13'25" West, a distance of 496.83 feet;

And South 46°46'35" West, a distance of 42.43 feet, said iron rod being the northwest corner of said Denton County Independent School District tract, and being located on said easterly right-of-way line of Ryan Spiritas Parkway;

THENCE North 01°46'35" East, with the easterly line of Ryan Spiritas Parkway, a distance of 120.00 feet;

THENCE over and across said MM Little Elm 548, LLC tract, the following courses:

South 43º13’25” East, a distance of 42.43 feet;

South 88°13'25" East, a distance of 115.00 feet;

North 46º46’35” East, a distance of 14.14 feet;

North 01°46'35" East, a distance of 129.38 feet;

South 88°13'25" East, a distance of 50.00 feet;

South 01°46'35" West, a distance of 19.38 feet;

South 88°13'25" East, a distance of 340.80 feet;

South 85°43'20" East, a distance of 69.68 feet;

South 79°27'12" East, a distance of 85.23 feet;

North 24º45’26” East, a distance of 14.99 feet;

South 65°15'38" East, a distance of 50.00 feet;

South 24°45'26" West, a distance of 38.97 feet;

South 65º14’34” East, a distance of 124.42 feet;

South 67°41'01" East, a distance of 124.31 feet to the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 00°23’43", a radius of 2175.00 feet, a chord which bears North 22°07’08" East, a chord distance of 15.00 feet, and for an arc distance of 15.00 feet;

South 68º04’43” East, a distance of 50.00 feet to the beginning of a non-tangent curve to the right;

Southwesterly, with said curve which has a central angle of 00°41’37", a radius of 2225.00 feet, a chord which bears South 22°16’05" West, a chord distance of 26.93 feet, and for an arc distance of

26.93 feet;

South 70°54'55" East, a distance of 283.70 feet;

South 54°48'00" East, a distance of 148.24 feet;

North 81°13'20" East, a distance of 82.59 feet;

North 09°29'44" East, a distance of 22.98 feet;

North 21°37'20" East, a distance of 84.28 feet;

North 68°22'40" West, a distance of 20.00 feet;

North 21°37'20" East, a distance of 50.00 feet;

South 68°22'40" East, a distance of 125.11 feet;

North 68º15’35” East, a distance of 14.54 feet to the beginning of a non-tangent curve to the right;

Northeasterly, with said curve which has a central angle of 07°21’38", a radius of 525.00 feet, a chord which bears North 29°07’24" East, a chord distance of 67.40 feet, and for an arc distance of 67.44 feet;

South 59°22’47" East, a distance of 50.04 feet to the beginning of a non-tangent curve to the left;

Southwesterly, with said curve which has a central angle of 02°24’47", a radius of 475.00 feet, a chord which bears South 31°49’36" West, a chord distance of 20.00 feet, and for an arc distance of 20.01 feet;

South 59º22’47” East, a distance of 117.92 feet;

South 31º16’19” West, a distance of 29.68 feet;

South 57º32’51” East, a distance of 269.88 feet;

South 60º02’37” East, a distance of 142.72 feet;

South 52°16'31" East, a distance of 63.72 feet;

North 37°43'29" East, a distance of 15.00 feet;

South 52°16'31" East, a distance of 50.00 feet;

South 37°43'29" West, a distance of 33.08 feet;

South 52°16'31" East, a distance of 156.97 feet;

South 36°35’11" East, a distance of 171.07 feet to the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 03°49’24", a radius of 225.00 feet, a

chord which bears North 51°09’55" East, a chord distance of 15.01 feet, and for an arc distance of 15.01 feet;

South 36°35’11" East, a distance of 50.11 feet to the beginning of a non-tangent curve to the right;

Southwesterly, with said curve which has a central angle of 07°21’56", a radius of 275.00 feet, a chord which bears South 53°41’37" West, a chord distance of 35.33 feet, and for an arc distance of 35.35 feet;

South 32º37’25” East, a distance of 125.00 feet;

And South 39º43’07” East, a distance of 146.84 feet to a United States of America Corps of Engineers (USACOE) monument found on the westerly “take” line of Lake Lewisville, from which another USACOE monument found on said “take line” bears South 88º11’41” East, a distance of 800.30 feet;

THENCE South 37°20'20" West, with said “take line”, a distance of 536.00 feet to a USACOE monument found for corner;

THENCE South 00°08'50" East, with “said “take line”, a distance of 672.96 feet to a steel fence post found for corner at the north corner of that certain tract of land described in Correction Deed to the United States of America (USA) recorded in Volume 2549, Page 719, RPRDCT;

THENCE South 56°09'16" West, with the northwest line of said USA tract, a distance of 188.85 feet to a steel fence post found for corner;

THENCE South 09°39'06" East, with the west line of said USA tract, a distance of 162.80 feet to a steel fence post found for corner;

THENCE South 46°03'07" West, with said “take line”, a distance of 319.64 feet to a USACOE monument found for corner;

THENCE North 74°07'14" West, with said “take line”, a distance of 789.34 feet to a steel fence post found for corner;

THENCE South 78°59'39" West, with said “take line”, a distance of 216.00 feet to a steel fence post found for corner;

THENCE with the northeasterly line of said Spiritas Ranch Phase 1 – South, the following courses to 5/8-inch iron rods with cap stamped “BCG 10194538” found for corner:

North 65°55'09" West, a distance of 185.24 feet;

North 01°58'25" East, a distance of 268.25 feet;

North 88°01'35" West, a distance of 120.00 feet;

North 01°58'25" East, a distance of 4.41 feet;

South 88°01'35" East, a distance of 12.07 feet, said iron rod being the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 211°36'55", a radius point which bears North, a distance of 60.00 feet, a chord which bears North 15°48'27" West, a chord distance of 115.46 feet, and for an arc distance of 221.60 feet;

North 88°01'35" West, a distance of 293.61 feet, said iron rod being the beginning of a non-tangent curve to the left;

Northwesterly, with said curve which has a central angle of 43°18'21", a radius of 60.00 feet, a chord which bears North 76°05'27" West, a chord distance of 44.28 feet, and for an arc distance of 45.35 feet;

North 36°08'23" East, a distance of 146.90 feet;

North 37°35'39" West, a distance of 68.23 feet;

North 15°44'38" West, a distance of 68.22 feet;

North 04°54'18" East, a distance of 60.80 feet;

North 15°27'20" East, a distance of 53.66 feet;

North 37°24'22" East, a distance of 18.63 feet;

North 59°48'42" West, a distance of 93.50 feet, said iron rod being the beginning of a tangent curve to the right;

Northwesterly, with said curve which has a central angle of 21°58'43", a radius of 500.00 feet, a chord which bears North 48°49'20" West, a chord distance of 190.63 feet, and for an arc distance of 191.80 feet;

North 37°49'59" West, a distance of 231.16 feet;

North 52°10'01" East, a distance of 120.00 feet;

North 37°49'59" West, a distance of 268.51 feet, said iron rod being the beginning of a tangent curve to the left;

Northwesterly, with said curve which has a central angle of 20°58'23", a radius of 320.00 feet, a chord which bears North 48°19'10" West, a chord distance of 116.48 feet, and for an arc distance of 117.14 feet;

And South 73°18'54" West, a distance of 42.28 feet to the **POINT OF BEGINNING**, and containing 101.171 acres of land.

TRACT IV: SPIRITAS RANCH PHASE 4G – 30.307 ACRES

BEING that certain tract of land situated in the Marsella Jones Survey, Abstract No. 662, in the Town of Little Elm, Denton County, Texas and being part of that certain tract of land described in deed to MM Little Elm 548, LLC recorded in Instrument No. 2020-123025 of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-Inch iron rod with cap stamped “BCG 10194538” found at the northeast corner of Spiritas Ranch Phase 1G, an addition to the Town of Little Elm, Texas according to the Final Plat recorded in Document No. 2024-42, of the Plat Records of Denton County, Texas;

THENCE South 88°28'06" East, with the north line of that certain tract of land described in deed to Spiritas Ranch Enterprises recorded in Volume 833, Page 38, RPRDCT, and the south line of that certain tract of land described in deed to Town of Little Elm, Texas, recorded in Instrument No. 2023-130559, RPRDCT, a distance of 1431.24 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found at the northwest corner of that certain tract of land described as a called 70-foot Right-of-Way Dedication (Ryan Spiritas Parkway) to the Town of Little Elm recorded in Instrument No. 2024-11778, RPRDCT;

THENCE South 01°46'35" West, with the west right-of-way line of said Ryan Spiritas Parkway, a distance of 898.59 feet to a 5/8-Inch iron rod with cap stamped “BCG 10194538” found at the most easterly northeast corner of said Spiritas Ranch Phase 1G;

THENCE with a northerly line of said Spiritas Ranch Phase 1G, the following courses to 5/8-Inch iron rods with cap stamped “BCG 10194538” found;

North 88°13'25"West, a distance of 145.00 feet;

North 01°46'35" East, a distance of 6.06 feet;

North 88°13'25" West, a distance of 343.06 feet;

South 89°02'26" West, a distance of 162.23 feet;

South 82°04'50" West, a distance of 287.70 feet;

South 01°46'35" West, a distance of 4.46 feet;

North 88°13'25" West, a distance of 40.51 feet;

South 01°46'35" West, a distance of 6.43 feet;

North 88°13'25" West, a distance of 40.51 feet;

South 01°46'35" West, a distance of 5.73 feet;

North 88°13'25" West, a distance of 40.51 feet;

South 01°46'35" West, a distance of 3.98 feet;

North 88°13'25" West, a distance of 40.51 feet;

South 01°46'35" West, a distance of 3.13 feet;

North 88°13'25" West, a distance of 221.95 feet;

North 01°58'25" East, a distance of 12.51 feet;

And North 88°01'35" West, a distance of 115.00 feet to an interior ell corner of Spiritas Ranch Phase 1G;

THENCE with an easterly line of Spiritas Ranch Phase 1G, the following courses to 5/8-Inch iron rods with cap stamped “BCG 10194538” found;

North 01°58'25" East, a distance of 609.52 feet;

North 00°04'46" East, a distance of 52.95 feet to the beginning of a non-tangent curve to the left;

Northeasterly, with said curve which has a central angle of 00°13'29", a radius of 1225.00 feet, a chord which bears North 88°54'11" East, a chord distance of 4.81 feet, and an arc length of 4.81 feet;

North 01°12'34" West, a distance of 50.00 feet;

And North 01°28'07" East, a distance of 240.83 feet to the **POINT OF BEGINNING**, and containing an area of 30.307 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 _____, 2024 by **BEAZER HOMES OF TEXAS, L.P.,** a Delaware limited partnership (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 Spiritas Ranch Public Improvement District (the "District") by the then current owners of 100% of the appraised value of the taxable real property and 100% 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 public improvements (including all exhibits and attachments thereto, the "Future Improvement Area Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the Future Improvement Area 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 Future Improvement Area of the District.

D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into these Covenants, Conditions and Restrictions.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner's Parcel is and shall be subject to, and hereby imposes on the Landowner's Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:

(a) Landowner accepts each Assessment levied on the Landowner's Parcel owned by such Landowner.

(b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney's fees, if incurred) is (a) a first and prior lien (the "Assessment

Lien") against the property assessed, superior to all other liens or claims except for liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Future Improvement Area 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 Future Improvement Area of the District will not extinguish the Assessment or any unpaid but not yet due annual installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due annual installments of the Assessment.

It is the clear intention of all parties to these Declarations of Covenants, Conditions and Restrictions, that the Assessments, including any annual installments of the Assessments (as such annual installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any annual installment of the Assessment, the 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 Future Improvement Area 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 that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS CONCERNING THE PROPERTY AT [Street Address]

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the Town of Little Elm, Texas, for improvement projects undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code, as amended. The assessment may be due in periodic installments.

The amount of the assessment against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessment in full, it will be due and payable in annual installments (including interest and collection costs). More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the Town of Little Elm, 100 West Eldorado Parkway, Little Elm, Texas 75068

Your failure to pay the assessment or the annual installments could result in a lien and in the foreclosure of your property.

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

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

By: _____
Name: _____
Its: _____

STATE OF TEXAS)
)
COUNTY OF DALLAS)

This instrument was acknowledged before me on the _____ day of _____, 2024 by _____, _____ of _____, on behalf of said entity.

_____
Notary Public, State of Texas

My Commission Expires:

_____

LANDOWNER AGREEMENT - EXHIBIT III

HOMEBUYER EDUCATION PROGRAM

As used in this **Exhibit III**, the recorded Notice of the Authorization and Establishment of the Valencia Public Improvement District and the Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the "Recorded Notices."

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Future Improvement Area Assessment Roll for such Assessed Parcel (or if the Future Improvement Area Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30 year payment for such Assessed Parcel) as an addendum to any residential homebuyer's contract.

2. Any Landowner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the 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:	06/18/2024
Agenda Item #:	6. C.
Department:	Economic Development Corporation
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Consider Action to Approve **Resolution No 0618202401 Approving and Authorizing the Mayor to Execute an "Interlocal Cooperative Agreement" between the Town of Little Elm, Texas and Mustang Special Utility District**

DESCRIPTION:

Certain improvements being constructed for the benefit of the property within the PID will, upon completion, be dedicated to Mustang Special Utility District ("Mustang") and Mustang will own, operate, and maintain the improvements for the benefit of the homeowners in the PID as permitted by Chapter 372, as amended, Texas Local Government Code.

The "Interlocal Cooperative Agreement" describes the dedication of the improvements and the obligations of Mustang to own, operate and maintain the improvements.
The "Interlocal Cooperative Agreement" constitutes an interlocal cooperate agreement as authorized pursuant to the provisions of Chapter 791, as amended, Texas Government Code and is being entered in compliance with Chapter 372 of the Texas Local Government Code in order to identify Mustang as a entity approved by the Town to receive the improvements paid for from special assessments against property within the PID.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Resolution No 0618202401 - Spiritas Ranch PID Future Improvement Area Interlocal Agreement

TOWN OF LITTLE ELM, TEXAS

RESOLUTION NO. 0618202401

A RESOLUTION OF THE TOWN OF LITTLE ELM, TEXAS, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN "INTERLOCAL COOPERATIVE AGREEMENT" BETWEEN THE TOWN OF LITTLE ELM, TEXAS AND MUSTANG SPECIAL UTILITY DISTRICT

WHEREAS, on February 2, 2021 the Town Council (the "Town Council") of the Town of Little Elm, Texas (the "Town") adopted Resolution No. 0202202101 creating the Spiritas Ranch Public Improvement District (the "PID") in accordance with Chapter 372, Texas Local Government Code, as amended; and

WHEREAS, certain improvements being constructed for the benefit of the property within the PID will, upon completion, be dedicated to Mustang Special Utility District ("Mustang") and Mustang will own, operate, and maintain the improvements for the benefit of the homeowners in the PID as permitted by Chapter 372, as amended, Texas Local Government Code; and

WHEREAS, the Town desires to approve the "Interlocal Cooperative Agreement" by and between the Town, and Mustang Special Utility District to be effective as of June 18, 2024 (the "Agreement") which describes the dedication fo the improvements and the obligations of Mustang to own, operate and maintain the improvements; and

WHEREAS, the Agreement constitutes an interlocal cooperative agreement as authorized pursuant to the provisions of Chapter 791, as amended, Texas Government Code; and

WHEREAS, the adoption of the Agreement is hereby found and determined to be in the best interest of the residents of the PID; and

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

SECTION 1. The findings and premises contained in the preamble above are hereby deemed to be true and correct and incorporated herein.

SECTION 2. The Agreement, in a form substantially similar to the agreement attached hereto as Exhibit A is hereby approved and the Mayor is authorized to execute such Agreement on behalf of the Town.

SECTION 3. This Resolution shall become effective from and after its date of passage in accordance with law.

[*Remainder of page intentionally left blank; signature page follows*]

PASSED AND APPROVED, THIS THE 18th DAY OF JUNE 2024.

Curtis Cornelious, Mayor

ATTEST:

Caitlan Biggs, Town Secretary

EXHIBIT A

INTERLOCAL COOPERATIVE AGREEMENT

INTERLOCAL COOPERATIVE AGREEMENT

This interlocal cooperative agreement (the *Agreement*), made to be effective as of the 18th day of June, 2024, is by and between the Town of Little Elm, Texas, a Texas home-rule municipality (the *Town*) and Mustang Special Utility District, a special utility district created pursuant to a special act of the Texas Legislature and political subdivision of the State of Texas (*Mustang*), for the purpose of memorializing the terms pursuant to which certain public improvements within the Spiritas Ranch Public Improvement District (the *District*) will be owned, operated and maintained by Mustang. (The Town and the Mustang may be referred to individually as a *Party* or collectively as the *Parties*).

RECITALS

WHEREAS, MM Little Elm 548, LLC, a Texas limited liability company (including its designated successors and assigns, the *Owner*) owns a total of approximately 545 acres of land currently located within the corporate boundaries of the Town (the *Property*); and

WHEREAS, in response to a petition filed by the Owner and by Resolution No. 0202202101 adopted by the Town Council of the Town (the *Town Council*) on February 2, 2021, the Town has created the District to finance certain public improvements for the benefit of the Property (the *Public Improvements*), pursuant to and in accordance with the provisions of Chapter 372, as amended, Texas Local Government Code (*Chapter 372*); and

WHEREAS, the portion of the Public Improvements consisting of water and sanitary sewer/wastewater improvements (the *Utilities*), as further described in the Service and Assessment Plan (the *Service and Assessment Plan*) in substantially the form attached hereto as Exhibit A and in the final form attached to the Ordinance adopted by the Town on June 18, 2024 levying the assessments against the property located within the Future Improvement Area (as defined in the Service and Assessment Plan) of the District, are expected to be dedicated to and owned, operated, and maintained by Mustang for the benefit of the residents of the District; and

WHEREAS, to memorialize the conditions by which Mustang will own, operate and maintain the Utilities, the Parties hereto now desire to enter into this Agreement; and

WHEREAS, this Agreement shall constitute an interlocal cooperative agreement as authorized pursuant to the provisions of Chapter 791, as amended, Texas Government Code; and

WHEREAS, the adoption of this Agreement is hereby found and determined to be in the best interest of the residents of the District; and

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1: Definition and Use of Terms. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, (a) the capitalized terms used but not defined in this Agreement shall have respective meanings assigned thereto in the Service and Assessment Plan, which definitions are hereby incorporated by reference for all

purposes as though reproduced herein; (b) all references in this Agreement to designated *Sections, Schedules, Exhibits,* and other subdivisions are to the designated Sections, Schedules, Exhibits, and other subdivisions of this Agreement as originally adopted; and (c) the words *herein, hereof,* and *hereunder* and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision.

SECTION 2: Representations.

2.1 Representations of Town. Town hereby represents to the Parties that:

(a) The Town is a political subdivision and a home-rule municipality under the laws of the State of Texas and is duly qualified and authorized to carry out the governmental functions and operations as contemplated by this Agreement.

(b) The Town has the power, authority, and legal right to enter into and perform under this Agreement and the execution, delivery, and performance hereof have been duly authorized.

(c) The Town has the authority to own and operate the Utilities within the Town's jurisdiction.

(d) The Town has the authority to enter into an agreement with the Mustang for the provision of governmental services, including water and wastewater services.

(e) This Agreement has been duly authorized, executed, and delivered and constitutes a legal, valid, and binding obligation of Town enforceable in accordance with its terms.

2.2 Representations of Mustang. Mustang hereby represents to the Parties that:

(a) Mustang is a political subdivision and is duly authorized, created, and existing in good standing under the laws of the State of Texas and is duly qualified and authorized to carry out the governmental functions and operations as contemplated by this Agreement.

(b) Mustang has the power, authority, and legal right to enter into and perform under this Agreement and the execution, delivery, and performance hereof have been duly authorized.

(c) Mustang has the authority to own and operate the Utilities within the Town and within the Town's extraterritorial jurisdiction.

(d) Mustang has a Certificate of Convenience and Necessity from the Texas Commission on Environmental Quality (*TCEQ*) necessary to provide retail water and sewer service to the Property.

(e) Mustang has the authority to enter into an agreement with the Town for the provision of governmental services, including water and wastewater services.

(f) This Agreement has been duly authorized, executed, and delivered and constitutes a legal, valid, and binding obligation of Mustang enforceable in accordance with its terms.

SECTION 3: Findings. Each of the Parties hereby find that the Utilities are being provided to or for the benefit of the residents of the District located within the extraterritorial jurisdiction of the Town.

SECTION 4: Agreement of the Parties. The Parties hereby agree that the Owner will construct the Utilities pursuant to the Service and Assessment Plan and applicable Town, Mustang, and TCEQ standards. In consideration for Mustang's ownership, operation and maintenance of the Utilities in accordance with the terms of this Agreement, the Utilities will be conveyed to Mustang upon completion, final inspection and acceptance by Mustang. Other than the consideration referenced in this section, no additional consideration will be required in connection with such conveyance.

SECTION 5: Term of this Agreement. This Agreement shall be for a term of 31 years or until any bonds (or refunding bonds issued to refund any bonds) issued to finance the construction of the Utilities are no longer outstanding.

SECTION 6: Obligations of Mustang. The obligations of Mustang pursuant to the terms of this Agreement shall be limited to the provision of water and wastewater services to the residents of the District through the ownership, operation and maintenance of the Utilities, subject to and in accordance with any applicable regulatory rules and regulations (including Mustang's rules and regulations).

SECTION 7: Liability of Town. To the extent not limited by State law, neither the Town nor any director, officer, employee, or agent of the Town shall be responsible for any liability arising from the Utilities or this Agreement.

SECTION 8: Amendment. This Agreement may be amended, modified, revised or changed by written instrument executed by all the Parties.

SECTION 9: Addresses and Notice. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called *Notice*) herein provided or permitted to be given, made or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties hereto shall, until changed as hereinafter provided, be as follows:

A. If to the Town, to:

Town of Little Elm

Attn: Town Manager
100 W. Eldorado Pkwy
Little, Texas 75068

With a copy to:

Norton Rose Fulbright US LLP
Attn: Robert Dransfield
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201
Facsimile: (214) 855-8200

D. If to Mustang, to:

Mustang Special Utility District
Attn: General Manager
7985 F.M. 2931
Aubrey, Texas 76227

The Parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least ten (10) days' written notice to the other Parties hereto.

SECTION 10: Counterparts. This Agreement may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

SECTION 11: Entire Agreement. This Agreement contains the entire agreement between the Parties pertaining to the subject matter hereof and fully supersedes all prior agreements and understandings between the parties pertaining to such subject matter.

SECTION 12: Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

SECTION 13: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Agreement for all purposes and are adopted as a part of the judgment and findings of the respective governing body of each party hereto.

SECTION 14: Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Agreement are hereby repealed to the extent of such conflict, and the provisions of this Agreement shall be and remain controlling as to the matters provided herein.

SECTION 15: Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 16: Jurisdiction and Venue. Jurisdiction and Venue for any action to enforce or construe this Agreement shall be exclusively vested in the State District Court located in Denton County, Texas

SECTION 17: Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Agreement and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Parties hereby declare that this Agreement would have been enacted without such invalid provision.

SECTION 18: Construction. 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. This Agreement and all the terms and provisions hereof shall be constructed to effectuate the purposes set forth herein and to sustain the validity of this Agreement.

SECTION 19: Compliance with Texas Open Meetings Act. It is officially found, determined, and declared that the meeting of each of the governing body of the Parties at which this Agreement was adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Agreement, was given, all as required by Chapter 551, as amended, Texas Government Code.

[The remainder of this page intentionally left blank.]

TOWN OF LITTLE ELM, TEXAS

_____
Mayor

ATTEST:

_____
Town Secretary

(TOWN SEAL)

MUSTANG SPECIAL UTILITY DISTRICT

_____
President, Board of Directors

ATTEST:

_____
Secretary/Treasurer, Board of Directors

(SEAL)

EXHIBIT A

SERVICE AND ASSESSMENT PLAN
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT

SPIRITAS RANCH
PUBLIC IMPROVEMENT DISTRICT

TOWN OF LITTLE ELM, TEXAS

SERVICE AND ASSESSMENT PLAN

May 11, 2021 and updated for Additional Improvement Area #1 Projects July 18, 2023 and updated for Future Improvement Area Projects June 18, 2024

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

SPIRITAS RANCH
PUBLIC IMPROVEMENT DISTRICT

SERVICE AND ASSESSMENT PLAN

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APPENDIX H-3 - COMBINED IMPROVEMENT AREA #1 PROJECTED ANNUAL INSTALLMENT SCHEDULE
APPENDIX I - FUTURE IMPROVEMENT AREA ASSESSMENT ROLL - FUTURE IMPROVEMENT AREA PROJECTS

I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On February 2, 2021, the Town Council of the Town of Little Elm, Texas passed and approved Resolution No. 0202202101 approving and authorizing the creation of Spiritas Ranch Public Improvement District (the "PID") to finance the costs of certain public improvements for the benefit of property in the PID, all of which is presently located within the Town of Little Elm, Texas.

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

Chapter 372 of the Texas Local Government Code (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. This Spiritas Ranch Public Improvement District Service and Assessment Plan (this "SAP") was prepared pursuant to the PID Act. The PID Act requires that a service plan "(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 of the Texas Property Code, as amended." The PID Act also requires the City "review and update the service plan annually for the purpose of determining the annual budget for improvements." The service plan for the PID is described in more detail in Section IV herein. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix D.

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

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

Section 372.016 of the PID Act requires that "after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter." The current Assessment Rolls for the PID are included as Appendix G and Appendix H-1 and Appendix H-2 and Appendix I of this Service and Assessment Plan. The Assessments as shown on each Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

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

"Actual Cost(s)" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certification for Payment that has been reviewed and approved by the 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, miscellaneous expenses, and all advances and payments for Administrative Expenses.

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

"Additional Improvement Area #1 Improvements" mean the Authorized Improvements which only benefit Improvement Area #1 Assessed Property, which are described in Section III.C and funded through the Additional Improvement Area #1 Projects Reimbursement Agreement.

"Additional Improvement Area #1 Projects Reimbursement Agreement" means that certain Additional Improvement Area #1 Projects Reimbursement Agreement dated as of July 18, 2023 by and between the Town and the Developer in which the Developer agrees to fund certain Actual Costs of Additional Improvement Area #1 Projects (which consist of the Improvement Area #1 Improvements and Improvement Area #1's pro rata share of the Additional Major Improvements), and the Town agrees to reimburse the Developer with interest as permitted by the PID Act solely from Improvement Area #1 Assessment Revenues on a subordinate basis to the Series 2021 PID Bonds and/or the net proceeds of Bonds, if issued, for a portion of such Actual Costs funded by the Developer for Additional Improvement Area #1 Projects constructed and accepted by the Town for the benefit of the Improvement Area #1 Assessed Property.

"Additional Improvement Area #1 Projects" mean (i) the pro rata portion of the Additional Major Improvements allocable to Improvement Area #1, and (ii) the Additional Improvement Area #1 Improvements.

"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.G of this Service and Assessment Plan.

"Additional Major Improvement Projects" mean the pro rata portion of the Additional Major Improvements allocable to the Future Improvement Area Assessed Property, which are described in Section III.B.

"Additional Major Improvements" mean the Authorized Improvements described in Section III.B that benefit all Assessed Property within the PID.

"Administrative Expenses" mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses 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.

"Administrator" means the employee or designee of the Town, identified in any indenture of trust relating to any Bonds or 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: the Assessments, including any applicable interest, as shown on the Assessment Roll attached hereto

as Appendix G, Appendix H-1, Appendix H-2, and Appendix I, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, which annual payment includes amounts collected for the Additional Interest Component (if applicable) and Administrative Expenses.

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

"Assessed Property" means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes 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 actually received by or on behalf of the Town from the collection of Assessments.

"Assessment Roll" means, as applicable, the Major Improvement Area Assessment Roll – Initial Major Improvements, the Future Improvement Area – Future Improvement Area Projects, the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Improvements, the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

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

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

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

"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 MM Little Elm 548, LLC, a Texas limited liability company and its successors and assigns.

"Development Agreement" means that certain "Spiritas Ranch Development Agreement" by and between the Town and the Developer, and related to the development of the Property effective February 2, 2021, as the same may be amended from time to time.

"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 E attached hereto.

"Future Improvement Areas" mean, collectively, all phases of construction in the District being constructed after Improvement Area #1, which area is also contiguous with the Major Improvement Area.

"Future Improvement Area Assessment Roll – Future Improvement Area Projects" means the document included in this Service and Assessment Plan as Appendix I, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"Future Improvement Area Assessed Property" means all Parcels within the Future Improvement Area other than Non-Benefited Property and shown in the Future Improvement Area Assessment Roll – Future Improvement Area Projects against which an Assessments relating to the Future Improvement Area Projects are being levied.

"Future Improvement Area Local Improvements" mean the Authorized Improvements which only benefit Future Improvement Area Assessed Property, which are described in Section III.C and funded in part with the Series 2024 PID Bonds.

"Future Improvement Area Projects" mean (i) the Additional Major Improvements Projects benefitting the Future Improvement Area, and (ii) the Future Improvement Area Local Improvements.

"Future Improvement Area Assessment Revenues" mean the revenues actually received by or on behalf of the Town from the collection of Assessments levied against Future Improvement Area Assessed Property, or the Annual Installments thereof, for the Future Improvement Area Projects.

"Future Phase" means a phase of construction in the District being constructed after Improvement Area #1.

"Future Phase Bonds" means bonds issued to fund Future Phase Improvements (or a portion thereof) in a Future Phase. In connection with Future Phase Bonds, Assessments related to such

Future Phase Bonds will be levied only on property located within the applicable Future Phase to finance Future Phase Improvements which will only benefit such Future Phase.

"Future Phase Improvements" means those Authorized Improvements which will confer a special benefit to the related Future Phase.

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

"Homeowner Association Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a homeowner's association.

"Improvement Area" means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within an Improvement Area will be assessed in connection with the issuance of Bonds or upon the execution of a reimbursement agreement related to such Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the Parcels within the Improvement Area.

"Improvement Area #1" or **"IA #1"** means the initial Improvement Area to be developed and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix H.

"Improvement Area #1 Assessed Property" means all Parcels within Improvement Area #1 other than Non-Benefited Property and shown in the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Improvements and the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects against which an Assessments relating to the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects are levied.

"Improvement Area #1 Assessment Revenues" mean the actual revenues received by or on behalf of the Town from the collection of Assessments levied against Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects, as applicable. The Improvement Area #1 Assessment Revenues collected from Improvement Area #1 Assessed Property shall be used first to satisfy the portion of the debt service requirements of the Series 2021 PID Bonds allocable to Improvement Area #1 and then to secure the Town's obligation in connection with the Additional Improvement Area #1 Projects Reimbursement Agreement.

"Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects" means the document included in this Service and Assessment Plan as Appendix H-2**,** as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects" means the document included in this Service and Assessment Plan as Appendix H-1**,** as updated, modified

or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"Initial Improvement Area #1 Improvements" mean the Authorized Improvements which only benefit Improvement Area #1 Assessed Property, which are described in Section III.C and funded with the Series 2021 PID Bonds.

"Initial Improvement Area #1 Projects" mean (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1, and (ii) the Initial Improvement Area #1 Improvements.

"Initial Major Improvement Projects" mean the pro rata portion of the Initial Major Improvements allocable to the Major Improvement Area Assessed Property, which are described in Section III.B.

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

"Lot Type" means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the 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 average home value for each home at the time of assessment levy (as shown in Appendix E for the calculation of Equivalent Units), 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.

"Major Improvements" mean the Initial Major Improvements and Additional Major Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

"Major Improvement Area" or **"MIA"** mean the property within the PID excluding Improvement Area #1 which is to be developed subsequent to Improvement Area #1, and generally depicted in Appendix A of this Service and Assessment Plan or any Annual Service Plan Update.

"Major Improvement Area Assessed Property" means, for any year, all Parcels within the PID other than (a) Non-Benefited Property, and (b) Parcels within Improvement Area #1 against which an Assessment to the Major Improvements is or anticipated to be levied.

"Major Improvement Area Assessment Revenues" mean the revenues received by or on behalf of the Town from the collection of Assessments levied against Major Improvement Area Assessed Property, or the Annual Installments thereof, for the Initial Major Improvement Area Projects.

"Major Improvement Area Assessment Roll – Initial Major Improvements" means the document included in this Service and Assessment Plan as Appendix G, as updated, modified or

amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

"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 to the extent they accrue no special benefit. 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 real property records of 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, reasonably expected to be incurred by or imposed upon the Town as a result of any prepayment of an Assessment.

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

"Series 2021 PID Bonds" mean those certain Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2021 (Spiritas Ranch Public Improvement District Improvement Area #1 Projects and Major Improvement Area Projects) that are secured collectively by Improvement Area #1 Assessment Revenues and Major Improvement Area Assessment Revenues.

"Series 2024 PID Bonds" mean those certain Town of Little Elm, Texas, Special Assessment Revenue Bonds, Series 2024 (Spiritas Ranch Public Improvement District Future Improvement Area Projects) that are secured by Future Improvement Area 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.

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

"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.

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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 545 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 2,156 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

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

Table II-A
Proposed Development

Proposed Development	Quantity	Measurement
Single-Family - 40 Ft	876	Units
Single-Family - 50 Ft	977	Units
Single-Family - 60 Ft	303	Units
Total	**2,156**	**Units**

B. PROPERTY INCLUDED IN IMPROVEMENT AREA #1 AND THE MAJOR IMPROVEMENT AREA

Improvement Area #1 consists of approximately 251 acres and is projected to consist of 1,057 single family residential units, to be developed as Improvement Area #1, as further described in Section III. The Major Improvement Area consists of approximately 294 acres and are projected to consist of approximately 1,099 residential units. A map of the property within Improvement Area #1 and the Major Improvement Area is shown in Appendix A.

C. PROPERTY INCLUDED IN FUTURE IMPROVEMENT AREAS

As the Future Improvement Areas are developed, Future Phase Bonds may be issued for each Future Phase. In connection with the issuance of each new Future Phase Bond, this Service and Assessment Plan will be updated to add additional details of each newly developed Future Phase as shown for Improvement Area #1 in Section II.B. A map of the projected property within each Future Phase is shown in Appendix A. The Future Phases are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Rolls included as Appendix G, Appendix H-1, Appendix H-2, and Appendix I.

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.

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 and III.C. below and shown in the opinion of probable costs and on the diagrams included as Appendix B 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 AND COSTS OF MAJOR IMPROVEMENTS

Initial Major Improvements

The Initial Major Improvements benefit the entire PID. The costs of the Initial Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. Each of Improvement Area #1 and the Major Improvement Area have been proportionally allocated the costs of the Initial Major Improvements, as shown on Table III-A.1.

The Initial Major Improvements descriptions are presented below as provided by the project engineer. The costs of the Initial Major Improvements are shown in Table III-A.1. The costs shown in Table III-A.1 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Initial Major Improvements follows:

Roadway Improvements

The roadway improvement portion of the Initial Major Improvements consists of the construction of Ryan Spiritas Parkway (FM 2931) with right-of-way, the New HEB Road with right-of-way, a Collector Road with right-of-way and entrance road improvements, including turn lanes. The roadway improvements include related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, 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 maintained by the Town.

Water Improvements

The water improvement portion of the Initial Major Improvements consists of construction and installation of various sized waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to Mustang Special Utility District ("MSUD") and Town standards and specifications and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Initial Major Improvements consists of construction and installation of a lift station, gravity sewer line, sewer force main, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Initial Major Improvements consist of retention/detention ponds, including excavation, fine grading, and the associated drainage improvements for each pond. Underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls will also be installed at each pond, 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.

Parks, Landscaping, and Hardscaping Improvements

Park, landscaping, and hardscaping improvements portion of the Initial Major Improvements, which consist of grading, irrigation, landscaping, site furnishings, and site elements. All park, landscaping, and hardscaping improvements will be designed and constructed in accordance with Town standards and specifications and will be maintained by a Homeowners Association.

Table III-A.1
Estimated Initial Major Improvement Costs

	Original Estimated Budget			Revised Estimated Budget[1]		
Authorized Improvements	**Total Initial Major Improvement Costs**	**IA #1 Allocated Amount (48.46%)[1]**	**MIA Allocated Amount (51.54%)[1]**	**Total Initial Major Improvement Costs**	**IA #1 Allocated Amount (48.46%)[1]**	**MIA Allocated Amount (51.54%)[1]**
Roadway Improvements	$4,006,306	$1,941,333	$2,064,973	$4,683,477	$2,269,470	$2,414,007
Water Improvements	$616,541	$298,757	$317,784	$1,627,333	$788,556	$838,777
Sanitary Sewer Improvements	$2,114,663	$1,024,701	$1,089,962	$2,407,712	$1,166,704	$1,241,008
Storm Drainage Improvements	$548,480	$265,777	$282,703	$1,420,019	$688,098	$731,921
Parks, Landscaping, and Hardscaping	$2,722,430	$1,319,206	$1,403,224	$2,172,264	$1,052,613	$1,119,651
Other Soft and Miscellaneous Costs	$4,907,105	$2,377,833	$2,529,272	$5,480,333	$2,655,602	$2,824,731
Total Authorized Improvements	**$14,915,525**	**$7,227,607**	**$7,687,918**	**$17,791,138**	**$8,621,041**	**$9,170,097**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-A.1 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Initial Major Improvements financed with PID Bond proceeds does not increase.
1 – As provided by the Developer.
2 – Based on allocation and percentages as shown in Table V-A.

Additional Major Improvements

The Additional Major Improvements benefit the entire PID. The costs of the Additional Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. Each of Improvement Area #1 and the Future Improvement Area are being proportionally allocated the costs of the Additional Major Improvements, as shown on Table III-A.2.

The Additional Major Improvements descriptions are presented below as provided by the project engineer. The costs of Additional Major Improvements are shown in Table III-A.2. These costs were not included in the initial cost estimates of the Initial Major Improvements at the time the Assessments were levied to pay for the costs of the Initial Major Improvements as described on the Major Improvement Area Assessment Roll – Initial Major Improvement Area Projects, as further described in Appendix B. The costs shown in Table III-A.2 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Additional Major Improvements follows:

The Additional Major Improvements consist of road, water, sewer, drainage improvements and soft and miscellaneous costs related to the construction of Perimeter Road, and right-of-way acreage, as shown in Appendix B.

Perimeter Road Improvements

Roadway Improvements

The roadway improvement portion of the Additional Major Improvements consists of the construction of Perimeter Road with right-of-way. The roadway improvements include related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, 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 maintained by the Town.

Water Improvements

The water improvement portion of the Additional Major Improvements consists of construction and installation of various sized waterlines, mains, pipes, valves, and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be designed and constructed according to Mustang Special Utility District ("MSUD") and Town standards and specifications and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Additional Major Improvements consists of construction and installation of a lift station, gravity sewer line, sewer force main, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

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Storm Drainage Improvements

The storm drainage improvement portion of the Additional Major Improvements consist of retention/detention ponds, including excavation, fine grading, and the associated drainage improvements for each pond. Underground reinforced concrete storm sewer pipes, inlets and rock riprap protection at outfalls will also be installed at each pond, 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.

Other Soft and Miscellaneous Costs

The other soft and miscellaneous costs portion of the Additional Major Improvements consist of engineering and other soft and miscellaneous costs.

Right-of-way

The Additional Major Improvements include right-of-way acquisitions for Ryan Spiritas Parkway, Hidden Oaks Trail and Spiritas Ranch Road as provided by the project engineer.

Table III-A.2
Estimated Additional Major Improvement Costs

Authorized Improvements	Total Additional Major Improvement Costs[1]	IA #1 Allocated Amount (48.46%)[2]	MIA Allocated Amount (51.54%)
Roadway Improvements (including ROW)	$1,360,555	$659,283	$701,272
Water Improvements	$434,285	$210,441	$223,844
Sanitary Sewer Improvements	$327,515	$158,704	$168,811
Storm Drainage Improvements	$383,160	$185,668	$197,492
Other Soft and Miscellaneous Costs	$292,485	$141,729	$150,756
Right-of-way	$1,665,000	$806,808	$858,192
Total Authorized Improvements	**$4,463,000**	**$2,162,633**	**$2,300,367**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-A.2 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Additional Major Improvements does not increase.
1 – Additional Major Improvement costs represent costs not included in the original estimated costs of Authorized Improvements attached as Appendix B at the time the Assessments related to the Initial Major Improvements were levied. Appendix B was revised to include Additional Major Improvements.
2 – Based on allocation and percentages as shown in Table V-B.

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C. DESCRIPTIONS AND COSTS OF INITIAL IMPROVEMENT AREA #1 IMPROVEMENTS AND ADDITIONAL IMPROVEMENT AREA #1 IMPROVEMENTS

Initial Improvement Area #1 Improvements

The Initial Improvement Area #1 Improvements descriptions are presented below as provided by the project engineer. The costs of the Initial Improvement Area #1 Improvements are shown in Table III-B.1. The costs shown in Table III-B.1 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Initial Improvement Area #1 Improvements follows, and a description of the Initial Major Improvements allocable to Improvement Area #1 that are a portion of the Initial Improvement Area #1 Projects can be found in Section III.B above.

Roadway Improvements

The road improvement portion of the Initial Improvement Area #1 Improvements consists of the construction of road improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices, which benefit the Improvement Area #1 Assessed Property. All roadway projects will be designed and constructed in accordance with Town standards and specifications and will be owned and maintained by the Town.

Water Improvements

The water improvement portion of the Initial Improvement Area #1 Improvements consists of construction and installation of a looped water main network, waterlines, mains, pipes, valves, and appurtenances, necessary for the portion of the water distribution system that will service the Improvement Area #1 Assessed Property. The water improvements will be designed and constructed according to MSUD and Town standards and will be owned and operated by the MSUD.

Sanitary Sewer Improvements

The wastewater improvement portion of the Initial Improvement Area #1 Improvements consists of construction and installation of various sized gravity sewer lines, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to Improvement Area #1 Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

Storm Drainage Improvements

The storm drainage improvement portion of the Initial Improvement Area #1 Improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts, which benefit the Improvement Area #1 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.

Table III-B.1
Estimated Initial Improvement Area #1 Projects Costs

	Original Estimated Budget			Revised Estimated Budget		
Authorized Improvements	Proportional Share of Initial Major Improvements[1]	Initial Improvement Area #1 Improvements Costs	Initial Improvement Area #1 Projects Total Costs	Proportional Share of Initial Major Improvements[1]	Initial Improvement Area #1 Improvements Costs[2]	Initial Improvement Area #1 Projects Total Costs
Roadway Improvements	$1,941,333	$7,677,642	$9,618,975	$2,269,470	$9,901,795	$12,171,265
Water Improvements	$298,757	$2,143,135	$2,441,892	$788,556	$4,538,874	$5,327,430
Sanitary Sewer Improvements	$1,024,701	$3,728,596	$4,753,297	$1,166,704	$4,632,792	$5,799,496
Storm Drainage Improvements	$265,777	$4,456,317	$4,722,094	$688,098	$5,423,846	$6,111,944
Parks, Landscaping, and Hardscaping	$1,319,206	$0	$1,319,206	$1,052,613	$0	$1,052,613
Other Soft and Miscellaneous Costs	$2,377,833	$3,288,389	$5,666,222	$2,655,602	$3,953,778	$6,609,380
Total Authorized Improvements	**$7,227,607**	**$21,294,079**	**$28,521,686**	**$8,621,041**	**$28,451,085**	**$37,072,126**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-B.1 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Initial Improvement Area #1 Projects does not increase.
1 – See Table III-A.1.
2 – As provided by the Developer.

Additional Improvement Area #1 Improvements

The Additional Improvement Area #1 Improvements include right-of-way acquisitions as provided by the project engineer. These costs were incorrectly not included in the initial cost estimates at the time the Assessments described on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects were levied, as described in Appendix B. In light of this error, an additional assessment was levied to correct this mistake and in order to pay for these costs. The costs of the Additional Improvement Area #1 Projects (including the portion of the Additional Major Improvements allocable to Improvement Area #1) are shown in Table III-B. The costs shown in Table III-B.2 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within Improvement Area #1.

A description of the Additional Major Improvements allocable to Improvement Area #1 that are a portion of the Additional Improvement Area #1 Projects can be found in Section III.B above.

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Table III-B.2
Estimated Additional Improvement Area #1 Projects Costs

Authorized Improvements	Proportional Share of Additional Major Improvements[2]	Additional Improvement Area #1 Improvements Costs[2]	Additional Improvement Area #1 Projects Total Costs
Roadway Improvements	$659,283	$0	$659,283
Water Improvements	$210,441	$0	$210,441
Sanitary Sewer Improvements	$158,704	$0	$158,704
Storm Drainage Improvements	$185,668	$0	$185,668
Parks, Landscaping, and Hardscaping	$0	$0	$0
Other Soft and Miscellaneous Costs	$141,729	$0	$141,729
Right-of-way	$806,808	$6,780,000	$7,586,808
Total Authorized Improvements	**$2,162,633**	**$6,780,000**	**$8,942,633**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-B.2 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Additional Improvement Area #1 Projects does not increase.
1 – See Table III-A.2.
2 – Costs of the Additional Improvement Area #1 Improvements were incorrectly not included in the initial cost estimates at the time the Assessments described on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects were levied, as described in Appendix B.

The costs of Authorized Improvements in Improvement Area #1 (including Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects) are shown in Table III-B.3.

Table III-B.3
Estimated Total Improvement Area #1 Costs

Authorized Improvements	Initial Improvement Area #1 Projects Costs[1]	Additional Improvement Area #1 Projects Costs[2]	Total Improvement Area #1 Costs
Roadway Improvements	$12,171,265	$659,283	$12,830,548
Water Improvements	$5,327,430	$210,441	$5,537,871
Sanitary Sewer Improvements	$5,799,496	$158,704	$5,958,199
Storm Drainage Improvements	$6,111,944	$185,668	$6,297,611
Parks, Landscaping, and Hardscaping	$1,052,613	$0	$1,052,613
Other Soft and Miscellaneous Costs	$6,609,380	$141,729	$6,751,109
Right-of-way	$0	$7,586,808	$7,586,808
Total Authorized Improvements	**$37,072,126**	**$8,942,633**	**$46,014,760**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-B.3 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to Improvement Area #1 does not increase.
1 – See Table III-B.1.
2 – See Table III-B.2.

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D. DESCRIPTIONS AND COSTS OF FUTURE IMPROVEMENT AREA LOCAL IMPROVEMENTS

The Future Improvement Area Local Improvements benefit only the Future Improvement Area. The costs of the Future Improvement Area Local Improvements are allocated proportionally to all Parcels within the Future Improvement Areas, excluding Non-Benefited Property, in a manner that anticipates planned development of the Future Improvement Area based on the anticipated number of Equivalent Units. The costs of the Future Improvement Area Local Improvements have not previously been included in any levy of assessments. These costs are being levied now to permit development of the Future Improvement Areas to continue in light of increased demands for sanitary sewer improvements.

The Future Improvement Area Local Improvements descriptions are presented below as provided by the project engineer. The costs of the Future Improvement Area Local Improvements are shown in Table III-C.1. The costs shown in Table III-C.1 are estimates and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Future Improvement Area Local Improvements follows:

The Future Improvement Area Local Improvements consist of sewer improvements and soft and miscellaneous costs, as shown in Appendix B.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Future Improvement Area Local Improvements consists of construction and installation of a lift station, gravity sewer line, sewer force main, pipes, service lines, manholes, encasements, and appurtenances necessary to provide sanitary sewer service to the Future Improvement Area Assessed Property. The sanitary sewer improvements will be designed and constructed according to MSUD and Town standards and specifications and will be owned and operated by the MSUD.

Other Soft and Miscellaneous Costs

The other soft and miscellaneous costs portion of the Future Improvement Area Local Improvements consist of engineering and other soft and miscellaneous costs.

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Table III-C.1
Future Improvement Area Local Improvements

Authorized Improvements	Total Costs
Sanitary Sewer Improvements	$1,959,417
Other Soft and Miscellaneous Costs	$822,421
Total Authorized Improvements	**$2,781,838**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-C.1 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Future Improvement Area Local Improvements does not increase.

A description of the Additional Major Improvements allocable to the Future Improvement Area that are a portion of the Future Improvement Area Projects can be found in Section III.B above.

Table III-C.2
Estimated Future Improvement Area Project Costs

Authorized Improvements	Proportional Share of Additional Major Improvements[1]	Future Improvement Area Local Improvements Costs[2]	Future Improvement Area Projects Total Costs
Roadway Improvements	$701,272	$0	$701,272
Water Improvements	$223,844	$0	$223,844
Sanitary Sewer Improvements	$168,811	$1,959,417	$2,128,228
Storm Drainage Improvements	$197,492	$0	$197,492
Other Soft and Miscellaneous Costs	$150,756	$822,421	$973,177
Right-of-way	$858,192	$0	$858,192
Total Authorized Improvements	**$2,300,367**	**$2,781,838**	**$5,082,205**

Note: Costs provided by Barraza Consulting Group, LLC. The figures shown in Table III-C.2 may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Assessment relating to the Additional Improvement Area #1 Projects does not increase.
1 – See Table III-A.2.
2 – See Table III-C.1.

E. FUTURE IMPROVEMENT AREAS

As the Future Improvement Areas are developed and Future Phase Bonds are issued, this SAP will be amended to identify the specific Future Phase Improvements that confer a special benefit to the property inside each construction phases(s) of the Future Improvement Areas (e.g. a Table III-D will be added to show the costs for the specific Authorized Improvements financed within the specific portion of the Future Improvement Areas being developed.)

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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. All Initial Major Improvements (which include Improvement Area #1's pro rata share of the Initial Major Improvements) have been completed and accepted by the Town and MSUD, as applicable, with the exception of (i) the connection of Ryan Spiritas Parkway to U.S. 380, which is pending certain approvals from the Texas Department of Transportation, (ii) acceptance of a lift station, which is pending final acceptance from MSUD and expected in the second quarter of 2024, and (iii) parks and landscaping, which is expected in the second quarter of 2024. It is anticipated that the Additional Major Improvements (which include both Improvement Area #1's and the Future Improvement Areas' pro rata share of the Additional Major Improvements) will be completed and accepted by the Town in late second quarter or early third quarter of 2024. All Initial Improvement Area #1 Improvements have been completed and accepted by the Town and MSUD, as applicable. The Additional Improvement Area #1 Improvements have been completed and accepted by the Town. It is anticipated that the Future Improvement Area Local Improvements will be completed and accepted by the Town in the third quarter of 2024.

The estimated costs for the Initial Improvement Area #1 Projects and the Initial Major Improvement Projects, plus costs related to the issuance of the Series 2021 PID Bonds and payment of expenses incurred in the establishment, administration and operation of the PID is $56,138,692 as shown in Table IV-A. To pay for these costs, (i) an assessment totaling $32,920,000 has been levied against Improvement Area #1, as shown in Appendix H-1 and (ii) an assessment totaling $10,280,000 has been levied against the Major Improvement Area, as shown in Appendix G. The Developer will be responsible for any additional costs of the Initial Improvement Area #1 Projects and the Initial Major Improvement Projects.

The estimated costs for the Additional Improvement Area #1 Projects (which consist of the Improvement Area #1 Improvements and Improvement Area #1's pro rata share of the Additional Major Improvements) is $8,977,633 as shown in Table IV-B. To pay for these costs, an assessment totaling $7,745,000 has been levied against the Future Improvement Areas, as shown in Appendix H-2. The Developer will be responsible for any additional costs of the Additional Improvement Area #1 Projects.

The estimated costs for the Future Improvement Area Projects (which consists of the Future Improvement Area Local Improvements and the Future Improvement Area's pro rate share of the Additional Major Improvements) is $7,156,971 as shown in Table IV-C. To pay for these costs, an assessment totaling $7,000,000 is levied against the Future Improvement Areas, as shown in Appendix I. The Developer will be responsible for any additional costs of the Future Improvement Area Projects.

As Future Improvement Areas are developed in connection with the issuance of Future Phase Bonds, this Service and Assessment Plan will be amended (e.g. Table IV-D will be added for Improvement Area #2, etc.). The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses and the Additional Interest Component, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

The Series 2021 PID Bonds shown in Table IV-A were issued in 2021 and are being used to finance a portion of the costs of the Initial Improvement Area #1 Projects and the Initial Major Improvement Projects.

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Table IV-A
Estimated Sources and Uses
Series 2021 PID Bonds

Sources of Funds	Series 2021 PID Bonds
Par amount	$43,200,000
Other funding sources	$12,938,692
Total Sources	**$56,138,692**
Uses of Funds	
Initial Major Improvement Projects:	
Roadway Improvements	$2,414,007
Water Improvements	$838,777
Sanitary Sewer Improvements	$1,241,008
Storm Drainage Improvements	$731,921
Parks, Landscaping, and Hardscaping	$1,119,651
Other Soft and Miscellaneous Costs	$2,824,731
Subtotal	*$9,170,097*
Initial Improvement Area #1 Projects[2]:	
Roadway Improvements	$12,171,265
Water Improvements	$5,327,430
Sanitary Sewer Improvements	$5,799,496
Storm Drainage Improvements	$6,111,944
Parks, Landscaping, and Hardscaping	$1,052,613
Other Soft and Miscellaneous Costs	$6,609,380
Subtotal	*$37,072,126*
Bond Issuance Costs:	
Cost of Issuance	$2,337,000
Capitalized interest	$4,257,000
Reserve Fund	$2,976,469
Administrative Expense	$110,000
Placement Agent's Fee	$216,000
Subtotal	*$9,896,469*
Total Uses	**$56,138,692**

1 – See Table III-A.1 for details.

2 – See Table III-B for detailed breakdown of the Initial Improvement Area #1 Projects.

The Additional Improvement Area #1 Projects Reimbursement Agreement shown in Table IV-B was executed on July 18, 2023, between the Town and the Developer to finance a portion of the costs of the Additional Improvement Area #1 Projects. The Town is not under any obligation to issue Bonds to replace or refinance the Additional Improvement Area #1 Projects Reimbursement Agreement.

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Table IV-B
Estimated Sources and Uses
Additional Improvement Area #1 Projects Reimbursement Agreement

Sources of Funds	Additional IA #1 Projects Reimbursement Agreement
Assessment amount	$7,745,000
Other funding sources	$1,232,633
Total Sources	**$8,977,633**
Uses of Funds	
Additional Major Improvements [1]	
Roadway Improvements	$659,283
Water Improvements	$210,441
Sanitary Sewer Improvements	$158,704
Storm Drainage Improvements	$185,668
Other Soft and Miscellaneous Costs	$141,729
Right-of-way	$806,808
Subtotal	*$2,162,633*
Additional Improvement Area #1 Improvements[1]:	
Right-of-way	*$6,780,000*
Subtotal	*$6,780,000*
Other Costs:	
Administrative Expenses	$35,000
Subtotal	*$35,000*
Total Uses	**$8,977,633**

1 – See Table III-B for details.

The Series 2024 PID Bonds shown in Table IV-C are being issued in 2024 and are being used to finance a portion of the costs of the Future Improvement Area Projects, which consist of the Additional Major Improvement Projects and the Future Improvement Area Local Improvements.

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Table IV-C
Estimated Sources and Uses
Series 2024 PID Bonds

Sources of Funds	Series 2024 PID Bonds
Par amount	$7,000,000
Other funding sources	$156,971
Total Sources	**$7,156,971**
Uses of Funds	
Additional Major Improvements Projects:[1]	
Roadway Improvements	$701,272
Water Improvements	$223,844
Sanitary Sewer Improvements	$168,811
Storm Drainage Improvements	$197,492
Other Soft and Miscellaneous Costs	$150,756
Right-of-way	$858,192
Subtotal Additional Major Improvement Projects	*$2,300,367*
Future Improvement Area Local Improvements[1]	
Sanitary Sewer Improvements	$1,959,417
Other Soft and Miscellaneous Costs	$822,421
Subtotal Future Improvement Area Local Improvements	*$2,781,838*
Bond Issuance Costs:	
Cost of Issuance	$490,216
Capitalized interest	$735,000
Reserve Fund	$604,550
Administrative Expense	$35,000
Placement Agent's Fee	$210,000
Subtotal Bond Issuance Costs	*$2,074,766*
Total Uses	**$7,156,971**

1 – See Table III-C.2 for details.

B. PROJECTED FIVE YEAR SERVICE PLAN

The annual projected costs and annual projected indebtedness with respect to the Initial Major Improvement Projects and the Initial Improvement Area #1 Projects (including the portion of the Initial Major Improvements allocated to Improvement Area #1), shown by Table IV-D. 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-D
Annual Projected Costs and Annual Projected Indebtedness
Initial Major Improvement Projects and Initial Improvement Area #1 Projects

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Initial Major Improvement Projects Annual Installments[1]	Projected Initial IA #1 Projects Annual Installments[1]
2022 & Prior	$56,138,692	$43,200,000	$12,938,692	$0	$0
2023	$0	$0	$0	$461,634	$1,473,416
2024	$0	$0	$0	$796,258	$2,502,999
2025	$0	$0	$0	$797,292	$2,504,009
2026	$0	$0	$0	$792,754	$2,508,289
2027	$0	$0	$0	$792,937	$2,505,544
2028	$0	$0	$0	$792,547	$2,501,068
Total	**$56,138,692**	**$43,200,000**	**$12,938,692**	**$4,433,421**	**$13,995,325**

1 – Projected Annual Installment amounts are net of available capitalized interest.

The annual projected costs shown in Table IV-D are the annual expenditures relating to the Initial Major Improvement Projects shown in Table III-A.1, the Initial Improvement Area #1 Projects shown in Table III-B and the costs associated with setting up the PID and bond issuance costs for the Series 2021 PID Bonds including reserves shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

The annual projected costs and annual projected indebtedness with respect to the Additional Improvement Area #1 Projects (including the portion of the Additional Major Improvements allocated to Improvement Area #1) is shown by Table IV-E. The annual projected costs and indebtedness is subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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Table IV-E
Annual Projected Costs and Annual Projected Indebtedness
Additional Improvement Area #1 Projects

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Additional IA #1 Projects Annual Installments
2023[1]	$8,977,633	$7,745,000	$1,232,633	$0
2024	$0	$0	$0	$567,019
2025	$0	$0	$0	$569,195
2026	$0	$0	$0	$572,033
2027	$0	$0	$0	$575,474
2028	$0	$0	$0	$578,459
2029	$0	$0	$0	$580,989
Total	**$8,977,633**	**$7,745,000**	**$1,232,633**	**$3,443,168**

1 – Administrative Expenses for year 2023 will be paid by the Developer.

The annual projected costs shown in Table IV-E are the annual expenditures relating to the Additional Improvement Area #1 Projects shown in Table III-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

The annual projected costs and annual projected indebtedness with respect to the Future Improvement Area Projects (including the portion of the Additional Major Improvements allocated to the Future Improvement Area and the Future Improvement Area Local Improvements) is shown by Table IV-F. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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Table IV-F
Annual Projected Costs and Annual Projected Indebtedness
Future Improvement Area Projects

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Future Improvement Area Projects Annual Installments
2024	$7,156,971	$7,000,000	$156,971	$0
2025	$0	$0	$0	$699
2026	$0	$0	$0	$700
2027	$0	$0	$0	$700
2028	$0	$0	$0	$702
2029	$0	$0	$0	$703
2030	$0	$0	$0	$703
Total	**$7,156,971**	**$7,000,000**	**$156,971**	**$4,206**

The annual projected costs shown in Table IV-F are the annual expenditures relating to the Future Improvement Area Projects shown in Table III-C.2. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

As the Future Improvement Areas are developed, in association with issuing Future Phase Bonds for portions of the Future Improvement Areas, a Table IV-G will be updated to identify the Authorized Improvements to be financed by each new series of the Future Phase Bonds and the projected indebtedness resulting from each additional series of the Future Phase Bonds.

C. PID ASSESSMENT NOTICE

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 Assessment Notice" is attached hereto as Appendix D and may be updated in an Annual Service Plan Update.

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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.

The proposed bond issuance program entails a series of bond financings and/or reimbursement agreements that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the initial Series 2021 PID Bonds issued in 2021 to finance the Initial Improvement Area #1 Projects and the Initial Major Improvement Projects, the Additional Improvement Area #1 Projects Reimbursement Agreement obligation incurred in 2023 to finance the Additional Improvement Area #1 Projects, and the Series 2024 PID Bonds are being issued in 2024 to finance the Future Improvement Area Projects, subsequent financings may be issued and/or additional obligations created under a reimbursement agreement over the upcoming decade as the subsequent phases of the development are gradually constructed.

The purpose of this gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The bonds being issued are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

For purposes of this Service and Assessment Plan, the Town Council has determined that the costs of the Initial Major Improvement Projects, Additional Major Improvement Projects, Initial Improvement Area #1 Projects, Additional Improvement Area #1 Projects, and Future Improvement Area Local Improvements shall be allocated as described below:

1. The costs of the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects that only benefit Improvement Area #1 shall be allocated on the basis of Equivalent Units calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of

the costs of such Authorized Improvements of Improvement Area #1 Assessed Property to Parcels similarly benefited.

2. The costs of the Initial Major Improvements are proportionally allocated to the Major Improvement Area Assessed Property and the Improvement Area #1 Assessed Property based on estimated Equivalent Units calculated using the average home price for the Major Improvement Area Assessed Property and the Improvement Area #1 Assessed Property.

3. The costs of the Additional Major Improvements are proportionally allocated to the Future Improvement Area Assessed Property and the Improvement Area #1 Assessed Property based on estimated Equivalent Units calculated using the average home price for the Future Improvement Area Assessed Property and the Improvement Area #1 Assessed Property.

4. The Initial Major Improvement Projects and Additional Major Improvement Projects are allocated to each Parcel of Major Improvement Area Assessed Property based on estimated Equivalent Units calculated using the average home price of each Lot Type.

5. The Future Improvement Area Local Improvements are allocated to each Parcel of Future Improvement Area Assessed Property based on estimated Equivalent Units calculated using the average home price of each Lot Type.

Table V-A provides the estimated allocation of costs of the Authorized Improvements constituting Major Improvements (including the Initial Major Improvements and the Additional Major Improvements) between Improvement Area #1 Assessed Property, Major Improvement Area Assessed Property or Future Improvement Area Assessed Property.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within the Future Phases will receive from the Future Phase Improvements that will benefit each individual Future Phase and that may be financed with Future Phase Bonds. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Initial Major Improvements, Initial Improvement Area #1 Improvements, Additional Improvement Area #1 Projects, and Future Improvement Area Projects, as applicable.

In connection with the issuance of Future Phase Bonds and/or execution of related reimbursement agreements, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Phase receives from the specific Authorized Improvements funded with those Future Phase Bonds issued with respect to that Future Phase. Prior to assessing Parcels located within a Future Phase in connection with issuance of Future Phase Bonds, each owner of the Parcels to be assessed must acknowledge that the Authorized Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Authorized Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Initial Major Improvement Projects, Additional Major Improvement Projects, Initial Improvement Area #1 Projects, Additional Improvement Area #1 Projects, and Future Improvement Area Projects, as applicable, (ii) provides

the basis and justification for the determination that this special benefit exceeds the amount of the Assessments levied or being levied, as applicable, on the Improvement Area #1 Assessed Property, and Major Improvement Area Assessed Property, and Future Improvement Area Assessed Property for such improvements, and (iii) establishes the methodologies by which the Town Council allocates and reallocates the special benefit of the Initial Major Improvement Projects, Additional Major Improvement Projects, Initial Improvement Area #1 Projects, Additional Improvement Area #1 Projects, and Future Improvement Area Projects, as applicable, to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. The determination by the 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.

As Future Phases are developed, in connection with the issuance of Future Phase Bonds and/or the execution of a related reimbursement agreement, this Service and Assessment Plan will be updated based on the Town's determination of the assessment methodology for each Future Phase.

B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) 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 received notice 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 have been or are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate*

Appraisal, Third Edition.) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

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

The 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 Town through the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property either has or 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 any Assessment Ordinance; (ii) the Service and Assessment Plan and any 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, as the owner of the Assessed Property, at the time of the Assessment, has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;

3. The Authorized Improvements are required for the highest and best use of the property;

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

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

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

C. ALLOCATION OF INITIAL MAJOR IMPROVEMENT COSTS TO ASSESSED PROPERTY

The Initial Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Initial Major Improvement costs must be allocated throughout all Assessed Property in the PID. Table V-A summarizes the allocation of Actual Costs for each type of Initial Major Improvement. The costs shown in Table V-A are estimates and may be revised in an Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1 is projected to contain 1,057 residential units. As shown in Appendix E, the total Equivalent Units for Improvement Area #1 is calculated as 824.33. The Major Improvement Area is projected to contain 1,099 residential units resulting in a total of 876.83 Equivalent Units as shown in Appendix E. The Total projected Equivalent Units in the PID is, therefore, calculated to be 1,701.17 (i.e., 824.33 + 876.83 = 1,701.77). As a result, 48.46 percent of the estimated costs of the Initial Major Improvements (i.e., 824.33 ÷ 1,701.77 = 48.46%) are allocated to the Improvement Area #1 Assessed Property and 51.54 percent of the estimated costs of the Initial Major Improvements (i.e., 876.83 ÷ 1,701.77 = 51.54%) are allocated to the Major Improvement Area Assessed Property. The Series 2021 PID Bonds funded the Initial Major Improvements.

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Table V-A
Allocation of Initial Major Improvement Costs

Authorized Improvement	Estimated Costs
Roadway Improvements	$4,683,477
Water Improvements	$1,627,333
Sanitary Sewer Improvements	$2,407,712
Storm Drainage Improvements	$1,420,019
Parks, Landscaping, and Hardscaping	$2,172,264
Other Soft and Miscellaneous Costs	$5,480,333
Total Initial Major Improvements	**$17,791,138**
Improvement Area #1	
Projected total Equivalent units	824.33
% of Total Equivalent Units	48.46%
Proportionate Share of Costs	$8,621,041
Major Improvement Area	
Projected total Equivalent units	876.83
% of Total Equivalent Units	51.54%
Proportionate Share of Costs	$9,170,097

D. Allocation of Additional Major Improvement Costs to Assessed Property

The Additional Major Improvements will provide a special benefit to all property in the PID. Accordingly, the estimated Additional Major Improvement costs must be allocated throughout all Assessed Property in the PID. Table V-A summarizes the allocation of Actual Costs for each type of Additional Major Improvement. The costs shown in Table V-B are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

Improvement Area #1 is projected to contain 1,057 residential units. As shown in Appendix E, the total Equivalent Units for Improvement Area #1 is calculated as 824.33. The Major Improvement Area is projected to contain 1,099 residential units resulting in a total of 876.83 Equivalent Units as shown in Appendix E. The Total projected Equivalent Units in the PID is, therefore, calculated to be 1,701.17 (i.e., 824.33 + 876.83 = 1,701.77). As a result, 48.46 percent of the estimated costs of the Additional Major Improvements (i.e., 824.33 ÷ 1,701.77 = 48.46%) are allocated to the Improvement Area #1 Assessed Property and 51.54 percent of the estimated costs of the Additional Major Improvements (i.e., 876.83 ÷ 1,701.77 = 51.54%) are allocated to the Major Improvement Area Assessed Property. The Additional Major Improvements are anticipated to be funded, in part under the Additional Improvement Area #1 Projects Reimbursement Agreement (for that portion allocable to Improvement Area #1) and in part by the Series 2024 Bonds, as well as from contributions from the Developer without reimbursement.

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Table V-B
Allocation of Additional Major Improvement Costs

Authorized Improvement	Estimated Costs
Roadway Improvements	$1,360,555
Water Improvements	$434,285
Sanitary Sewer Improvements	$327,515
Storm Drainage Improvements	$383,160
Other Soft and Miscellaneous Costs	$292,485
Right-of-way	$1,665,000
Total Additional Major Improvements	**$4,463,000**
Improvement Area #1	
Projected total Equivalent units	824.33
% of Total Equivalent Units	48.46%
Proportionate Share of Costs	$2,162,633
Future Improvement Areas	
Projected total Equivalent units	876.83
% of Total Equivalent Units	51.54%
Proportionate Share of Costs	$2,300,367

E. 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 Major Improvement Area

For purpose of this Service and Assessment Plan, the Town Council determined that the Initial Major Improvement Projects shall be allocated to the Major Improvement Area Assessed Property by spreading the entire Assessment for such improvements across the Parcels based on the estimated number of Equivalent Units anticipated to be developed on each Parcel within the Major Improvement Area.

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 number of Equivalent Units at the time residential Lots are platted to the total estimated number of Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council.

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

2. Assessment Methodology for Improvement Area #1

For purpose of this Service and Assessment Plan, the Town Council has determined that the Actual Costs of the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects shall be allocated to the Improvement Area #1 Assessed Property by spreading the entire Assessments identified in Appendix H-1 (with respect to the Initial Improvement Area #1 Projects) and Appendix H-2 (with respect to the Additional Improvement Area #1 Projects) across the Parcels within Improvement Area #1 based on the estimated number of Equivalent Units anticipated to be developed on each Parcel within Improvement Area #1.

Based on the estimates of the costs of the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects, as set forth in Table III-B, the Town Council has determined that the respective benefit of the Initial Improvement Area #1 Projects and Additional Improvement Area#1 Projects to Improvement Area #1 Assessed Property is at least equal to the Assessments levied on the Improvement Area #1 Assessed Property as identified in Appendix H-1 (with respect to the Initial Improvement Area #1 Projects) and Appendix H-2 (with respect to the Additional Improvement Area #1 Projects).

Upon subsequent divisions of any Parcel, each 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, each Assessment will be apportioned proportionately among each Parcel based on the ratio of the estimated number of Equivalent Units at the time residential Lots are platted to the total estimated number of Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 levied in connection with the Initial Improvement Area #1 Projects is shown on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, attached as Appendix H-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 levied in connection with the Additional Improvement Area #1 Projects is shown on the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, attached as Appendix H-2, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

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3. Assessment Methodology for the Future Improvement Area

For purpose of this Service and Assessment Plan, the Town Council determined that the Future Improvement Area Projects shall be allocated to the Future Improvement Area Assessed Property by spreading the entire Assessment for such improvements across the Parcels based on the estimated number of Equivalent Units anticipated to be developed on each Parcel within the Future Improvement Area.

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 number of Equivalent Units at the time residential Lots are platted to the total estimated number of Equivalent Units of all Lots in the platted Parcel, as determined by the Administrator and confirmed by the Town Council.

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

When any given Future Improvement Area is developed, and Future Phase Bonds for that portion of the Future Improvement Area is to be issued, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that portion of the Future Improvement Area.

F. ASSESSMENTS

The Assessments for the pro rata share of Initial Major Improvement Projects and the Initial Improvement Area #1 Projects to be paid with the proceeds from Series 2021 PID Bonds were levied on each Parcel or Lot according to the Major Improvement Area Assessment Roll – Initial Major Improvements and the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, as applicable. The Assessments for the Additional Improvement Area #1 Projects to be paid by the Developer and reimbursed with the Additional Improvement Area #1 Projects Reimbursement Agreement were levied on each Parcel or Lot within Improvement Area #1 according to the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects. The Assessments for the Future Improvement Area Projects are to be paid with the proceeds from Series 2024 PID Bonds and are levied on each Parcel or Lot within the Future Improvement Area according to the Future Improvement Area Assessment Roll – Future Improvement Area Projects. The Annual Installments from the Major Improvement Area Assessed Property will be collected on the dates and in the amounts shown on the Major Improvement Area Assessment Roll – Initial Major Improvements, the Annual Installments from the Improvement Area #1 Assessed Property will be collected on the dates and in the amounts shown on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects and the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, and the Annual Installments from the Future Improvement Area Assessed Property will be collected on

the dates and in the amounts shown on the Future Improvement Area Assessment Roll – Future Improvement Area Projects, as applicable, subject to revisions made during an Annual Service Plan Update. Non-Benefited Property will not be subject to any Assessments.

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

G. Administrative Expenses

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

H. 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 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 secured by such Assessments, 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. The Additional Interest Reserve shall be funded until it reaches 5.50% of the outstanding series of Bonds unless otherwise stipulated in the Bond documents. Once the Additional Interest Reserve is funded in full, the Additional Interest to be paid may be adjusted in a subsequent Annual Service Plan Update or the Town may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture. No Additional Interest will be collected on any portion of an Assessment which secures a reimbursement obligation, including the obligation created under the Additional Improvement Area #1 Reimbursement Agreement, and not a series of Bonds.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE MAJOR IMPROVEMENT AREA

The Assessment and Annual Installments for each Assessed Property located within the Major Improvement Area are shown on the Major Improvement Area Assessment Roll – Initial Major Improvements, 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 Major Improvement Area Assessed Property in an amount sufficient to pay (i) principal and interest on the Major Improvement Area Assessed Property's share of the Series 2021 PID Bonds, (ii) to fund the Additional Interest Reserve described in Section V, and (iii) to pay its allocated portion of Administrative Expenses related to the PID.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1

The Assessment and Annual Installments for each Assessed Property located within Improvement Area #1 is shown on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects and the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, attached as Appendix H-1 and Appendix H-2, respectively, 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 Improvement Area #1 Assessed Property in an amount sufficient to pay (i) principal and interest on the Improvement Area #1 Assessed Property's share of the Series 2021 PID Bonds (ii) principal and interest on the Additional Improvement Area #1 Projects Reimbursement Agreement for the Additional Improvement Area #1 Projects, (iii) to fund the Additional Interest Reserve described in Section V (with respect to the portion of the assessment securing the Series 2021 PID Bonds), and (iv) to pay its allocated portion of Administrative Expenses related to the PID.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE IMPROVEMENT AREAS

The Assessment and Annual Installments for each Assessed Property located within the Future Improvement Area are shown on the Future Improvement Area Assessment Roll – Future Improvement Area Projects attached as Appendix I, 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 Future Improvement Area Assessed Property in an amount sufficient to pay (i) principal and interest on the Future Improvement Area Assessed Property's share of the Series 2024 PID Bonds, (ii) to fund the Additional Interest Reserve

described in Section V, and (iii) to pay its allocated portion of Administrative Expenses related to the PID.

As any given Future Phase is developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Assessed Property located within the Future Phase (e.g., an Appendix will be added as the Assessment Roll for Improvement Area #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

D. REALLOCATION OF ASSESSMENTS

1. Subdivision

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

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

Where the terms have the following meanings:

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

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

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

E. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the 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 Assessment per Lot calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the Town prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per Lot for the Parcel exceeds the Assessment per Lot calculated in this Service and Assessment Plan.

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

F. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds and/or obligation under a related reimbursement agreement 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 and/or obligation under related reimbursement agreement, resulting in excess Bond proceeds being available to redeem Bonds of such series and/or a need to reduce the obligation under a reimbursement agreement, as the case may be, then the Assessment securing such series of Bonds and/or obligation under the related reimbursement agreement 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 and such excess Bond proceeds or Assessment Revenues shall applied to redeem Bonds of such series as provided in the Trust Indenture or to reduce the obligation under a related reimbursement agreement. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds and/or amounts due under related reimbursement agreement. If all of the Authorized Improvements are not completed, the Town may reduce the Assessments in another method if it determined 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/or a need to reduce the obligations under a related reimbursement agreement, 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 and/or repay obligations under a related reimbursement agreement, including interest on the Bonds and Administrative Expenses, and such excess Bond proceeds shall be applied to

redeem Bonds. 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, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds and/or repay obligations under a related reimbursement agreement, including interest thereon 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 and/or obligations under related reimbursement agreement is equal to the outstanding principal amount of the Bonds and/or the amounts outstanding under a related reimbursement agreement.

G. PAYMENT OF ASSESSMENTS

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Payment shall include all Prepayment Costs.

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

(c) Upon payment in full of the Assessment and all Prepayment Costs, the Town shall deposit the payment in accordance with the Trust Indenture and/or account of the applicable reimbursement agreement; whereupon the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. For purposes of Prepayments of the Assessments levied against the Improvement Area #1 Assessed Property, the obligation created under the Additional Improvement Area #1 Projects Reimbursement Agreement is and will remain subordinated to the portion of the Series 2021 Bonds allocable to Improvement Area #1 and the portion allocable to the Major Improvement Area. Prepayments of the Assessments levied against the Major Improvement Area Assessed Property and Future Improvement Area Assessed Property, shall be allocated, on an equal priority basis, in accordance with the corresponding Assessment Roll.

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

2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the 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 Rolls, as updated as provided for herein, which include (i) interest, (ii) Administrative Expenses, and (iii) with respect to Assessments which secure a series of Bonds, payments required for the Additional Interest to fund the Additional Interest Reserve.

Series 2021 PID Bonds

Each Assessment levied against the Improvement Area #1 Assessed Property for the Initial Improvement Area #1 Projects and Major Improvement Area Assessed Property for the Major Improvement Area Projects shall be paid with interest of no more than the actual interest rate paid on the Series 2021 PID Bonds. The Major Improvement Area Assessment Roll – Initial Major Improvements sets forth for each year the Annual Installment for each Parcel within the Major Improvement Area based on an interest rate of 5.375% and Additional Interest for the Additional Interest Reserve. The Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects sets forth for each year the Annual Installment for each Parcel within Improvement Area #1 (and related to the Initial Improvement Area #1 Projects) based on an interest rate of 5.375% 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 applicable Assessment Rolls. The Major Improvement Area Assessment Roll – Initial Major Improvements and Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, have been updated with the actual interest rates on the Series 2021 PID Bonds, are shown as Appendix G and Appendix H-1.

The Town reserves and shall have the right and option to refund the Bonds and/or the obligations due under a related reimbursement agreement 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.

Additional Improvement Area #1 Projects Reimbursement Agreement

Each Assessment for the Improvement Area #1 Assessed Property for the Additional Improvement Area #1 Projects shall be paid with interest of no more than the actual interest rate paid on the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest on the Additional Improvement Area #1 Projects Reimbursement Agreement shall be paid based on an interest rate of 5.875% per annum for years 1 through 5 and 5.875% per annum following the fifth Annual Installment. The interest on the Additional Improvement Area #1 Projects Reimbursement Agreement shall be paid at a rate not to exceed five hundred basis points (5.00%) above the highest average index rate for tax-exempt bond reported in a daily or weekly bond index approved by the Town and reported in the month prior to the establishment of the Assessments securing such portion of the Additional Improvement Area #1 Projects Reimbursement Agreement and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points (2.00%) above the bond index rate described above and shall

continue until the Assessments are paid in full. The index approved by the Town is the *Bond Buyer Index* for which the highest average rate during the previous thirty days prior to the levy of Assessments on the Improvement Area #1 Assessed Property securing the Additional Improvement Area #1 Projects Reimbursement Agreement was 3.930%. The Town has determined that the Additional Improvement Area #1 Projects Reimbursement Agreement shall bear interest at the interest rate of 5.875% per annum for years 1 through 5 and 5.875% per annum following the fifth Annual Installment, which rates are equal to or less than the initial maximum allowable rate of interest of 8.93% for years 1 through 5 and equal to the maximum allowable rate of interest following the fifth Annual Installment, which would be 5.93%. Furthermore, the Annual Installments of the Assessments levied against Improvement Area #1 Assessed Property for the Additional Improvement Area #1 Projects may not exceed the amounts shown on the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects. The Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects, is shown as Appendix H-2.

With regard to the collection of Annual Installments from the Improvement Area #1 Assessed Property, the obligation created under the Additional Improvement Area #1 Projects Reimbursement Agreement will remain subordinated to the obligation under the Series 2021 PID Bonds allocable to Improvement Area #1.

Any amounts collected as Annual Installments from the Improvement Area #1 Assessed Property shall be allocated first to amounts due for the portion of the Series 2021 PID Bonds allocated to Improvement Area #1, including any amounts due for related reserve accounts, and second to the amounts due to pay the obligation created in connection with the Additional Improvement Area #1 Projects Reimbursement Agreement.

Series 2024 PID Bonds

Each Assessment levied against the Future Improvement Area Assessed Property for the Future Improvement Area Projects shall be paid with interest of no more than the actual interest rate paid on the Series 2024 PID Bonds. The Future Improvement Area Assessment Roll – Future Improvement Area Projects sets forth for each year the Annual Installment for each Parcel within the Major Improvement Area based on an interest rate of 7.00% and Additional Interest for the Additional Interest Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the applicable Assessment Roll, shown in Appendix I.

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

H. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the 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 updated Assessment Rolls 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. 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 PID Act.

The Annual Installments shall be reduced to equal the actual costs of repaying the Bonds and/or the obligations due under a related reimbursement agreement, Additional Interest (if applicable), 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.

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

Series 2021 PID Bonds

Each Annual Installment of an Assessment related to the Series 2021 PID Bonds, including the interest on the unpaid amount of such an Assessment, shall be calculated as of September 1 and updated annually. Each such Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the Series 2021 PID Bonds were collected following the issuance of the Series 2021 PID Bonds, and were due January 31, 2022.

Additional Improvement Area #1 Projects Reimbursement Agreement

The collection of the first Annual Installment of an Assessment related to the Additional Improvement Area #1 Projects Reimbursement Agreement secured by Improvement Area #1 Assessed Property for the Additional Improvement Area #1 Projects commenced upon September 1, 2023. Such first Annual Installment for a Lot or Parcel of Improvement Area #1 Assessed Property for which collection has begun, shall be due by January 31, 2024.

Series 2024 PID Bonds

Each Annual Installment of an Assessment related to the Series 2024 PID Bonds, including the interest on the unpaid amount of such an Assessment, shall be calculated as of September 1 and

updated annually. Each such Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the Series 2024 PID Bonds will commence with the issuance of the Series 2024 PID Bonds and will be due January 31, 2025.

I. SURPLUS FUNDS REMAINING IN THE SERIES 2021 PID PROJECT FUND

If proceeds from the Series 2021 PID Bonds still remain after all of the Major Improvement Area Projects and the Initial Improvement Area #1 Projects are constructed and accepted by the Town, the proceeds may be utilized in accordance with the Indenture for the Series 2021 PID Bonds.

J. SURPLUS FUNDS REMAINING IN THE SERIES 2024 PID PROJECT FUND

If proceeds from the Series 2024 PID Bonds still remain after all of the Future Improvement Area Projects are constructed and accepted by the Town, the proceeds may be utilized in accordance with the Indenture for the Series 2024 PID Bonds.

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VII. THE ASSESSMENT ROLL

A. MAJOR IMPROVEMENT AREA ASSESSMENT ROLL – INITIAL MAJOR IMPROVEMENTS

The Town Council has evaluated each Parcel within the Major Improvement Area (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 public improvements, and other development factors deemed relevant by the Town Council) to determine the amount of Assessed Property within the Major Improvement Area.

The Major Improvement Area Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Initial Major Improvement Projects. Table VII-A summarizes the $11,762,179 in special benefit received by the Major Improvement Area Assessed Property from the Initial Major Improvement Projects, a portion of the costs of the PID formation, operation, and/or administration, and the pro rata share of the Series 2021 PID Bonds issuance costs. The portion of the Series 2021 PID Bonds allocable to Major Improvement Area Assessed Property is $10,280,000, which is less equal to the benefit received by the Major Improvement Area Assessed Property for the Initial Major Improvements. Accordingly, the total Assessment to be applied to all the Major Improvement Area Assessed Property is $10,280,000 plus the Additional Interest Component, and annual Administrative Expenses. The Assessment for each Major Improvement Area Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Major Improvement Area Assessment Roll – Initial Major Improvements is attached hereto as Appendix G.

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Table VII-A
Initial Major Improvement Projects
Special Benefit Summary

Special Benefit	Total Cost
Initial Major Improvement Projects	$9,170,097
Total Authorized Improvements[1]	*$9,170,097*
Pro rata share of PID Formation/Bond Costs of Issuance	
Cost of Issuance	$784,385
Capitalized interest	$1,013,008
Reserve Fund	$708,289
Administrative Expense	$35,000
Placement Agent's Fee	$51,400
PID Formation/Bond Cost of Issuance	*$2,592,082*
Total Special Benefit	**$11,762,179**
Special Benefit	
Total Special Benefit	$11,762,179
Projected Assessment	$10,280,000
Excess Benefit	**$1,482,179**

1 – See Table III-A for details.

B. IMPROVEMENT AREA #1 ASSESSMENT ROLL – INITIAL IMPROVEMENT AREA #1 PROJECTS AND IMPROVEMENT AREA #1 ASSESSMENT ROLL – ADDITIONAL IMPROVEMENT AREA #1 PROJECTS

The Town Council has evaluated each Parcel in Improvement Area #1 (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 public improvements, and other development factors deemed relevant by the Town Council) to determine the amount of Assessed Property within the Improvement Area #1.

The Improvement Area #1 Assessed Property is assessed separately for the special benefits conferred upon the property resulting from (i) the Initial Improvement Area #1 Projects, and (ii) the Additional Improvement Area #1 Projects. Table VII-B summarizes the $53,354,146 in special benefit received by the Improvement Area #1 Assessed Property from the Initial Improvement Area #1 Projects, a portion of the costs of the PID formation, and the pro rata share of the Series 2021 PID Bonds issuance costs and the Additional Improvement Area #1 Projects. The portion of the Series 2021 PID Bonds allocable to Improvement Area #1 Assessed Property for the Initial Improvement Area #1 Projects is $32,920,000. The Assessment levied under the Additional Improvement Area #1 Projects Reimbursement Agreement for the Additional Improvement Area #1 Projects is $7,745,000. The total of these two Assessments levied against the Improvement Area #1 Assessed Property is $40,665,000, which is less than the benefit received by the Improvement Area #1 Assessed Property from the Initial Improvement Area #1 Projects and the

Additional Improvement Area #1 Projects. Accordingly, the total Assessment (including (i) the portion related to the Initial Improvement Area #1 Projects and (ii) the portion related to the Additional Improvement Area #1 Projects) to be applied to all the Improvement Area #1 Assessed Property is $40,665,000 plus the Additional Interest Component (with respect to the portion securing the Series 2021 PID Bonds only), and annual Administrative Expenses. The Assessment for each Improvement Area #1 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects is attached hereto as Appendix H-1 and the Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects is attached hereto as Appendix H-2.

Table VII-B
Improvement Area #1
Special Benefit Summary

Special Benefit	Series 2021 PID Bonds Cost	Additional IA #1 Reimbursement Agreement Cost	Total Cost
Initial Improvement Area #1 Projects	$37,072,126	$0	$37,072,126
Additional Improvement Area #1 Projects	$0	$8,942,633	$8,942,633
Total Authorized Improvements[1]	*$37,072,126*	*$8,942,633*	*$46,014,760*
Pro rata share of PID Formation/Bond Costs of Issuance			
Cost of Issuance	$1,552,615	$0	$1,552,616
Capitalized interest	$3,243,992	$0	$3,243,992
Reserve Fund	$2,268,179	$0	$2,268,179
Administrative Expense	$75,000	$35,000	$110,000
Placement Agent's Fee	$164,600	$0	$164,600
PID Formation/Bond Cost of Issuance	*$7,304,387*	*$35,000*	*$7,339,387*
Total Special Benefit	**$44,376,513**	**$8,977,634**	**$53,354,146**
Special Benefit			
Total Special Benefit	$44,376,513	$8,977,634	$53,354,146
Projected Assessment	$32,920,000	$7,745,000	$40,665,000
Excess Benefit	**$11,456,513**	**$1,232,634**	**$12,689,146**

1 – See Table III-B for details.

C. Future Improvement Area Assessment Roll – Future Improvement Area Projects

The Town Council has evaluated each Parcel within the Future Improvement Area (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 public improvements, and other development factors deemed relevant by the Town Council) to determine the amount of Assessed Property within the Future Improvement Area.

The Future Improvement Area Assessed Property is assessed for the special benefits conferred upon the property resulting from the Future Improvement Area Projects. Table VII-C summarizes the $7,156,971 in special benefit received by the Future Improvement Area Assessed Property from the Future Improvement Area Projects, a portion of the costs of the PID formation, operation, and/or administration, and the Series 2024 PID Bonds issuance costs. The Series 2024 PID Bonds allocable to Future Improvement Area Assessed Property is $7,000,000, which is less than the benefit received by the Future Improvement Area Assessed Property for the Future Improvement Area Projects. Accordingly, the total Assessment to be applied to all the Major Improvement Area Assessed Property is $7,000,000 plus the Additional Interest Component, and annual Administrative Expenses. The Assessment for each Future Improvement Area Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Future Improvement Area Assessment Roll – Future Improvement Area Projects is attached hereto as Appendix I.

Table VII-C
Future Improvement Area Projects
Special Benefit Summary

Special Benefit	Total Cost
Future Improvement Area Projects	$5,082,205
Total Authorized Improvements[1]	*$5,082,205*
Bond Issuance Costs	
Cost of Issuance	$490,216
Capitalized interest	$735,000
Reserve Fund	$604,550
Administrative Expense	$35,000
Underwriters Discount	$210,000
Bond Issuance Costs	*$2,074,766*
Total Special Benefit	**$7,156,971**
Special Benefit	
Total Special Benefit	$7,156,971
Projected Assessment	$7,000,000
Excess Benefit	**$156,971**

1 – See Table III-C.2 for details.

D. Future Improvement Area Assessment Roll

As any given Future Phase is developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Phase (e.g. an appendix will be added as the Assessment Roll for each Future Phase).

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E. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the Town Council for approval, annual updates to the Major Improvement Area Assessment Roll – Initial Major Improvements, Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects and the Future Improvement Area Assessment Roll – Future Improvement Area Projects, and 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 or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); The Additional Interest Component to be collected from the Assessed Property for the year (if the Assessment is payable in installments) and (v) payments of the Assessment, if any, as provided by Section VI.G of this Service and Assessment Plan.

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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; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The 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.

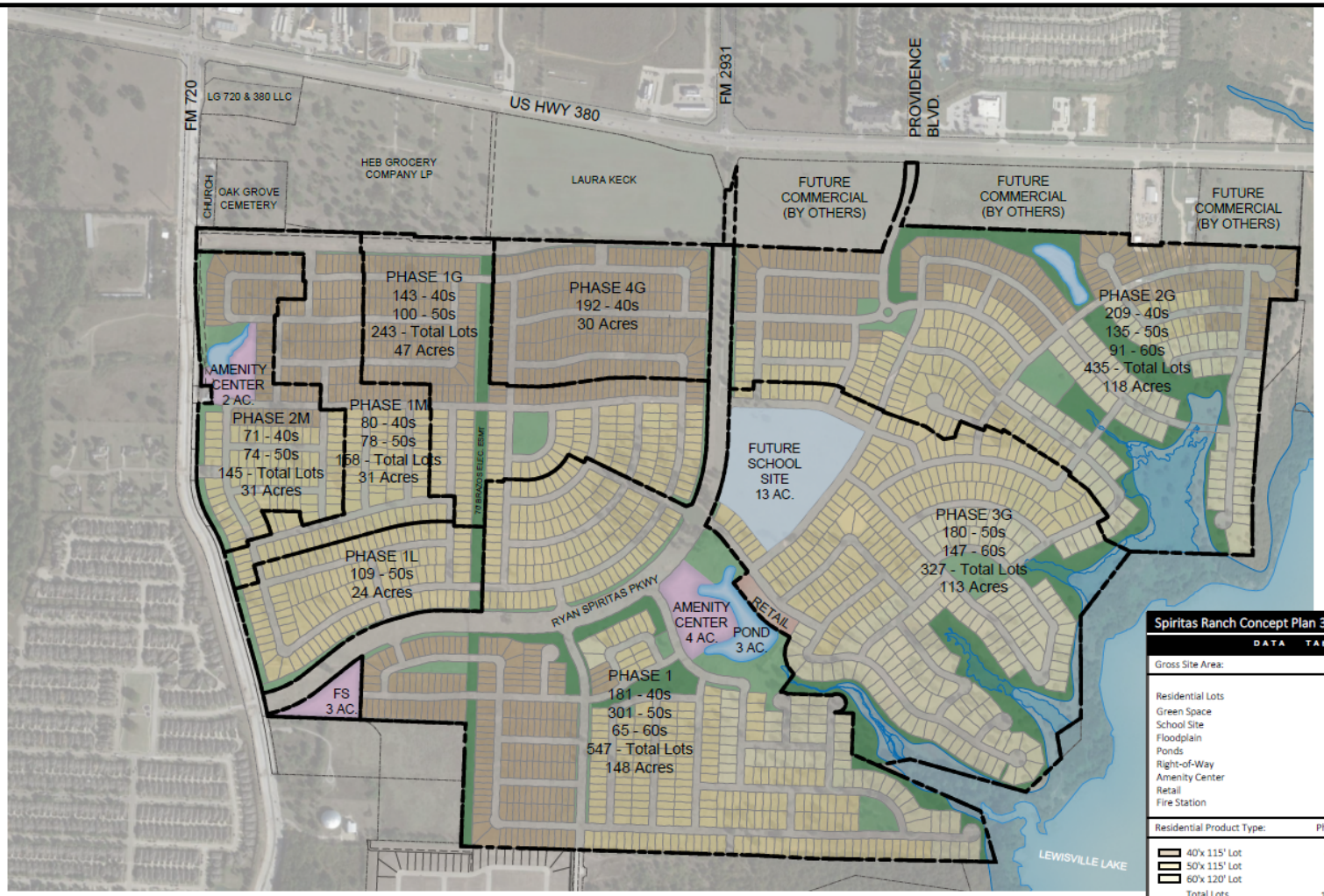
E. SEVERABILITY

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



Spiritas Ranch Concept Plan 30

DATA TABLE

Gross Site Area:		545+/-
	Acres	Gross %
Residential Lots	431	80%
Green Space	51	9%
School Site	13	2%
Floodplain	16	3%
Ponds	5	1%
Right-of-Way	17	3%
Amenity Center	7	1%
Retail	2	0.5%
Fire Station	3	0.5%

Residential Product Type:	Phase 1	Future	Total
40'x 115' Lot	404	472	876
50'x 115' Lot	588	389	977
60'x 120' Lot	65	238	303
Total Lots	1,057	1,099	2,156
Total Acres	251	294	545

BARRAZA CONSULTING GROUP, LLC

SPIRITAS RANCH DEVELOPMENT
TOWN OF LITTLE ELM , DENTON COUNTY, TEXAS

APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

COMMUNITY NAME: Spiritas Ranch
PHASES: Full Development
CITY OR TOWN: Town of Little Elm, Denton County

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING • SURVEYING

GROSS ACREAGE:	548.0
NET ACREAGE:	439.0
TOTAL LOTS:	**2,156**
TOTAL DENSITY:	4.91
LANDPLAN:	25
CREATED BY:	MC
REVIEWED BY:	AB
CREATED:	04/06/20
REVISED:	**04/16/24**

Direct Phase Costs		**TOTALS**	**PHASE 1**	**PHASE 1L**	**PHASE 1M**	**PHASE 1G (1H)**	**FUTURE PHASES**
	Lot Count	**2156**	**547**	**109**	**158**	**243**	**1099**
1	Engineering	$ 5,641,612	$ 1,388,588	$ 276,147	$ 383,593	$ 550,636	$ 3,042,647
2	Grading Site Preparation	$ 1,932,580	$ 593,844	$ 94,162	$ 136,491	$ 209,920	$ 898,164
3	Water	$ 9,549,154	$ 2,225,060	$ 505,183	$ 810,067	$ 998,564	$ 5,010,280
4	Sanitary Sewer	$ 13,437,382	$ 2,403,088	$ 540,343	$ 734,392	$ 954,969	$ 8,804,590
5	Storm Drain	$ 12,023,381	$ 3,083,651	$ 581,396	$ 915,048	$ 843,751	$ 6,599,535
6	Street Improvements	$ 19,677,740	$ 5,244,122	$ 967,866	$ 967,866	$ 1,687,524	$ 10,810,362
9	Contingency 5%	$ 3,113,092	$ 746,918	$ 148,255	$ 197,373	$ 262,268	$ 1,758,279
13	ROW Acreage[6]	$ 14,880,000	$ 3,705,000	$ 705,000	$ 1,080,000	$ 1,290,000	$ 8,100,000
	Total	$ 80,254,941	$ 19,390,271	$ 3,818,352	$ 5,224,830	$ 6,797,632	$ 45,023,856
	Cost per Lot	$ 37,224	$ 35,448	$ 35,031	$ 33,069	$ 27,974	$ 40,968

Major Improvements Costs		**TOTALS**	**PHASE 1**	**PHASE 1L**	**PHASE 1M**	**PHASE 1G (1H)**	**FUTURE PHASES**
	Lot Count	**2156**	**547**	**109**	**158**	**243**	**1099**
1	Engineering	$ 3,238,607	$ 1,759,771	$ -	$ 204,383	$ 72,793	$ 1,201,660
3	Water	$ 2,703,776	$ 1,476,315	$ -	$ 65,856	$ 85,162	$ 1,076,442
4	Sanitary Sewer	$ 2,825,912	$ 2,077,796	$ -	$ 256,534	$ 73,382	$ 418,200
5	Storm Drain	$ 2,658,742	$ 1,239,260	$ -	$ 168,555	$ 12,204	$ 1,238,722
6	Street Improvements	$ 5,234,675	$ 3,385,956	$ -	$ 370,729	$ 257,448	$ 1,220,541
7a	Screening/Landscape Walls	$ 3,095,500	$ 1,843,500	$ -	$ -	$ -	$ 1,252,000
8	Dry Utilities - Spiritas Median	$ 1,551,189	$ 1,396,189	$ -	$ -	$ -	$ 155,000
9	Contingency 5%	$ 1,268,459	$ 751,816	$ -	$ 70,332	$ 25,049	$ 421,262
10	District Formation Costs	$ 1,200,000	$ 1,200,000	$ -	$ -	$ -	$ -
11	Turn Lane Improvements	$ 1,704,344	$ 328,764	$ -	$ 340,580	$ -	$ 1,035,000
12	Common Area Amenities & Trails	$ 1,156,444	$ 328,764	$ -	$ -	$ -	$ 827,680
13	ROW Acreage[4,6,7]	$ 1,665,000	$ 615,000	$ -	$ 375,000	$ 300,000	$ 375,000
14	Perimeter Road[6,7]						
a	Engineering	$ 292,485	$ 292,485	$ -	$ -	$ -	$ -
b	Water	$ 434,285	$ 434,285	$ -	$ -	$ -	$ -
c	Sanitary Sewer	$ 327,515	$ 327,515	$ -	$ -	$ -	$ -
d	Storm Drain	$ 383,160	$ 383,160	$ -	$ -	$ -	$ -
e	Street Improvements	$ 805,555	$ 805,555	$ -	$ -	$ -	$ -
f	ROW Acreage	$ 555,000	$ 555,000	$ -	$ -	$ -	$ -
	Total	$ 31,100,648	$ 19,201,131	$ -	$ 1,851,970	$ 826,039	$ 9,221,507
	Cost per Lot	$ 14,425	$ 35,103	$ -	$ 11,721	$ 3,399	$ 8,391

Private Costs		**TOTALS**	**PHASE 1**	**PHASE 1L**	**PHASE 1M**	**PHASE 1G (1H)**	**FUTURE PHASES**
	Lot Count	**2156**	**547**	**109**	**158**	**243**	**1099**
1	Engineering	$ 1,605,279	$ 336,767	$ 67,107	$ 97,275	$ 149,606	$ 954,524
2	Grading Site Preparation	$ 10,877,373	$ 1,680,687	$ 334,908	$ 485,464	$ 746,631	$ 7,629,683
7b	Ret Walls	$ 3,932,206	$ 678,656	$ 135,235	$ 196,029	$ 301,487	$ 2,620,800
8	Dry Utilities	$ 1,306,049	$ 51,043	$ 51,043	$ 38,855	$ 60,108	$ 1,105,000
9	Contingency 5%	$ 1,036,045	$ 237,358	$ 29,415	$ 40,881	$ 62,892	$ 665,500
12	Amenity Center	$ 3,000,000	$ 2,000,000	$ -	$ -	$ -	$ 1,000,000
	Total	$ 21,756,953	$ 4,984,511	$ 617,708	$ 858,503	$ 1,320,723	$ 13,975,508
	Cost per Lot	$ 10,091	$ 9,112	$ 5,667	$ 5,434	$ 5,435	$ 12,717
TOTALS		***$ 133,112,541***	***$ 43,575,913***	***$ 4,436,060***	***$ 7,935,303***	***$ 8,944,394***	***$ 68,220,872***
per lot		***$ 61,741***	***$ 79,663***	***$ 40,698***	***$ 50,223***	***$ 36,808***	***$ 62,075***
	40' Lots	876	181	0	80	143	472
	50' Lots	977	301	109	78	100	389
	60' Lots	303	65	0	0	0	238
	Total Lots	***2156***	***547***	***109***	***158***	***243***	***1099***

Remainder Improvements[5,6]		**TOTALS**	**PHASE 1**	**PHASE 1L**	**PHASE 1M**	**PHASE 1G (1H)**	**FUTURE PHASES**
		2156	**547**	**109**	**158**	**243**	**1099**
1	Engineering	$ 309,000	$ -	$ -	$ -	$ -	$ 309,000
4	Sanitary Sewer	$ 1,959,417	$ -	$ -	$ -	$ -	$ 1,959,417
9	Contingency 5%	$ 113,421	$ -	$ -	$ -	$ -	$ 113,421
10	Developer Assessment/Bond Issuance Consulting Fee	$ 400,000	$ -	$ -	$ -	$ -	$ 400,000
TOTALS		***$ 2,781,838***	***$ -***	***$ -***	***$ -***	***$ -***	***$ 2,781,838***
per lot		***$ 1,290***	***$ -***	***$ -***	***$ -***	***$ -***	***$ 2,531***

THIS OPINION OF PROBABLE COST WAS PREPARED BASED ON BEST AVAILABLE INFORMATION AND SHOULD BE USED FOR PROJECT EVALUATION ONLY.

NOTES

[1] Development cost does not include: City/District/County Fees, Bonds, & Permits

[2] Development cost does not include: Rock Excavation, Landscaping, Irrigation, Monumentation, or Common Area Amenities

[3] Professional Fees do not include: Geotechnical, Environmental, or SWPPP Administration.

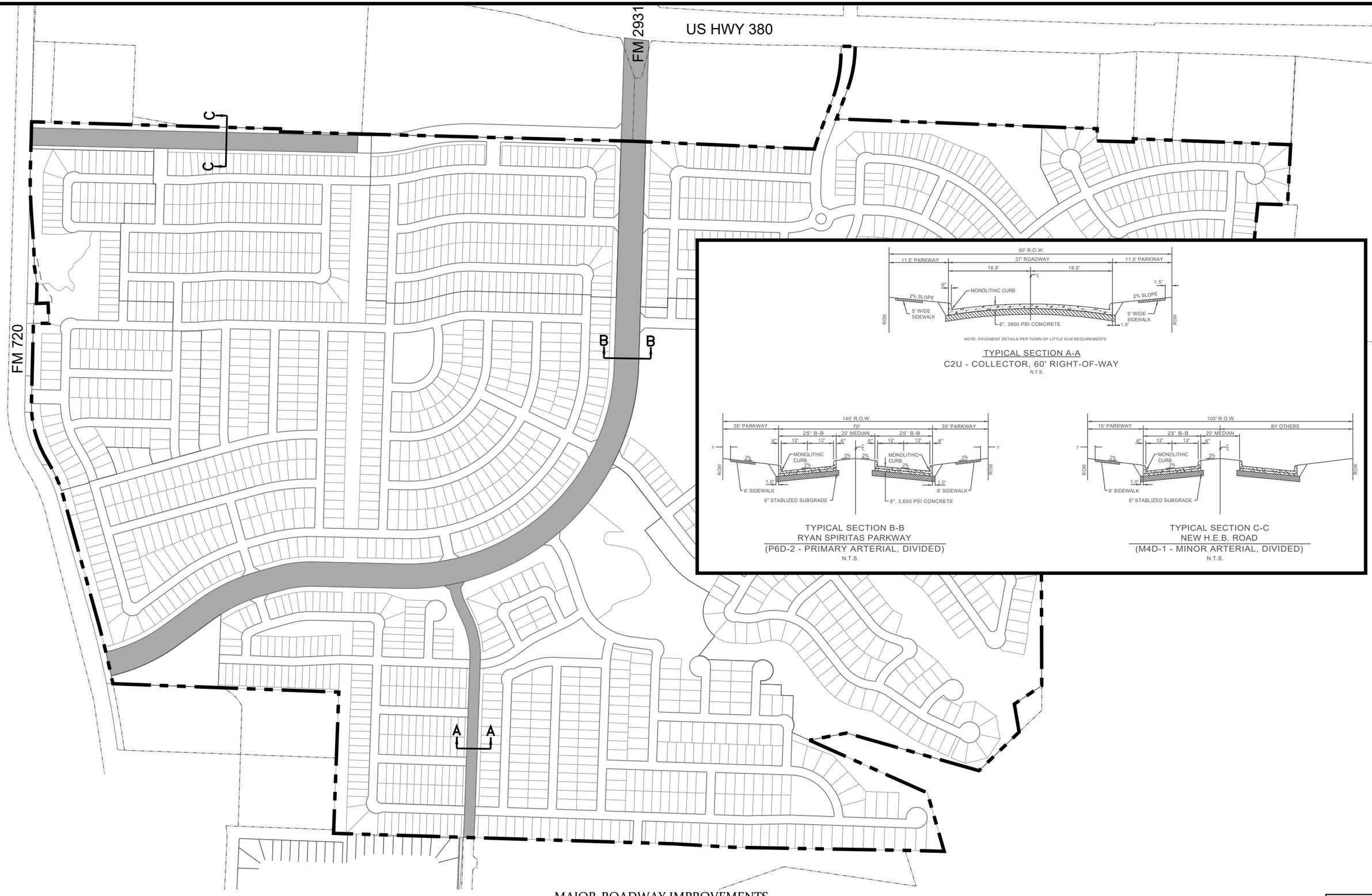
[4] Streets include Ryan Spiritas Pkwy, Hidden Oaks Trail, Spiritas Ranch Road

[5] Remainder Improvements include Lift Station #2 and associated Force Main. Lift Station #2 total capacity is 1499 LUEs: 895 LUEs reserved for Spiritas Ranch, 146 for Spiritas East, 33 for Spiritas Ranch commercial acreage, 425 for neighbor commercial acreage. Cost shown is required for 895 LUE Spiritas Ranch, less $230,000 in Spiritas East PID. Additional pumps will be required for future expansion.

[6] Represents Additional Phase #1 costs incorporated in OPC updated as of June 12, 2023.

[7] Represents Additional Major Improvements costs incorporated in OPC updated as of June 12, 2023.

APPENDIX C
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



NOTE: PAVEMENT DETAILS PER TOWN OF LITTLE ELM REQUIREMENTS

TYPICAL SECTION A-A
C2U - COLLECTOR, 60' RIGHT-OF-WAY
N.T.S.

TYPICAL SECTION B-B
RYAN SPIRITAS PARKWAY
(P6D-2 - PRIMARY ARTERIAL, DIVIDED)
N.T.S.

TYPICAL SECTION C-C
NEW H.E.B. ROAD
(M4D-1 - MINOR ARTERIAL, DIVIDED)
N.T.S.

BARRAZA
CONSULTING GROUP, LLC
PLANNING • ENGINEERING

MAJOR ROADWAY IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

CENTURION AMERICAN

S:\2019\20190017-00 Spiritas Ranch\CAD\EXHIBITS\20190170OLP26SpiritasRanch MI Roads 02032021.dwg Feb 04 2021 - 1:33 pm chancock

US HWY 380

EX. UTRWD WATER LINE

CONNECT TO EXISTING WATER

EX. 36" UTRWD WATER LINE

FM 2931

12" WATER LINE

12" WATER LINE

FM 720

12" WATER LINE

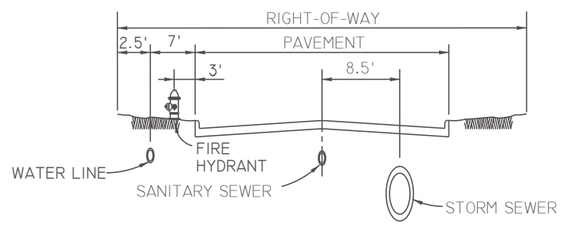
16" WATER LINE

EX. UTRWD WATER LINE

16" WATER LINE

EX. MSUD 16" WATER LINE

CONNECT TO EXISTING WATER



TYPICAL WATER LOCATION
N.T.S.

WATER LINE

MAJOR WATER IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

CENTURION AMERICAN

S:\2019\2019017-00 Spiritas Ranch\CAD\EXHIBITS\20190170LP2SSpiritasRanchPID MJ Water 02012021.dwg Feb 04 2021 - 1:33 pm chancock

EX. CANTRELL SLOUGH SEWER LINE

15" GRAVITY SEWER

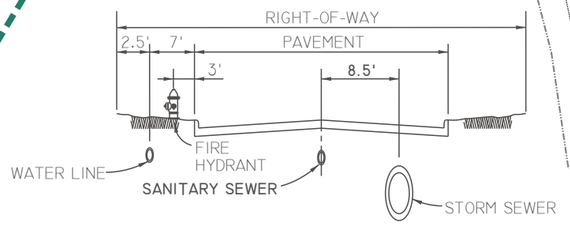
FM 720

6" FORCE MAIN

FM 2931

US HWY 380

LIFT STATION



TYPICAL SEWER LOCATION
N.T.S.

FORCE MAIN

SEWER LINE

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

MAJOR SEWER IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

CENTURION AMERICAN

S:\2019\20190017-00 Spiritas Ranch\CAD\EXHIBITS\20190170OLP25SpiritasRanchPID MI Sewer 01292021.dwg Feb 04 2021 - 2:32 pm chancock

US HWY 380

FM 2931

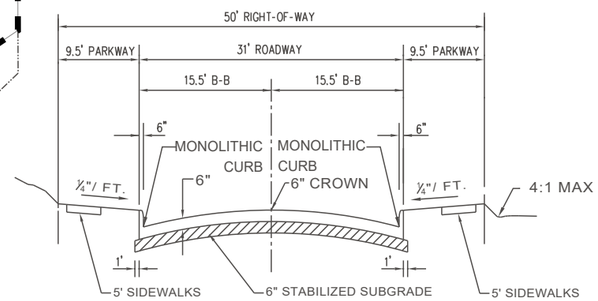
FM 720

PHASE 1

A A

A A

A A



TYPICAL 31' A-A ROADWAY PAVING SECTION

SCALE: NTS

PHASE 1 ROADWAY IMPROVEMENTS

SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT

TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

CENTURION AMERICAN

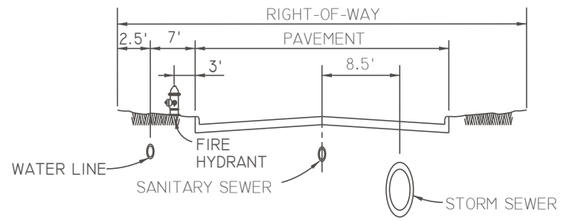
S:\2019\20190017-00 Spiritas Ranch\CAD\EXHIBITS\20190170LP26SpiritasRanchPID PH1 Road 02032021.dwg Feb 04,2021 - 9:51 am chancock

US HWY 380

FM 2931

FM 720

PHASE 1



TYPICAL WATER LOCATION
N.T.S.

8" WATER LINE

PHASE 1 WATER IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

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CONSULTING GROUP, LLC
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CENTURION AMERICAN

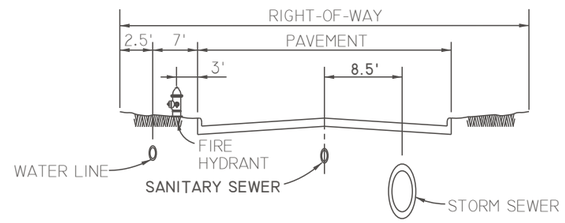
S:\2019\2019017-00 Spiritas Ranch\CAD\EXHIBITS\20190170OLP25SpiritasRanchPID PH1 Water 01292021.dwg Feb 04, 2021 - 1:37 pm chancock

US HWY 380

FM 2931

FM 720

PHASE 1



TYPICAL SEWER LOCATION
N.T.S.

SEWER LINE

PHASE 1 SEWER IMPROVEMENTS
SPIRITAS RANCH PUBLIC IMPROVEMENT DISTRICT
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

BARRAZA CONSULTING GROUP, LLC
PLANNING • ENGINEERING

CENTURION AMERICAN

S:\2019\2019017-00 Spiritas Ranch\CADEX\HIBIT'S\20190170OLP25SpiritasRanchPID PH1 Sewer 01292021.dwg Feb 04 2021 - 1:46 pm chancock

APPENDIX D
PID ASSESSMENT NOTICE

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 ***Spiritas Ranch Public Improvement District*** (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 E
ASSESSMENT PER EQUIVALENT UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS

Appendix E

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of three Lot Types.

"Lot Type 1" means lots identified as such on the Assessment Roll, being lots typically with 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.

"Lot Type 3" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 40 feet.

A) Proposed Development

Table E-A.1 shows the proposed residential units to be developed within the PID.

Table E-A.1
Proposed Development within the PID

Description	Proposed Development	
60 Ft Lots	303	Units
50 Ft Lots	977	Units
40 Ft Lots	876	Units
	2,156	**Units**

Table E-A.2 shows the proposed residential units within Improvement Area #1.

Table E-A.2
Proposed Development – Improvement Area #1

Description	Proposed Development	
60 Ft Lots	65	Units
50 Ft Lots	588	Units
40 Ft Lots	404[(a)]	Units
	1,057	**Units**

[(a)]Includes five (5) model homes.

Table E-A.3 shows the proposed residential Lot Types within the Major Improvement Area.

Table E-A.3
Proposed Development – Major Improvement Area

Description	Proposed Development	
60 Ft Lots	238	Units
50 Ft Lots	389	Units
40 Ft Lots	472	Units
	1,099	**Units**

B) Calculation of Equivalent Units

As explained under Section IV.D, for purpose of this Service and Assessment Plan, the Town Council has determined that the Actual Costs of the portion of the Initial Major Improvements to be financed with a portion of the Series 2021 PID Bonds shall be allocated to the Major Improvement Area Assessed Property and the Improvement Area #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the Town Council has determined that the Assessments shall be allocated to the Major Improvement Area Assessed Property and the Improvement Area #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the Town Council has taken into consideration (i) the type of lots (i.e., 60 Ft, 50 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the Town Council 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 3 (40 Ft Lot) representing the lowest value for residential lots are set forth in Table E-C.4. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This was 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 E-B.1 shows the Equivalent Unit Factors within the PID.

Table E-B.1
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value[1]	Equivalent Unit Factor
Lot Type 1 (60' Lot)	$378,000	1.00 per dwelling unit
Lot Type 2 (50' Lot)	$315,000	0.83 per dwelling unit
Lot Type 3 (40' Lot)	$252,000	0.67 per dwelling unit

1 – Updated estimated average unit values provided by the developer May 17, 2023. The updated estimated values are a proportional increase and do not impact Equivalent Units.

The total projected Equivalent Units for Improvement Area #1 are shown in Table E-B.2 as calculated based on the Equivalent Unit factors shown in Table E-B.1, estimated Lot Types and number of units estimated to be built within Improvement Area #1.

Table E-B.2
Projected Equivalent Units - Improvement Area #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60' Lot)	65	1.00	65.00
Lot Type 2 (50' Lot)	588	0.83	490.00
Lot Type 3 (40' Lot)	404	0.67	269.33
Total Equivalent Units	**1,057**		**824.33**

The total projected Equivalent Units for the Major Improvement Area are shown in Table E-B.3 as calculated based on the Equivalent Unit factors shown in Table E-B.1, estimated Lot Types and number of units estimated to be built within the Major Improvement Area.

Table E-B.3
Projected Equivalent Units - Major Improvement Area

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60' Lot)	238	1.00	238.00
Lot Type 2 (50' Lot)	389	0.83	324.17
Lot Type 3 (40' Lot)	472	0.67	314.67
Total Equivalent Units	**1,099**		**876.83**

C) Allocation of Assessments to Lots within Improvement Area #1

Initial Improvement Area #1 Projects

As shown in Appendix H-1 of this Service and Assessment Plan, the share of Series 2021 PID Bonds allocable to the Improvement Area #1 Assessed Property, which represents the total Assessment allocated on all Parcels within Improvement Area #1 for the Initial Improvement Area #1 Projects, is $32,920,000. As shown in Table E-B.2, there are a total of 824.33 estimated Equivalent Units in Improvement Area #1, resulting in an Assessment per Equivalent Unit of $39,935.30 for the Initial Improvement Area #1 Projects.

The Assessment per dwelling unit in Improvement Area #1 ("Assessment Per Unit") for the Initial Improvement Area #1 Projects is calculated as the product of (i) $39,935.30 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $39,935.30 (i.e. $39,935.30 × 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $33,279.42 (i.e. $39,935.30 × 0.83). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $26,623.53 (i.e. $39,935.30 × 0.67). Table E-C.1 sets forth the Assessment Per Unit for each Lot Type in Improvement Area #1 for the Initial Improvement Area #1 Projects.

Table E-C.1
Assessment Per Unit – Initial Improvement Area #1 Projects

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment Per Unit		Total Assessments
Lot Type 1 (60' Lot)	65	$39,935.30	1.00	$39,935.30	per dwelling unit	$2,595,795
Lot Type 2 (50' Lot)	588	$39,935.30	0.83	$33,279.42	per dwelling unit	$19,568,298
Lot Type 3 (40' Lot)	404	$39,935.30	0.67	$26,623.53	per dwelling unit	$10,755,908
Total	**1,057**					**$32,920,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table E-C.2.

Table E-C.2
Projected Leverage – Initial Improvement Area #1 Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	65	$84,000	$472,500	$39,935.30	2.10	11.83
50 Ft Lots	588	$70,629	$393,750	$33,279.42	2.12	11.83
40 Ft Lots	404	$44,901	$315,000	$26,623.53	1.69	11.83

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

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 E-C.3.

Table E-C.3
Projected Tax Rate Equivalent per unit – Initial Improvement Area #1 Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	65	$84,000	$472,500	$3,000.09	$3.57	$0.63
50 Ft Lots	588	$70,629	$393,750	$2,500.08	$3.54	$0.63
40 Ft Lots	404	$44,901	$315,000	$2,000.06	$4.45	$0.63

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 for the Initial Improvement Area #1 Projects is shown on the Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects, attached as Appendix H-1, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Additional Improvement Area #1 Projects

As shown in Appendix H-2 of this Service and Assessment Plan, the Additional Improvement Area #1 Projects Reimbursement Agreement secured by Assessments levied against the Improvement Area #1 Assessed Property, which represents the total Assessment to be allocated on all Parcels within Improvement Area #1 for the Additional Improvement Area #1 Projects, is $8,977,633. As shown in Table E-B.1, there are a total of 824.33 estimated Equivalent Units in Improvement Area #1, resulting in an Assessment per Equivalent Unit of $10,890.78 for the Additional Improvement Area #1 Projects.

The Assessment Per Unit in Improvement Area #1 for the Additional Improvement Area #1 Projects is calculated as the product of (i) $9,395.47 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $9,395.47 (i.e. $9,395.47 × 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $7,829.56 (i.e. $9,395.47 × 0.83). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $6,263.65 (i.e. $9,395.47 × 0.67). Table E-C.4 sets forth the Assessment Per Unit for each Lot Type in Improvement Area #1 for the Additional Improvement Area #1 Projects.

Table E-C.4
Assessment Per Unit – Additional Improvement Area #1 Projects

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment Per Unit		Total Assessments
Lot Type 1 (60' Lot)	65	$9,395.47	1.00	$9,395.47	per dwelling unit	$610,706
Lot Type 2 (50' Lot)	588	$9,395.47	0.83	$7,829.56	per dwelling unit	$4,603,781
Lot Type 3 (40' Lot)	404	$9,395.47	0.67	$6,263.65	per dwelling unit	$2,530,514
Total	**1,057**					**$7,745,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table E-C.5.

Table E-C.5
Projected Leverage – Additional Improvement Area #1 Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	65	$84,000	$472,500	$9,395.47	8.94	50.29
50 Ft Lots	588	$70,629	$393,750	$7,829.56	9.02	50.29
40 Ft Lots	404	$44,901	$315,000	$6,263.65	7.17	50.29

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

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 E-C.6.

Table E-C.6
Projected Tax Rate Equivalent per unit – Additional Improvement Area #1 Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	65	$84,000	$472,500	$742.26	$0.88	$0.16
50 Ft Lots	588	$70,629	$393,750	$618.55	$0.88	$0.16
40 Ft Lots	404	$44,901	$315,000	$494.84	$1.10	$0.16

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 for the Additional Improvement Area #1 Projects is shown on the Improvement Area #1

Assessment Roll – Additional Improvement Area #1 Projects, attached as Appendix H-2, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

Improvement Area #1 (Combined Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects)

The combined Assessment Per Unit in Improvement Area #1 is calculated as the sum of the Assessment Per Unit for the Initial Improvement Area #1 Projects and Additional Improvement Area #1 Projects. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $49,330.77 (i.e. $39,935.30 + $9,395.47). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $41,108.98 (i.e. $33,279.42 + $7,829.56). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $32,887.18 (i.e. $26,623.53 + $6,263.65). Table E-C.7 sets forth the combined Assessment Per Unit for each Lot Type in Improvement Area #1.

Table E-C.7
Combined Assessment Per Unit – Improvement Area #1

Type	Planned No. of Units	Assessment Per Unit (Initial IA #1 Projects)	Assessment Per Unit (Additional IA #1 Improvements)	Combined Assessment Per Unit	Total Assessments
Lot Type 1 (60' Lot)	65	$39,935.30	$9,395.47	$49,330.77	$3,206,500
Lot Type 2 (50' Lot)	588	$33,279.42	$7,829.56	$41,108.98	$24,172,078
Lot Type 3 (40' Lot)	404	$26,623.53	$6,263.65	$32,887.18	$13,286,421
Total	**1,057**				**$40,665,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table E-C.8.

Table E-C.8
Combined Projected Leverage – Improvement Area #1

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Combined Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	65	$84,000	$472,500	$49,330.77	1.70	9.58
50 Ft Lots	588	$70,629	$393,750	$41,108.98	1.72	9.58
40 Ft Lots	404	$44,901	$315,000	$32,887.18	1.37	9.58

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

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 E-C.9.

Table E-C.9
Combined Projected Tax Rate Equivalent per unit – Improvement Area #1

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	65	$84,000	$472,500	$3,742.36	$4.46	$0.79
50 Ft Lots	588	$70,629	$393,750	$3,118.63	$4.42	$0.79
40 Ft Lots	404	$44,901	$315,000	$2,494.90	$5.56	$0.79

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

The projected Annual Installments for each Parcel or Lot located within Improvement Area #1 for the Initial Improvement Area #1 Projects and the Additional Improvement Area #1 Projects is shown on the combined Improvement Area #1 projected annual installment schedule, attached as Appendix H-3.

D) Allocation of Major Improvement Area Assessments to Lot Types in the Major Improvement Area

As shown in Appendix G of this Service and Assessment Plan, the share of Series 2021 PID Bonds allocable to the Major Improvement Area Assessed Property, which represents the total Assessment allocated on all Parcels within the Major Improvement Area for the Initial Major Improvements, is $10,280,000. As shown in Table E-B.3, there are a total of 876.83 estimated Equivalent Units in the Major Improvement Area, resulting in an Assessment per Equivalent Unit of $11,724.01.

The Assessment Per Unit is calculated as the product of (i) $11,724.01 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $11,724.01 (i.e. $11,724.01 × 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $9,770.01 (i.e. $11,724.01 × 0.83). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $7,816.00 (i.e. $11,724.01 × 0.67). Table E-D.1 sets forth the Assessment Per Unit for each Lot Type in the Major Improvement Area for the Initial Major Improvements.

Table E-D.1
Assessment Per Unit – Initial Major Improvements

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment Per Unit		Total Assessments
Lot Type 1 (60' Lot)	238	$11,724.01	1.00	$11,724.01	per dwelling unit	$2,790,314
Lot Type 2 (50' Lot)	389	$11,724.01	0.83	$9,770.01	per dwelling unit	$3,800,532
Lot Type 3 (40' Lot)	472	$11,724.01	0.67	$7,816.00	per dwelling unit	$3,689,154
Total	**1,099**					**$10,280,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within the Major Improvement Area for the Initial Major Improvements is shown in Table E-D.2.

Table E-D.2
Projected Leverage – Initial Major Improvements

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	238	$96,731	$472,500	$11,724.01	8.25	40.30
50 Ft Lots	389	$79,826	$393,750	$9,770.01	8.17	40.30
40 Ft Lots	472	$66,233	$315,000	$7,816.00	8.47	40.30

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within the Major Improvement Area for the Initial Major Improvements is shown in Table E-D.3.

Table E-D.3
Projected Tax Rate Equivalent per unit – Initial Major Improvements

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	238	$96,731	$472,500	$898.92	$0.93	$0.19
50 Ft Lots	389	$79,826	$393,750	$749.10	$0.94	$0.19
40 Ft Lots	472	$66,233	$315,000	$599.28	$0.90	$0.19

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

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

E) Allocation of Future Improvement Area Assessments to Lot Types in the Future Improvement Area

As shown in Appendix I of this Service and Assessment Plan, the share of Series 2024 PID Bonds allocable to the Future Improvement Area Assessed Property, which represents the total Assessment allocated on all Parcels within the Future Improvement Area for the Future

Improvement Area Projects, is $7,000,000. As shown in Table E-B.3, there are a total of 876.83 estimated Equivalent Units in the Future Improvement Area, resulting in an Assessment per Equivalent Unit of $7,983.27.

The Assessment Per Unit is calculated as the product of (i) $7,983.27 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (60 Ft Lot) dwelling unit is $7,983.27 (i.e. $7,983.27× 1.00). The Assessment for a Lot Type 2 (50 Ft Lot) dwelling unit is $6,652.73 (i.e. $7,983.27 × 0.83). The Assessment for a Lot Type 3 (40 Ft Lot) dwelling unit is $5,322.18 (i.e. $7,983.27 × 0.67). Table E-E.1 sets forth the Assessment Per Unit for each Lot Type in the Future Improvement Area for the Future Improvement Area Projects.

Table E-E.1
Assessment Per Unit – Future Improvement Area Projects

Type	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment Per Unit		Total Assessments
Lot Type 1 (60' Lot)	238	$7,983.27	1.00	$7,983.27	per dwelling unit	$1,900,019
Lot Type 2 (50' Lot)	389	$7,983.27	0.83	$6,652.73	per dwelling unit	$2,587,911
Lot Type 3 (40' Lot)	472	$7,983.27	0.67	$5,322.18	per dwelling unit	$2,512,070
Total	**1,099**					**$7,000,000**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit within the Future Improvement Area for the Future Improvement Area Projects is shown in Table E-E.2.

Table E-E.2
Projected Leverage – Future Improvement Area Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Home Value per unit	Assessment Per Unit[2]	Leverage (Lot Value)	Leverage (Home Value)
60 Ft Lots	238	$96,731	$472,500	$7,983.27	12.12	59.19
50 Ft Lots	389	$79,826	$393,750	$6,652.73	12.00	59.19
40 Ft Lots	472	$66,233	$315,000	$5,322.18	12.44	59.19

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

2 – Amounts are rounded to the nearest dollar amount.

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each unit within the Future Improvement Area for the Future Improvement Area Projects is shown in Table E-E.3.

Table E-E.3
Projected Tax Rate Equivalent per unit – Future Improvement Area Projects

Description	Planned No. of Units	Estimated Finished Lot Value per unit[1]	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)
60 Ft Lots	238	$96,731	$472,500	$756.53	$0.78	$0.16
50 Ft Lots	389	$79,826	$393,750	$630.44	$0.79	$0.16
40 Ft Lots	472	$66,233	$315,000	$504.36	$0.76	$0.16

1 – Based on the weighted average lot prices for each Lot Type as provided by the Developer.

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

APPENDIX F-1
SERIES 2021 PID BONDS ANNUAL INSTALLMENT SCHEDULE

Appendix F-1

Series 2021 PID Bonds Annual Installment Schedule

Year [1]	Principal	Interest	Administrative Expenses[2]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest/Available Credits	Total Annual Installment[3]
9/30/21	$0	$599,850	$0	$0	$0	($599,850)	$0
9/30/22	$0	$2,322,000	$85,000	$0	$0	($2,407,000)	$0
9/30/23	$650,000	$2,322,000	$112,200	$216,000	$0	($1,365,150)	$1,935,050
9/30/24	$685,000	$2,287,063	$114,444	$212,750	$0	$0	$3,299,257
9/30/25	$725,000	$2,250,244	$116,733	$209,325	$0	$0	$3,301,302
9/30/26	$765,000	$2,211,275	$119,068	$205,700	$0	$0	$3,301,043
9/30/27	$805,000	$2,170,156	$121,449	$201,875	$0	$0	$3,298,480
9/30/28	$845,000	$2,126,888	$123,878	$197,850	$0	$0	$3,293,615
9/30/29	$895,000	$2,081,469	$126,355	$193,625	$0	$0	$3,296,449
9/30/30	$940,000	$2,033,363	$128,883	$189,150	$0	$0	$3,291,395
9/30/31	$990,000	$1,982,838	$131,460	$184,450	$0	$0	$3,288,748
9/30/32	$1,045,000	$1,929,625	$134,089	$179,500	$0	$0	$3,288,214
9/30/33	$1,100,000	$1,873,456	$136,771	$174,275	$0	$0	$3,284,502
9/30/34	$1,160,000	$1,814,331	$139,507	$168,775	$0	$0	$3,282,613
9/30/35	$1,220,000	$1,751,981	$142,297	$162,975	$0	$0	$3,277,253
9/30/36	$1,290,000	$1,686,406	$145,143	$156,875	$0	$0	$3,278,424
9/30/37	$1,355,000	$1,617,069	$148,046	$150,425	$0	$0	$3,270,539
9/30/38	$1,430,000	$1,544,238	$151,006	$143,650	$0	$0	$3,268,894
9/30/39	$1,505,000	$1,467,375	$154,027	$136,500	$0	$0	$3,262,902
9/30/40	$1,585,000	$1,386,481	$157,107	$128,975	$0	$0	$3,257,563
9/30/41	$1,670,000	$1,301,288	$160,249	$121,050	$0	$0	$3,252,587
9/30/42	$1,760,000	$1,211,525	$163,454	$112,700	$0	$0	$3,247,679
9/30/43	$1,855,000	$1,116,925	$166,723	$103,900	$0	$0	$3,242,548
9/30/44	$1,955,000	$1,017,219	$170,058	$94,625	$0	$0	$3,236,902
9/30/45	$2,060,000	$912,138	$173,459	$84,850	$0	$0	$3,230,446
9/30/46	$2,170,000	$801,413	$176,928	$74,550	$0	$0	$3,222,891
9/30/47	$2,290,000	$684,775	$180,467	$63,700	$0	$0	$3,218,942
9/30/48	$2,410,000	$561,688	$184,076	$52,250	$0	$0	$3,208,013
9/30/49	$2,540,000	$432,150	$187,758	$40,200	$0	$0	$3,200,108
9/30/50	$2,680,000	$295,625	$191,513	$27,500	$0	$0	$3,194,638
9/30/51	$2,820,000	$151,575	$195,343	$14,100	($2,976,469)	$0	$204,549
Total	**$43,200,000**	**$45,944,425**	**$4,437,489**	**$4,002,100**	**($2,976,469)**	**($4,372,000)**	**$90,235,545**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

3- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX F-2
SERIES 2024 PID BONDS ANNUAL INSTALLMENT SCHEDULE

Appendix F-2
Series 2024 PID Bonds Annual Installment Schedule

Year [1]	Principal	Interest	Administrative Expenses[2]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest/Available Credits	Total Annual Installment[3]
9/30/24	$0	$245,000	$0	$0	$0	($245,000)	$0
9/30/25	$0	$490,000	$0	$0	$0	($490,000)	$0
9/30/26	$76,000	$490,000	$61,200	$35,000	$0	$0	$662,200
9/30/27	$82,000	$484,680	$62,424	$34,620	$0	$0	$663,724
9/30/28	$88,000	$478,940	$63,672	$34,210	$0	$0	$664,822
9/30/29	$94,000	$472,780	$64,946	$33,770	$0	$0	$665,496
9/30/30	$101,000	$466,200	$66,245	$33,300	$0	$0	$666,745
9/30/31	$108,000	$459,130	$67,570	$32,795	$0	$0	$667,495
9/30/32	$124,000	$451,570	$55,000	$32,255	$0	$0	$662,825
9/30/33	$133,000	$442,890	$55,028	$31,635	$0	$0	$662,553
9/30/34	$143,000	$433,580	$55,055	$30,970	$0	$0	$662,605
9/30/35	$154,000	$423,570	$55,083	$30,255	$0	$0	$662,908
9/30/36	$165,000	$412,790	$55,110	$29,485	$0	$0	$662,385
9/30/37	$178,000	$401,240	$55,138	$28,660	$0	$0	$663,038
9/30/38	$191,000	$388,780	$55,165	$27,770	$0	$0	$662,715
9/30/39	$205,000	$375,410	$55,193	$26,815	$0	$0	$662,418
9/30/40	$221,000	$361,060	$55,220	$25,790	$0	$0	$663,070
9/30/41	$237,000	$345,590	$55,248	$24,685	$0	$0	$662,523
9/30/42	$255,000	$329,000	$55,276	$23,500	$0	$0	$662,776
9/30/43	$274,000	$311,150	$55,303	$22,225	$0	$0	$662,678
9/30/44	$295,000	$291,970	$55,331	$20,855	$0	$0	$663,156
9/30/45	$317,000	$271,320	$55,359	$19,380	$0	$0	$663,059
9/30/46	$341,000	$249,130	$55,386	$17,795	$0	$0	$663,311
9/30/47	$366,000	$225,260	$55,414	$16,090	$0	$0	$662,764
9/30/48	$394,000	$199,640	$55,442	$14,260	$0	$0	$663,342
9/30/49	$423,000	$172,060	$55,469	$12,290	$0	$0	$662,819
9/30/50	$455,000	$142,450	$55,497	$10,175	$0	$0	$663,122
9/30/51	$489,000	$110,600	$55,525	$7,900	$0	$0	$663,025
9/30/52	$526,000	$76,370	$55,553	$5,455	$0	$0	$663,378
9/30/53	$565,000	$39,550	$55,580	$2,825	($604,550)	$0	$58,405
Total	**$7,000,000**	**$10,041,710**	**$1,602,431**	**$664,765**	**($604,550)**	**($735,000)**	**$17,969,356**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX G
MAJOR IMPROVEMENT AREA ASSESSMENT ROLL - INITIAL MAJOR IMPROVEMENTS

Appendix G

Major Improvement Area Assessment Roll – Initial Major Improvements

Parcel	**All Parcels**
Equivalent Units	**876.83**
Assessment	**$10,280,000**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$142,742	$0	$0	$0	($142,742)	$0
9/30/22	$0	$552,550	$35,000	$0	$0	($587,550)	$0
9/30/23	$155,000	$552,550	$35,700	$51,400	$0	($333,016)	$461,634
9/30/24	$165,000	$544,219	$36,414	$50,625	$0	$0	$796,258
9/30/25	$175,000	$535,350	$37,142	$49,800	$0	$0	$797,292
9/30/26	$180,000	$525,944	$37,885	$48,925	$0	$0	$792,754
9/30/27	$190,000	$516,269	$38,643	$48,025	$0	$0	$792,937
9/30/28	$200,000	$506,056	$39,416	$47,075	$0	$0	$792,547
9/30/29	$215,000	$495,306	$40,204	$46,075	$0	$0	$796,585
9/30/30	$225,000	$483,750	$41,008	$45,000	$0	$0	$794,758
9/30/31	$235,000	$471,656	$41,828	$43,875	$0	$0	$792,359
9/30/32	$250,000	$459,025	$42,665	$42,700	$0	$0	$794,390
9/30/33	$260,000	$445,588	$43,518	$41,450	$0	$0	$790,556
9/30/34	$275,000	$431,613	$44,388	$40,150	$0	$0	$791,151
9/30/35	$290,000	$416,831	$45,276	$38,775	$0	$0	$790,882
9/30/36	$305,000	$401,244	$46,182	$37,325	$0	$0	$789,751
9/30/37	$320,000	$384,850	$47,105	$35,800	$0	$0	$787,755
9/30/38	$340,000	$367,650	$48,047	$34,200	$0	$0	$789,897
9/30/39	$360,000	$349,375	$49,008	$32,500	$0	$0	$790,883
9/30/40	$375,000	$330,025	$49,989	$30,700	$0	$0	$785,714
9/30/41	$395,000	$309,869	$50,988	$28,825	$0	$0	$784,682
9/30/42	$420,000	$288,638	$52,008	$26,850	$0	$0	$787,496
9/30/43	$440,000	$266,063	$53,048	$24,750	$0	$0	$783,861
9/30/44	$465,000	$242,413	$54,109	$22,550	$0	$0	$784,072
9/30/45	$490,000	$217,419	$55,191	$20,225	$0	$0	$782,835
9/30/46	$515,000	$191,081	$56,295	$17,775	$0	$0	$780,152
9/30/47	$545,000	$163,400	$57,421	$15,200	$0	$0	$781,021
9/30/48	$575,000	$134,106	$58,570	$12,475	$0	$0	$780,151
9/30/49	$605,000	$103,200	$59,741	$9,600	$0	$0	$777,541
9/30/50	$640,000	$70,681	$60,936	$6,575	$0	$0	$778,192
9/30/51	$675,000	$36,281	$62,155	$3,375	($708,289)	$0	$68,521
Total	**$10,280,000**	**$10,935,742**	**$1,419,883**	**$952,600**	**($708,289)**	**($1,063,308)**	**$21,816,627**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix G
Assessment Roll by Lot Type

Lot Type	Lot Type 1 (60 Ft)
Assessment	**$11,724**
Equivalent Unit	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$163	$0	$0	$0	($163)	$0
9/30/22	$0	$630	$40	$0	$0	($670)	$0
9/30/23	$177	$630	$41	$59	$0	($380)	$526
9/30/24	$188	$621	$42	$58	$0	$0	$908
9/30/25	$200	$611	$42	$57	$0	$0	$909
9/30/26	$205	$600	$43	$56	$0	$0	$904
9/30/27	$217	$589	$44	$55	$0	$0	$904
9/30/28	$228	$577	$45	$54	$0	$0	$904
9/30/29	$245	$565	$46	$53	$0	$0	$908
9/30/30	$257	$552	$47	$51	$0	$0	$906
9/30/31	$268	$538	$48	$50	$0	$0	$904
9/30/32	$285	$524	$49	$49	$0	$0	$906
9/30/33	$297	$508	$50	$47	$0	$0	$902
9/30/34	$314	$492	$51	$46	$0	$0	$902
9/30/35	$331	$475	$52	$44	$0	$0	$902
9/30/36	$348	$458	$53	$43	$0	$0	$901
9/30/37	$365	$439	$54	$41	$0	$0	$898
9/30/38	$388	$419	$55	$39	$0	$0	$901
9/30/39	$411	$398	$56	$37	$0	$0	$902
9/30/40	$428	$376	$57	$35	$0	$0	$896
9/30/41	$450	$353	$58	$33	$0	$0	$895
9/30/42	$479	$329	$59	$31	$0	$0	$898
9/30/43	$502	$303	$60	$28	$0	$0	$894
9/30/44	$530	$276	$62	$26	$0	$0	$894
9/30/45	$559	$248	$63	$23	$0	$0	$893
9/30/46	$587	$218	$64	$20	$0	$0	$890
9/30/47	$622	$186	$65	$17	$0	$0	$891
9/30/48	$656	$153	$67	$14	$0	$0	$890
9/30/49	$690	$118	$68	$11	$0	$0	$887
9/30/50	$730	$81	$69	$7	$0	$0	$888
9/30/51	$770	$41	$71	$4	($808)	$0	$78
Total	**$11,724**	**$12,472**	**$1,619**	**$1,086**	**($808)**	**($1,213)**	**$24,881**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix G
Assessment Roll by Lot Type

Lot Type	Lot Type 2 (50 Ft)
Assessment	**$9,770**
Equivalent Unit	**0.83**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$136	$0	$0	$0	($136)	$0
9/30/22	$0	$525	$33	$0	$0	($558)	$0
9/30/23	$147	$525	$34	$49	$0	($316)	$439
9/30/24	$157	$517	$35	$48	$0	$0	$757
9/30/25	$166	$509	$35	$47	$0	$0	$758
9/30/26	$171	$500	$36	$46	$0	$0	$753
9/30/27	$181	$491	$37	$46	$0	$0	$754
9/30/28	$190	$481	$37	$45	$0	$0	$753
9/30/29	$204	$471	$38	$44	$0	$0	$757
9/30/30	$214	$460	$39	$43	$0	$0	$755
9/30/31	$223	$448	$40	$42	$0	$0	$753
9/30/32	$238	$436	$41	$41	$0	$0	$755
9/30/33	$247	$423	$41	$39	$0	$0	$751
9/30/34	$261	$410	$42	$38	$0	$0	$752
9/30/35	$276	$396	$43	$37	$0	$0	$752
9/30/36	$290	$381	$44	$35	$0	$0	$751
9/30/37	$304	$366	$45	$34	$0	$0	$749
9/30/38	$323	$349	$46	$33	$0	$0	$751
9/30/39	$342	$332	$47	$31	$0	$0	$752
9/30/40	$356	$314	$48	$29	$0	$0	$747
9/30/41	$375	$294	$48	$27	$0	$0	$746
9/30/42	$399	$274	$49	$26	$0	$0	$748
9/30/43	$418	$253	$50	$24	$0	$0	$745
9/30/44	$442	$230	$51	$21	$0	$0	$745
9/30/45	$466	$207	$52	$19	$0	$0	$744
9/30/46	$489	$182	$54	$17	$0	$0	$741
9/30/47	$518	$155	$55	$14	$0	$0	$742
9/30/48	$546	$127	$56	$12	$0	$0	$741
9/30/49	$575	$98	$57	$9	$0	$0	$739
9/30/50	$608	$67	$58	$6	$0	$0	$740
9/30/51	$642	$34	$59	$3	($673)	$0	$65
Total	**$9,770**	**$10,393**	**$1,349**	**$905**	**($673)**	**($1,011)**	**$20,734**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix G
Assessment Roll by Lot Type

Lot Type	Lot Type 3 (40 Ft)
Assessment	**$7,816**
Equivalent Unit	**0.67**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$109	$0	$0	$0	($109)	$0
9/30/22	$0	$420	$27	$0	$0	($447)	$0
9/30/23	$118	$420	$27	$39	$0	($253)	$351
9/30/24	$125	$414	$28	$38	$0	$0	$605
9/30/25	$133	$407	$28	$38	$0	$0	$606
9/30/26	$137	$400	$29	$37	$0	$0	$603
9/30/27	$144	$393	$29	$37	$0	$0	$603
9/30/28	$152	$385	$30	$36	$0	$0	$603
9/30/29	$163	$377	$31	$35	$0	$0	$606
9/30/30	$171	$368	$31	$34	$0	$0	$604
9/30/31	$179	$359	$32	$33	$0	$0	$602
9/30/32	$190	$349	$32	$32	$0	$0	$604
9/30/33	$198	$339	$33	$32	$0	$0	$601
9/30/34	$209	$328	$34	$31	$0	$0	$602
9/30/35	$220	$317	$34	$29	$0	$0	$601
9/30/36	$232	$305	$35	$28	$0	$0	$600
9/30/37	$243	$293	$36	$27	$0	$0	$599
9/30/38	$259	$280	$37	$26	$0	$0	$601
9/30/39	$274	$266	$37	$25	$0	$0	$601
9/30/40	$285	$251	$38	$23	$0	$0	$597
9/30/41	$300	$236	$39	$22	$0	$0	$597
9/30/42	$319	$219	$40	$20	$0	$0	$599
9/30/43	$335	$202	$40	$19	$0	$0	$596
9/30/44	$354	$184	$41	$17	$0	$0	$596
9/30/45	$373	$165	$42	$15	$0	$0	$595
9/30/46	$392	$145	$43	$14	$0	$0	$593
9/30/47	$414	$124	$44	$12	$0	$0	$594
9/30/48	$437	$102	$45	$9	$0	$0	$593
9/30/49	$460	$78	$45	$7	$0	$0	$591
9/30/50	$487	$54	$46	$5	$0	$0	$592
9/30/51	$513	$28	$47	$3	($539)	$0	$52
Total	**$7,816**	**$8,315**	**$1,080**	**$724**	**($539)**	**($808)**	**$16,587**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

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3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

APPENDIX H-1
IMPROVEMENT AREA #1 ASSESSMENT ROLL – INITIAL IMPROVEMENT AREA #1 PROJECTS

Appendix H-1
Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects

Parcel	**All Parcels**
Equivalent Units	**824.33**
Assessment	**$32,920,000**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$457,108	$0	$0	$0	($457,108)	$0
9/30/22	$0	$1,769,450	$50,000	$0	$0	($1,819,450)	$0
9/30/23	$495,000	$1,769,450	$76,500	$164,600	$0	($1,032,134)	$1,473,416
9/30/24	$520,000	$1,742,844	$78,030	$162,125	$0	$0	$2,502,999
9/30/25	$550,000	$1,714,894	$79,591	$159,525	$0	$0	$2,504,009
9/30/26	$585,000	$1,685,331	$81,182	$156,775	$0	$0	$2,508,289
9/30/27	$615,000	$1,653,888	$82,806	$153,850	$0	$0	$2,505,544
9/30/28	$645,000	$1,620,831	$84,462	$150,775	$0	$0	$2,501,068
9/30/29	$680,000	$1,586,163	$86,151	$147,550	$0	$0	$2,499,864
9/30/30	$715,000	$1,549,613	$87,874	$144,150	$0	$0	$2,496,637
9/30/31	$755,000	$1,511,181	$89,632	$140,575	$0	$0	$2,496,388
9/30/32	$795,000	$1,470,600	$91,425	$136,800	$0	$0	$2,493,825
9/30/33	$840,000	$1,427,869	$93,253	$132,825	$0	$0	$2,493,947
9/30/34	$885,000	$1,382,719	$95,118	$128,625	$0	$0	$2,491,462
9/30/35	$930,000	$1,335,150	$97,020	$124,200	$0	$0	$2,486,370
9/30/36	$985,000	$1,285,163	$98,961	$119,550	$0	$0	$2,488,673
9/30/37	$1,035,000	$1,232,219	$100,940	$114,625	$0	$0	$2,482,784
9/30/38	$1,090,000	$1,176,588	$102,959	$109,450	$0	$0	$2,478,996
9/30/39	$1,145,000	$1,118,000	$105,018	$104,000	$0	$0	$2,472,018
9/30/40	$1,210,000	$1,056,456	$107,118	$98,275	$0	$0	$2,471,850
9/30/41	$1,275,000	$991,419	$109,261	$92,225	$0	$0	$2,467,905
9/30/42	$1,340,000	$922,888	$111,446	$85,850	$0	$0	$2,460,184
9/30/43	$1,415,000	$850,863	$113,675	$79,150	$0	$0	$2,458,687
9/30/44	$1,490,000	$774,806	$115,948	$72,075	$0	$0	$2,452,830
9/30/45	$1,570,000	$694,719	$118,267	$64,625	$0	$0	$2,447,611
9/30/46	$1,655,000	$610,331	$120,633	$56,775	$0	$0	$2,442,739
9/30/47	$1,745,000	$521,375	$123,045	$48,500	$0	$0	$2,437,920
9/30/48	$1,835,000	$427,581	$125,506	$39,775	$0	$0	$2,427,863
9/30/49	$1,935,000	$328,950	$128,016	$30,600	$0	$0	$2,422,566
9/30/50	$2,040,000	$224,944	$130,577	$20,925	$0	$0	$2,416,446
9/30/51	$2,145,000	$115,294	$133,188	$10,725	($2,268,179)	$0	$136,028
Total	**$32,920,000**	**$35,008,683**	**$3,017,606**	**$3,049,500**	**($2,268,179)**	**($3,308,692)**	**$68,418,918**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

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3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix H-1

Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 1 (60 Ft)
Assessment	**$39,935**
Equivalent Unit	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$555	$0	$0	$0	($555)	$0
9/30/22	$0	$2,147	$61	$0	$0	($2,207)	$0
9/30/23	$600	$2,147	$93	$200	$0	($1,252)	$1,787
9/30/24	$631	$2,114	$95	$197	$0	$0	$3,036
9/30/25	$667	$2,080	$97	$194	$0	$0	$3,038
9/30/26	$710	$2,044	$98	$190	$0	$0	$3,043
9/30/27	$746	$2,006	$100	$187	$0	$0	$3,039
9/30/28	$782	$1,966	$102	$183	$0	$0	$3,034
9/30/29	$825	$1,924	$105	$179	$0	$0	$3,033
9/30/30	$867	$1,880	$107	$175	$0	$0	$3,029
9/30/31	$916	$1,833	$109	$171	$0	$0	$3,028
9/30/32	$964	$1,784	$111	$166	$0	$0	$3,025
9/30/33	$1,019	$1,732	$113	$161	$0	$0	$3,025
9/30/34	$1,074	$1,677	$115	$156	$0	$0	$3,022
9/30/35	$1,128	$1,620	$118	$151	$0	$0	$3,016
9/30/36	$1,195	$1,559	$120	$145	$0	$0	$3,019
9/30/37	$1,256	$1,495	$122	$139	$0	$0	$3,012
9/30/38	$1,322	$1,427	$125	$133	$0	$0	$3,007
9/30/39	$1,389	$1,356	$127	$126	$0	$0	$2,999
9/30/40	$1,468	$1,282	$130	$119	$0	$0	$2,999
9/30/41	$1,547	$1,203	$133	$112	$0	$0	$2,994
9/30/42	$1,626	$1,120	$135	$104	$0	$0	$2,984
9/30/43	$1,717	$1,032	$138	$96	$0	$0	$2,983
9/30/44	$1,808	$940	$141	$87	$0	$0	$2,976
9/30/45	$1,905	$843	$143	$78	$0	$0	$2,969
9/30/46	$2,008	$740	$146	$69	$0	$0	$2,963
9/30/47	$2,117	$632	$149	$59	$0	$0	$2,957
9/30/48	$2,226	$519	$152	$48	$0	$0	$2,945
9/30/49	$2,347	$399	$155	$37	$0	$0	$2,939
9/30/50	$2,475	$273	$158	$25	$0	$0	$2,931
9/30/51	$2,602	$140	$162	$13	($2,752)	$0	$165
Total	**$39,935**	**$42,469**	**$3,661**	**$3,699**	**($2,752)**	**($4,014)**	**$82,999**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Principal and interest amounts shown are pro rata estimates based the estimated bond debt service schedule shown in Appendix F-1 for the Series 2021 PID Bonds.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix H-1

Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 2 (50 Ft)
Assessment	**$33,279**
Equivalent Unit	**0.83**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$462	$0	$0	$0	($462)	$0
9/30/22	$0	$1,789	$51	$0	$0	($1,839)	$0
9/30/23	$500	$1,789	$77	$166	$0	($1,043)	$1,490
9/30/24	$526	$1,762	$79	$164	$0	$0	$2,530
9/30/25	$556	$1,734	$80	$161	$0	$0	$2,531
9/30/26	$591	$1,704	$82	$158	$0	$0	$2,536
9/30/27	$622	$1,672	$84	$156	$0	$0	$2,533
9/30/28	$652	$1,639	$85	$152	$0	$0	$2,528
9/30/29	$687	$1,603	$87	$149	$0	$0	$2,527
9/30/30	$723	$1,567	$89	$146	$0	$0	$2,524
9/30/31	$763	$1,528	$91	$142	$0	$0	$2,524
9/30/32	$804	$1,487	$92	$138	$0	$0	$2,521
9/30/33	$849	$1,443	$94	$134	$0	$0	$2,521
9/30/34	$895	$1,398	$96	$130	$0	$0	$2,519
9/30/35	$940	$1,350	$98	$126	$0	$0	$2,514
9/30/36	$996	$1,299	$100	$121	$0	$0	$2,516
9/30/37	$1,046	$1,246	$102	$116	$0	$0	$2,510
9/30/38	$1,102	$1,189	$104	$111	$0	$0	$2,506
9/30/39	$1,158	$1,130	$106	$105	$0	$0	$2,499
9/30/40	$1,223	$1,068	$108	$99	$0	$0	$2,499
9/30/41	$1,289	$1,002	$110	$93	$0	$0	$2,495
9/30/42	$1,355	$933	$113	$87	$0	$0	$2,487
9/30/43	$1,430	$860	$115	$80	$0	$0	$2,486
9/30/44	$1,506	$783	$117	$73	$0	$0	$2,480
9/30/45	$1,587	$702	$120	$65	$0	$0	$2,474
9/30/46	$1,673	$617	$122	$57	$0	$0	$2,469
9/30/47	$1,764	$527	$124	$49	$0	$0	$2,465
9/30/48	$1,855	$432	$127	$40	$0	$0	$2,454
9/30/49	$1,956	$333	$129	$31	$0	$0	$2,449
9/30/50	$2,062	$227	$132	$21	$0	$0	$2,443
9/30/51	$2,168	$117	$135	$11	($2,293)	$0	$138
Total	**$33,279**	**$35,391**	**$3,051**	**$3,083**	**($2,293)**	**($3,345)**	**$69,166**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

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3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

4- Annual Installments are calculated using a 5.375% interest rate on the Series 2021 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix H-1

Improvement Area #1 Assessment Roll – Initial Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 3 (40 Ft)
Assessment	**$26,624**
Equivalent Unit	**0.67**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/21	$0	$370	$0	$0	$0	($370)	$0
9/30/22	$0	$1,431	$40	$0	$0	($1,471)	$0
9/30/23	$400	$1,431	$62	$133	$0	($835)	$1,192
9/30/24	$421	$1,409	$63	$131	$0	$0	$2,024
9/30/25	$445	$1,387	$64	$129	$0	$0	$2,025
9/30/26	$473	$1,363	$66	$127	$0	$0	$2,029
9/30/27	$497	$1,338	$67	$124	$0	$0	$2,026
9/30/28	$522	$1,311	$68	$122	$0	$0	$2,023
9/30/29	$550	$1,283	$70	$119	$0	$0	$2,022
9/30/30	$578	$1,253	$71	$117	$0	$0	$2,019
9/30/31	$611	$1,222	$72	$114	$0	$0	$2,019
9/30/32	$643	$1,189	$74	$111	$0	$0	$2,017
9/30/33	$679	$1,155	$75	$107	$0	$0	$2,017
9/30/34	$716	$1,118	$77	$104	$0	$0	$2,015
9/30/35	$752	$1,080	$78	$100	$0	$0	$2,011
9/30/36	$797	$1,039	$80	$97	$0	$0	$2,013
9/30/37	$837	$997	$82	$93	$0	$0	$2,008
9/30/38	$882	$952	$83	$89	$0	$0	$2,005
9/30/39	$926	$904	$85	$84	$0	$0	$1,999
9/30/40	$979	$854	$87	$79	$0	$0	$1,999
9/30/41	$1,031	$802	$88	$75	$0	$0	$1,996
9/30/42	$1,084	$746	$90	$69	$0	$0	$1,990
9/30/43	$1,144	$688	$92	$64	$0	$0	$1,988
9/30/44	$1,205	$627	$94	$58	$0	$0	$1,984
9/30/45	$1,270	$562	$96	$52	$0	$0	$1,979
9/30/46	$1,338	$494	$98	$46	$0	$0	$1,976
9/30/47	$1,411	$422	$100	$39	$0	$0	$1,972
9/30/48	$1,484	$346	$102	$32	$0	$0	$1,963
9/30/49	$1,565	$266	$104	$25	$0	$0	$1,959
9/30/50	$1,650	$182	$106	$17	$0	$0	$1,954
9/30/51	$1,735	$93	$108	$9	($1,834)	$0	$110
Total	**$26,624**	**$28,313**	**$2,440**	**$2,466**	**($1,834)**	**($2,676)**	**$55,333**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

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3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year

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APPENDIX H-2
IMPROVEMENT AREA #1 ASSESSMENT ROLL – ADDITIONAL IMPROVEMENT AREA #1 PROJECTS

Appendix H-2

Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects

Parcel	**All Parcels**
Equivalent Units	**824.33**
Assessment	**$7,745,000**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Total Annual Installment[4]
9/30/24	$61,000	$455,019	$60,000	$576,019
9/30/25	$64,000	$451,435	$61,200	$576,635
9/30/26	$67,000	$447,675	$62,424	$577,099
9/30/27	$71,000	$443,739	$63,672	$578,411
9/30/28	$75,000	$439,568	$64,946	$579,513
9/30/29	$78,000	$435,161	$66,245	$579,406
9/30/30	$83,000	$430,579	$67,570	$581,148
9/30/31	$87,000	$425,703	$68,921	$581,624
9/30/32	$129,000	$420,591	$25,000	$574,591
9/30/33	$141,000	$413,013	$25,013	$579,025
9/30/34	$154,000	$404,729	$25,025	$583,754
9/30/35	$168,000	$395,681	$25,038	$588,719
9/30/36	$182,000	$385,811	$25,050	$592,861
9/30/37	$197,000	$375,119	$25,063	$597,181
9/30/38	$213,000	$363,545	$25,075	$601,620
9/30/39	$230,000	$351,031	$25,088	$606,119
9/30/40	$249,000	$337,519	$25,100	$611,619
9/30/41	$268,000	$322,890	$25,113	$616,003
9/30/42	$288,000	$307,145	$25,125	$620,270
9/30/43	$310,000	$290,225	$25,138	$625,363
9/30/44	$333,000	$272,013	$25,150	$630,163
9/30/45	$358,000	$252,449	$25,163	$635,612
9/30/46	$384,000	$231,416	$25,176	$640,592
9/30/47	$411,000	$208,856	$25,188	$645,044
9/30/48	$440,000	$184,710	$25,201	$649,911
9/30/49	$471,000	$158,860	$25,213	$655,073
9/30/50	$504,000	$131,189	$25,226	$660,415
9/30/51	$539,000	$101,579	$25,239	$665,817
9/30/52	$575,000	$69,913	$25,251	$670,164
9/30/53	$615,000	$36,131	$25,264	$676,395
Total	**$7,745,000**	**$9,543,291**	**$1,067,875**	**$18,356,167**

1 – The 9/30/XX dates represent the assessment year end for the Additional Improvement Area #1 Projects Reimbursement Agreement.

2- Represents the principal and interest due under the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest is calculated using an interest rate of 5.875% per annum for years 1 to 5 and 5.875% per annum thereafter.

3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

Appendix H-2
Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 1 (60 Ft)
Assessment	**$9,395**
Equivalent Unit	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Total Annual Installment[4]
9/30/24	$74	$552	$73	$699
9/30/25	$78	$548	$74	$700
9/30/26	$81	$543	$76	$700
9/30/27	$86	$538	$77	$702
9/30/28	$91	$533	$79	$703
9/30/29	$95	$528	$80	$703
9/30/30	$101	$522	$82	$705
9/30/31	$106	$516	$84	$706
9/30/32	$156	$510	$30	$697
9/30/33	$171	$501	$30	$702
9/30/34	$187	$491	$30	$708
9/30/35	$204	$480	$30	$714
9/30/36	$221	$468	$30	$719
9/30/37	$239	$455	$30	$724
9/30/38	$258	$441	$30	$730
9/30/39	$279	$426	$30	$735
9/30/40	$302	$409	$30	$742
9/30/41	$325	$392	$30	$747
9/30/42	$349	$373	$30	$752
9/30/43	$376	$352	$30	$759
9/30/44	$404	$330	$31	$764
9/30/45	$434	$306	$31	$771
9/30/46	$466	$281	$31	$777
9/30/47	$499	$253	$31	$783
9/30/48	$534	$224	$31	$788
9/30/49	$571	$193	$31	$795
9/30/50	$611	$159	$31	$801
9/30/51	$654	$123	$31	$808
9/30/52	$698	$85	$31	$813
9/30/53	$746	$44	$31	$821
Total	**$9,395**	**$11,577**	**$1,295**	**$22,268**

1 – The 9/30/XX dates represent the assessment year end for the Additional Improvement Area #1 Projects Reimbursement Agreement.
2- Represents the principal and interest due under the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest is calculated using an interest rate of 5.875% per annum for years 1 to 5 and 5.875% per annum thereafter.
3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

Appendix H-2
Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 2 (50 Ft)
Assessment	**$7,830**
Equivalent Unit	**0.83**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Total Annual Installment[4]
9/30/24	$62	$460	$61	$582
9/30/25	$65	$456	$62	$583
9/30/26	$68	$453	$63	$583
9/30/27	$72	$449	$64	$585
9/30/28	$76	$444	$66	$586
9/30/29	$79	$440	$67	$586
9/30/30	$84	$435	$68	$587
9/30/31	$88	$430	$70	$588
9/30/32	$130	$425	$25	$581
9/30/33	$143	$418	$25	$585
9/30/34	$156	$409	$25	$590
9/30/35	$170	$400	$25	$595
9/30/36	$184	$390	$25	$599
9/30/37	$199	$379	$25	$604
9/30/38	$215	$368	$25	$608
9/30/39	$233	$355	$25	$613
9/30/40	$252	$341	$25	$618
9/30/41	$271	$326	$25	$623
9/30/42	$291	$310	$25	$627
9/30/43	$313	$293	$25	$632
9/30/44	$337	$275	$25	$637
9/30/45	$362	$255	$25	$643
9/30/46	$388	$234	$25	$648
9/30/47	$415	$211	$25	$652
9/30/48	$445	$187	$25	$657
9/30/49	$476	$161	$25	$662
9/30/50	$510	$133	$26	$668
9/30/51	$545	$103	$26	$673
9/30/52	$581	$71	$26	$677
9/30/53	$622	$37	$26	$684
Total	**$7,830**	**$9,647**	**$1,080**	**$18,557**

1 – The 9/30/XX dates represent the assessment year end for the Additional Improvement Area #1 Projects Reimbursement Agreement.
2- Represents the principal and interest due under the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest is calculated using an interest rate of 5.875% per annum for years 1 to 5 and 5.875% per annum thereafter.
3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

Appendix H-2
Improvement Area #1 Assessment Roll – Additional Improvement Area #1 Projects Assessment Roll by Lot Type

Lot Type	Lot Type 3 (40 Ft)
Assessment	**$6,264**
Equivalent Unit	**0.67**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Total Annual Installment[4]
9/30/24	$49	$368	$49	$466
9/30/25	$52	$365	$49	$466
9/30/26	$54	$362	$50	$467
9/30/27	$57	$359	$51	$468
9/30/28	$61	$355	$53	$469
9/30/29	$63	$352	$54	$469
9/30/30	$67	$348	$55	$470
9/30/31	$70	$344	$56	$470
9/30/32	$104	$340	$20	$465
9/30/33	$114	$334	$20	$468
9/30/34	$125	$327	$20	$472
9/30/35	$136	$320	$20	$476
9/30/36	$147	$312	$20	$479
9/30/37	$159	$303	$20	$483
9/30/38	$172	$294	$20	$487
9/30/39	$186	$284	$20	$490
9/30/40	$201	$273	$20	$495
9/30/41	$217	$261	$20	$498
9/30/42	$233	$248	$20	$502
9/30/43	$251	$235	$20	$506
9/30/44	$269	$220	$20	$510
9/30/45	$290	$204	$20	$514
9/30/46	$311	$187	$20	$518
9/30/47	$332	$169	$20	$522
9/30/48	$356	$149	$20	$526
9/30/49	$381	$128	$20	$530
9/30/50	$408	$106	$20	$534
9/30/51	$436	$82	$20	$538
9/30/52	$465	$57	$20	$542
9/30/53	$497	$29	$20	$547
Total	**$6,264**	**$7,718**	**$864**	**$14,845**

1 – The 9/30/XX dates represent the assessment year end for the Additional Improvement Area #1 Projects Reimbursement Agreement.
2- Represents the principal and interest due under the Additional Improvement Area #1 Projects Reimbursement Agreement. Interest is calculated using an interest rate of 5.875% per annum for years 1 to 5 and 5.875% per annum thereafter.
3- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

APPENDIX H-3
COMBINED IMPROVEMENT AREA #1 ANNUAL INSTALLMENT SCHEDULE

Appendix H-3
Combined Improvement Area #1 Annual Installment Schedule

Year [1]	Principal[2]	Interest[2]	Principal[3]	Interest[3]	Administrative Expenses[2,3]	Additional Interest Reserve[3]	Debt Service Reserve Fund[3]	Capitalized Interest/ Available Credits[3]	Total Annual Installment
9/30/21	$0	$457,108	$0	$0	$0	$0	$0	($457,108)	$0
9/30/22	$0	$1,769,450	$0	$0	$50,000	$0	$0	($1,819,450)	$0
9/30/23	$495,000	$1,769,450	$0	$0	$76,500	$164,600	$0	($1,032,134)	$1,473,416
9/30/24	$520,000	$1,742,844	$61,000	$455,019	$138,030	$162,125	$0	$0	$3,079,018
9/30/25	$550,000	$1,714,894	$64,000	$451,435	$140,791	$159,525	$0	$0	$3,080,644
9/30/26	$585,000	$1,685,331	$67,000	$447,675	$143,606	$156,775	$0	$0	$3,085,388
9/30/27	$615,000	$1,653,888	$71,000	$443,739	$146,479	$153,850	$0	$0	$3,083,955
9/30/28	$645,000	$1,620,831	$75,000	$439,568	$149,408	$150,775	$0	$0	$3,080,582
9/30/29	$680,000	$1,586,163	$78,000	$435,161	$152,396	$147,550	$0	$0	$3,079,270
9/30/30	$715,000	$1,549,613	$83,000	$430,579	$155,444	$144,150	$0	$0	$3,077,785
9/30/31	$755,000	$1,511,181	$87,000	$425,703	$158,553	$140,575	$0	$0	$3,078,012
9/30/32	$795,000	$1,470,600	$129,000	$420,591	$116,425	$136,800	$0	$0	$3,068,416
9/30/33	$840,000	$1,427,869	$141,000	$413,013	$118,266	$132,825	$0	$0	$3,072,972
9/30/34	$885,000	$1,382,719	$154,000	$404,729	$120,143	$128,625	$0	$0	$3,075,216
9/30/35	$930,000	$1,335,150	$168,000	$395,681	$122,058	$124,200	$0	$0	$3,075,089
9/30/36	$985,000	$1,285,163	$182,000	$385,811	$124,011	$119,550	$0	$0	$3,081,535
9/30/37	$1,035,000	$1,232,219	$197,000	$375,119	$126,003	$114,625	$0	$0	$3,079,965
9/30/38	$1,090,000	$1,176,588	$213,000	$363,545	$128,034	$109,450	$0	$0	$3,080,617
9/30/39	$1,145,000	$1,118,000	$230,000	$351,031	$130,106	$104,000	$0	$0	$3,078,137
9/30/40	$1,210,000	$1,056,456	$249,000	$337,519	$132,219	$98,275	$0	$0	$3,083,469
9/30/41	$1,275,000	$991,419	$268,000	$322,890	$134,374	$92,225	$0	$0	$3,083,907
9/30/42	$1,340,000	$922,888	$288,000	$307,145	$136,571	$85,850	$0	$0	$3,080,454
9/30/43	$1,415,000	$850,863	$310,000	$290,225	$138,813	$79,150	$0	$0	$3,084,050
9/30/44	$1,490,000	$774,806	$333,000	$272,013	$141,099	$72,075	$0	$0	$3,082,993
9/30/45	$1,570,000	$694,719	$358,000	$252,449	$143,430	$64,625	$0	$0	$3,083,223
9/30/46	$1,655,000	$610,331	$384,000	$231,416	$145,808	$56,775	$0	$0	$3,083,331
9/30/47	$1,745,000	$521,375	$411,000	$208,856	$148,234	$48,500	$0	$0	$3,082,965
9/30/48	$1,835,000	$427,581	$440,000	$184,710	$150,707	$39,775	$0	$0	$3,077,773
9/30/49	$1,935,000	$328,950	$471,000	$158,860	$153,230	$30,600	$0	$0	$3,077,640
9/30/50	$2,040,000	$224,944	$504,000	$131,189	$155,803	$20,925	$0	$0	$3,076,860
9/30/51	$2,145,000	$115,294	$539,000	$101,579	$158,427	$10,725	($2,268,179)	$0	$801,845
9/30/52	$0	$0	$575,000	$69,913	$25,251	$0	$0	$0	$670,164
9/30/53	$0	$0	$615,000	$36,131	$25,264	$0	$0	$0	$676,395
Total	**$32,920,000**	**$35,008,683**	**$7,745,000**	**$9,543,291**	**$4,085,481**	**$3,049,500**	**($2,268,179)**	**($3,308,692)**	**$86,775,084**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds and/or reimbursement agreement.
2 – See Appendix H-1.
3 – See Appendix H-2.

APPENDIX I
FUTURE IMPROVEMENT AREA ASSESSMENT ROLL – FUTURE IMPROVEMENT AREA PROJECTS

Appendix I

Future Improvement Area Assessment Roll – Future Improvement Area Projects

Parcel	**All Parcels**
Equivalent Units	**876.83**
Assessment	**$7,000,000**

Year[1]	Principal	Interest	Administrative Expenses[2]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[3]
9/30/24	$0	$245,000	$0	$0	$0	($245,000)	$0
9/30/25	$0	$490,000	$0	$0	$0	($490,000)	$0
9/30/26	$76,000	$490,000	$61,200	$35,000	$0	$0	$662,200
9/30/27	$82,000	$484,680	$62,424	$34,620	$0	$0	$663,724
9/30/28	$88,000	$478,940	$63,672	$34,210	$0	$0	$664,822
9/30/29	$94,000	$472,780	$64,946	$33,770	$0	$0	$665,496
9/30/30	$101,000	$466,200	$66,245	$33,300	$0	$0	$666,745
9/30/31	$108,000	$459,130	$67,570	$32,795	$0	$0	$667,495
9/30/32	$124,000	$451,570	$55,000	$32,255	$0	$0	$662,825
9/30/33	$133,000	$442,890	$55,028	$31,635	$0	$0	$662,553
9/30/34	$143,000	$433,580	$55,055	$30,970	$0	$0	$662,605
9/30/35	$154,000	$423,570	$55,083	$30,255	$0	$0	$662,908
9/30/36	$165,000	$412,790	$55,110	$29,485	$0	$0	$662,385
9/30/37	$178,000	$401,240	$55,138	$28,660	$0	$0	$663,038
9/30/38	$191,000	$388,780	$55,165	$27,770	$0	$0	$662,715
9/30/39	$205,000	$375,410	$55,193	$26,815	$0	$0	$662,418
9/30/40	$221,000	$361,060	$55,220	$25,790	$0	$0	$663,070
9/30/41	$237,000	$345,590	$55,248	$24,685	$0	$0	$662,523
9/30/42	$255,000	$329,000	$55,276	$23,500	$0	$0	$662,776
9/30/43	$274,000	$311,150	$55,303	$22,225	$0	$0	$662,678
9/30/44	$295,000	$291,970	$55,331	$20,855	$0	$0	$663,156
9/30/45	$317,000	$271,320	$55,359	$19,380	$0	$0	$663,059
9/30/46	$341,000	$249,130	$55,386	$17,795	$0	$0	$663,311
9/30/47	$366,000	$225,260	$55,414	$16,090	$0	$0	$662,764
9/30/48	$394,000	$199,640	$55,442	$14,260	$0	$0	$663,342
9/30/49	$423,000	$172,060	$55,469	$12,290	$0	$0	$662,819
9/30/50	$455,000	$142,450	$55,497	$10,175	$0	$0	$663,122
9/30/51	$489,000	$110,600	$55,525	$7,900	$0	$0	$663,025
9/30/52	$526,000	$76,370	$55,553	$5,455	$0	$0	$663,378
9/30/53	$565,000	$39,550	$55,580	$2,825	($604,550)	$0	$58,405
Total	**$7,000,000**	**$10,041,710**	**$1,602,431**	**$664,765**	**($604,550)**	**($735,000)**	**$17,969,356**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.

2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.

3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix I
Assessment Roll by Lot Type

Lot Type	Lot Type 1 (60 Ft)
Assessment	**$7,983**
Equivalent Unit	**1.00**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/24	$0	$279	$0	$0	$0	($279)	$0
9/30/25	$0	$559	$0	$0	$0	($559)	$0
9/30/26	$87	$559	$70	$40	$0	$0	$755
9/30/27	$94	$553	$71	$39	$0	$0	$757
9/30/28	$100	$546	$73	$39	$0	$0	$758
9/30/29	$107	$539	$74	$39	$0	$0	$759
9/30/30	$115	$532	$76	$38	$0	$0	$760
9/30/31	$123	$524	$77	$37	$0	$0	$761
9/30/32	$141	$515	$63	$37	$0	$0	$756
9/30/33	$152	$505	$63	$36	$0	$0	$756
9/30/34	$163	$494	$63	$35	$0	$0	$756
9/30/35	$176	$483	$63	$35	$0	$0	$756
9/30/36	$188	$471	$63	$34	$0	$0	$755
9/30/37	$203	$458	$63	$33	$0	$0	$756
9/30/38	$218	$443	$63	$32	$0	$0	$756
9/30/39	$234	$428	$63	$31	$0	$0	$755
9/30/40	$252	$412	$63	$29	$0	$0	$756
9/30/41	$270	$394	$63	$28	$0	$0	$756
9/30/42	$291	$375	$63	$27	$0	$0	$756
9/30/43	$312	$355	$63	$25	$0	$0	$756
9/30/44	$336	$333	$63	$24	$0	$0	$756
9/30/45	$362	$309	$63	$22	$0	$0	$756
9/30/46	$389	$284	$63	$20	$0	$0	$756
9/30/47	$417	$257	$63	$18	$0	$0	$756
9/30/48	$449	$228	$63	$16	$0	$0	$757
9/30/49	$482	$196	$63	$14	$0	$0	$756
9/30/50	$519	$162	$63	$12	$0	$0	$756
9/30/51	$558	$126	$63	$9	$0	$0	$756
9/30/52	$600	$87	$63	$6	$0	$0	$757
9/30/53	$644	$45	$63	$3	($689)	$0	$67
Total	**$7,983**	**$11,452**	**$1,828**	**$758**	**($689)**	**($838)**	**$20,493**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.
2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.
3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix I
Assessment Roll by Lot Type

Lot Type	Lot Type 2 (50 Ft)
Assessment	**$6,653**
Equivalent Unit	**0.83**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/24	$0	$233	$0	$0	$0	($233)	$0
9/30/25	$0	$466	$0	$0	$0	($466)	$0
9/30/26	$72	$466	$58	$33	$0	$0	$629
9/30/27	$78	$461	$59	$33	$0	$0	$631
9/30/28	$84	$455	$61	$33	$0	$0	$632
9/30/29	$89	$449	$62	$32	$0	$0	$632
9/30/30	$96	$443	$63	$32	$0	$0	$634
9/30/31	$103	$436	$64	$31	$0	$0	$634
9/30/32	$118	$429	$52	$31	$0	$0	$630
9/30/33	$126	$421	$52	$30	$0	$0	$630
9/30/34	$136	$412	$52	$29	$0	$0	$630
9/30/35	$146	$403	$52	$29	$0	$0	$630
9/30/36	$157	$392	$52	$28	$0	$0	$630
9/30/37	$169	$381	$52	$27	$0	$0	$630
9/30/38	$182	$369	$52	$26	$0	$0	$630
9/30/39	$195	$357	$52	$25	$0	$0	$630
9/30/40	$210	$343	$52	$25	$0	$0	$630
9/30/41	$225	$328	$53	$23	$0	$0	$630
9/30/42	$242	$313	$53	$22	$0	$0	$630
9/30/43	$260	$296	$53	$21	$0	$0	$630
9/30/44	$280	$277	$53	$20	$0	$0	$630
9/30/45	$301	$258	$53	$18	$0	$0	$630
9/30/46	$324	$237	$53	$17	$0	$0	$630
9/30/47	$348	$214	$53	$15	$0	$0	$630
9/30/48	$374	$190	$53	$14	$0	$0	$630
9/30/49	$402	$164	$53	$12	$0	$0	$630
9/30/50	$432	$135	$53	$10	$0	$0	$630
9/30/51	$465	$105	$53	$8	$0	$0	$630
9/30/52	$500	$73	$53	$5	$0	$0	$630
9/30/53	$537	$38	$53	$3	($575)	$0	$56
Total	**$6,653**	**$9,544**	**$1,523**	**$632**	**($575)**	**($699)**	**$17,078**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.
2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.
3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

Appendix I
Assessment Roll by Lot Type

Lot Type	Lot Type 3 (40 Ft)
Assessment	**$5,322**
Equivalent Unit	**0.67**

Year[1]	Principal[2]	Interest[2]	Administrative Expenses[3]	Additional Interest Reserve	Debt Service Reserve Fund	Capitalized Interest	Total Annual Installment[4]
9/30/24	$0	$186	$0	$0	$0	($186)	$0
9/30/25	$0	$373	$0	$0	$0	($373)	$0
9/30/26	$58	$373	$47	$27	$0	$0	$503
9/30/27	$62	$369	$47	$26	$0	$0	$505
9/30/28	$67	$364	$48	$26	$0	$0	$505
9/30/29	$71	$359	$49	$26	$0	$0	$506
9/30/30	$77	$354	$50	$25	$0	$0	$507
9/30/31	$82	$349	$51	$25	$0	$0	$508
9/30/32	$94	$343	$42	$25	$0	$0	$504
9/30/33	$101	$337	$42	$24	$0	$0	$504
9/30/34	$109	$330	$42	$24	$0	$0	$504
9/30/35	$117	$322	$42	$23	$0	$0	$504
9/30/36	$125	$314	$42	$22	$0	$0	$504
9/30/37	$135	$305	$42	$22	$0	$0	$504
9/30/38	$145	$296	$42	$21	$0	$0	$504
9/30/39	$156	$285	$42	$20	$0	$0	$504
9/30/40	$168	$275	$42	$20	$0	$0	$504
9/30/41	$180	$263	$42	$19	$0	$0	$504
9/30/42	$194	$250	$42	$18	$0	$0	$504
9/30/43	$208	$237	$42	$17	$0	$0	$504
9/30/44	$224	$222	$42	$16	$0	$0	$504
9/30/45	$241	$206	$42	$15	$0	$0	$504
9/30/46	$259	$189	$42	$14	$0	$0	$504
9/30/47	$278	$171	$42	$12	$0	$0	$504
9/30/48	$300	$152	$42	$11	$0	$0	$504
9/30/49	$322	$131	$42	$9	$0	$0	$504
9/30/50	$346	$108	$42	$8	$0	$0	$504
9/30/51	$372	$84	$42	$6	$0	$0	$504
9/30/52	$400	$58	$42	$4	$0	$0	$504
9/30/53	$430	$30	$42	$2	($460)	$0	$44
Total	**$5,322**	**$7,635**	**$1,218**	**$505**	**($460)**	**($559)**	**$13,662**

1 – The 9/30/XX dates represent the assessment year (bond year) end for the applicable Bonds.
2- Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year for years 2024 through 2031 and a 0.05% increase per year thereafter.
3- Annual Installments are calculated using an interest rate of 7.00% on the Series 2024 PID Bonds plus the Additional Interest and Administrative Expenses.

Date:	06/18/2024
Agenda Item #:	6. D.
Department:	Development Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Olga Chernomorets, Planning Manager

AGENDA ITEM:

Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1762 Regarding a Request to Rezone Approximately 4.9 Acres of Land, Currently Zoned Planned Development - Lakefront District (PD-LF), through Ordinance No. 1752, Generally Located on the North Side of Main Street at East Park Drive, within Little Elm's Town Limits, Amending the Existing PD-LF District to Establish Modified Development Standards for a Portion of the Concept Plan Area and Approve Development Plans for a 25-Townhome Development.**

- **Open Public Hearing:**
- **Receive Public Comments:**
- **Close Public Hearing:**
- **Take Action on Ordinance No. 1762:**

DESCRIPTION:

Location.
Generally located north of the intersection of Main Street and East Park Drive, within Little Elm's town limits.

Background.
Subject property consists of 4.9 acres of land within the Frisco Park Annex Subdivision, currently zoned as Planned Development – Lakefront District through Ordinance No. 1752.

In 2017, this area was rezoned to Lakefront District. The Lakefront District established standards and design criteria for building form, streets and street framework, landscape, and signage, to ensure a cohesive and quality aesthetic of the built environment. The Lakefront District encourages mixed-use buildings and allows for a variety of retail, commercial, and amusement uses, and residential uses in the form of townhomes or live-work units only.

In February 2024, Town Council approved a Town initiated Planned Development (PD), based on the Lakefront District, through Ordinance No. 1752. This was a result of Staff's concerns that given the amount of growing interest, the current limitations and layout of the streets, and the flexible

administrative allowances for development, redevelopment would occur in a disorganized manner, one lot at a time; permanently engraving the currently disconnected street framework. The goal was to create a regulating layout plan to provide a conceptual framework for future redevelopment of properties specifically within the Frisco Park Annex Subdivision. The approved PD kept the Lakefront District zoning standards but established a general layout, circulation plan, and design guide to ensure cohesive redevelopment. The regulating plan was also intended to encourage a larger scale redevelopment, while allowing for a phased approach.

At this time, developer under the names of Solana Flats LLC., and Lone Sar Annex LLC., has obtained 10 contiguous properties, a total of 1.61 acres, of the 28 properties in the existing subdivision. Developer is planning to redevelop this area as Phase 1 of the approved concept plan, and is requesting certain waivers to the existing Lakefront District standards, specific to this 1.61-acre area, in order to construct the proposed townhomes. Staff believes this area is sufficient for a cohesive first phase of redevelopment, as envisioned through Ordinance No. 1752.

Staff has been working with the developer to ensure the proposed townhome development aligns with the intent and design vision of the recently adopted regulating plan. However, because the existing zoning is a PD based on the Lakefront District standards, any deviations require a zoning process to request a PD amendment for those specific modifications.

Proposal.
The applicant is proposing to build six packs of three-story townhomes, ranging from three to five units in each pack, and totaling 25 townhomes. Each townhome unit will have three bedrooms, three bathrooms, a two-car garage, and a rooftop patio. The proposed layout is accordance with the previously approved Regulating Plan. In addition to the 25 townhomes, the applicant is providing the required trail connection to the Johnny Broyles Trail network, upgrading utilities in the area, realigning the existing right-of-way, and constructing new private streets. The applicant is proposing a smooth curve transition where the new private street connects to the existing right-of-way.

The applicant is proposing to meet all the requirements of the base Lakefront District (LF), more particularly those listed under the Townhome District (TH) since this is a townhome development, with the following requested modifications:

- Establish townhome area requirements based on buildings, dwelling units, and site improvements, not individually platted lots.
- Building height
- Material requirements
- Front door entry requirements
- Landscape Zone 2 reduction and Zone 3 omission
- Tree mitigation

The recently approved Regulating Plan for the overall subject area provides a conceptual layout, as well as exhibits for the look and character of any proposed new Townhomes. The Lakefront District defers townhome development standards to follow the Townhome District (TH), therefore the sections below outline how the proposed development may or may not meet these development standards. If it is not explicitly listed, the Townhome and Lakefront District standards will be followed.

Zoning Standards.
<u>Area Requirements</u>
The lot area and setbacks are challenging to compare because the overall development, in

coordination with the Town's engineering department and the Regulating Plan for the overall subject area, proposes private streets, whereas the Townhome (TH) district outlines setbacks from the public right-of-way and requires individually platted lots. In owner-occupied developments where lots are not individually platted, a condo plat is utilized, so the development consists of one large lot with individually platted building footprints to be owned by the occupant, and associated public easements as necessary.

Proposed development complies with the layout approved through the Regulating Plan and establishes the required minimum setbacks as 10 feet from the Main Street right-of-way, 10 feet from the rear property line, and five-foot side yards. The distance between the townhome building packs is a minimum of 20 feet.

Height Requirements

Maximum height meets the 45-foot requirement, with only the five-packs, facing the existing Army Corps of Engineers land having an additional 2 feet at the peak of the middle townhome unit. This was done at Staff's request in order to break up these larger packs and provide additional visual interest. Generally, Section 106.06.08 - Special area and height regulations allows false mansard up to six feet above height limit. Additionally, in the recent past, Council has approved a slight height increase in the Lakefront District, where the increase is solely for decorative purposes.

Front Door Entry Requirements

Front door entry is required to be located a minimum of two feet above the sidewalk elevation and include a minimum 24 square foot stoop. The applicant is proposing to reduce the elevation requirement to 6 inches above sidewalk but increase the front stoop to 50 square-feet.

Development Standards.

The elevation examples in the regulating plan do not prescribe a specific ratio of materials but provide a design and aesthetic to be applied to the redevelopment of this area. Staff and the applicant have been working to ensure the Regulating Plan is met as closely as possible in that regard.

Section 106.06.04 prescribes exterior material standards for Townhomes and states that Townhomes should be finished with a minimum of 85% Category A (masonry) materials on the first floor and 50% on all other floors. The remaining percentage on each floor should be Category B materials.

That being said, Staff has worked with the applicant in order to provide an interesting mix of materials and to ensure unit design variation, braking up any potential uniformity. While materials percentages are an important indicator, Staff's goal in this effort has been to ensure a high degree of architectural character that aligns with the goals of the regulating plan and the goals of the Lakefront District. Utilizing the concept photos from the regulating plan, architectural features such as white brick, enhanced front doors, lighting features, alternating unit design, and wood accents were all examples of what was envisioned for this area.

The proposed elevation plans capture the minimum material requirements for this development, providing approximately 60% masonry on the ground floor and 50% on the floors above.

Sample of elevation percentages below show the makeup of the four-pack townhomes:

Elevation	Glazing	Masonry (A)	Stucco (B)	Other (C)
Front	30%	60%	21%	19%
Side C	7%	40%	60%	0%

Side D	6%	35%	64%	1%
Rear	22%	49%	51%	0%

Front Elevation

Floor	Glazing %	Masonry %	Stucco %	Other %
Ground Floor	35.7%	61%	0%	39% 'Poplar siding'
Remainder	27.6%	52%	46%	2%

Staff worked with the applicant to provide enough glazing on the side elevations to provide continuity and interest of the design, while keeping the percentage to a minimum in order to respect the remaining adjacent single-family homes. Half of the windows shown on the side elevations are designed and intended more for provision of light.

Landscaping Standards.
The proposed landscaping will be in compliance with landscape requirements for the Townhome District, as well as the general Landscape Ordinance requirements, with the exception of the following.

Front Yard Landscape Zones
Three front yard landscape zones are required between back of curb and the building line:

Streetscape Zone 1 requires a minimum five-foot-wide area adjacent to the back-of-curb for trees, street furniture, and a one-foot dismount strip. The intent is allow for provision of trees along the street frontage as well as allow passengers to be able to get out of the vehicle onto a paved area and not a landscaped buffer. Given the majority of this development consists of private streets with rear garage entries, this zone is not applicable. The intent of this zone is met through provision of sidewalks and street trees.

Sidewalk Zone 2 requires a minimum six-foot-wide clear sidewalk, the applicant is proposing 5 foot sidewalks throughout this development.

Landscape Zone 3 requires a minimum six-foot landscape/patio area adjacent to the building. The applicant is proposing to omit this zone except along Main Street, where a varied landscape area adjacent to the building would be provided. *Staff believes that there is opportunity to provide at least a five-foot landscape area adjacent to the buildings along the outside perimeter of this phase.*

Landscaping and Screening at Rear Entries.
Based on the envisioned design guide, the rear garage entries are to be landscaped and provide a front door for better perception of front entries. The applicant is proposing to plant trees and shrubs between each driveway while keeping a clear path to the doorway.

Tree Mitigation.
In order to develop the site, the applicant will need to remove 31 mature trees, which add up to a total required tree mitigation of 1,173 inches; based on the formula provided in Section 106.06.22, this adds up to $63,050.19 in mitigation fees. Applicant is requesting to waive the tree mitigation fees and instead provide enhanced landscaping in the form of planting more trees than required, provision of 6-inch caliper trees and enhanced shrub heights, around the south and west perimeter, as well as internally as shown on the landscape plan.

Amenity and Open Space.

Additionally, as part of this amendment, Staff is proposing to add language to the regulations for the overall subject area requiring amenities be provided at certain thresholds, to ensure that all existing lots maintain their value, even those identified as amenity space in the concept plan. The new language, more specifically stated within the PD Narrative, requires the open space to be amenitized with landscaping, trail, covered seating, and either sculpture, water feature, or bbq grills; or as a private dog park. Open Space landscaping shall follow the typical Townhome District requirement of a minimum of three large canopy trees and six small ornamental trees for every 1,600 square feet of open space area.

Amenity Center would have to be constructed to match the materials and design of the townhomes, per the intent of the adopted design guide, and would have to provide meeting space/event club house and an outdoor pool with landscaping. Additional or alternative amenity options are subject to approval of the Director of Development Services, and must be supported by the HOA.

Open Space and Amenity Center, whichever is most relevant based on location of development at that time, shall be provided in concurrence to the issuance of a building permit for building containing the units that add up to 45 of the total 66 possible townhome units. The second amenity shall be provided prior to the issuance of a building permit for the building containing the last of the 66 units.

Parking.
Each Townhome will have two garage spots and two driveway spots. The minimum for number of parking spaces in Townhome districts is two garage spaces per unit and 0.3 spaces per unit of additional parking. This requirement is typically met through provision of on-street parking, however, since the development will have private streets that do not allow for on-street parking, the additional parking requirement is met through provision of two garage driveway spaces.

Subdivision.
The proposed development meets the Town's subdivision requirements. The property will need to replat once the civil plans are deemed by staff as "approvable". The new part of the street would be privately maintained, but publicly accessible as it is not intended for this to be a gated subdivision nor is it intended to restrict access from current residents but rather enhance access. When replatting the area of this amendment, a condo plat will be utilized in which each townhome is owned by the resident, but overall greenspaces and parkways are owned and maintained by the HOA.

Development Agreement.
Should this Planned Development amendment be approved, a Development Agreement, specific to the Phase 1 area, will follow this item for approval by Town Council. This agreement will memorialize the proposed development plan details, interior finishes, and requirements for establishment, approval, and recording of the Covenants, Conditions, and Restrictions (CC&Rs) for the HOA.

Fire, Engineering, and Building.
The Fire, Engineering, and Building department have reviewed the proposed plans and determined them to be acceptable for the purposes of this rezoning request. This is not an approval of any of the plans for construction.

Comprehensive Plan.
The proposed development is in accordance with the Town's Comprehensive Plan and Future Land

Use Plan. The Town envisions this property as a light commercial use, which aligns with the intent of the proposed development and also increases the recreation options of residents by providing a dog park.

Recommendation to Planning and Zoning Commission.
Staff was generally supportive of the proposed Phase 1 redevelopment and recommended the Planning and Zoning Commission evaluate the proposed amendment request based on the vision of Comprehensive Plan and the Lakefront District, as well as how closely it aligns with the Regulating Plan and Design Guide, established through Ordinance No. 1752.

Staff suggested that if the Commission moved in the direction of approval, the following items, should be considered as conditions of the approval, to be addressed prior to Town Council hearing.

1. provide at least a five-foot landscape area adjacent to the buildings along the perimeter and meander the sidewalk as needed
2. provide additional detail showing how rear doors are accessed, maintaining sufficient landscaping and utility screening
3. revise tree mitigation plan to show all trees impacted by the development

Commission Findings.
At their regular hearing on May 16, 2024, the Planning and Zoning Commission deliberated and discussed amenities and open space requirements, minimum lot sizes, platting requirements, floor plans and windows, parking requirements, tree mitigation, and accessibility. The Commission also wanted to ensure this phase does not become closed odd from the community and unanimously (7-0) recommended approval of the request with the conditions as stated above, plus a requirement to prohibit perimeter fencing.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDED ACTION:

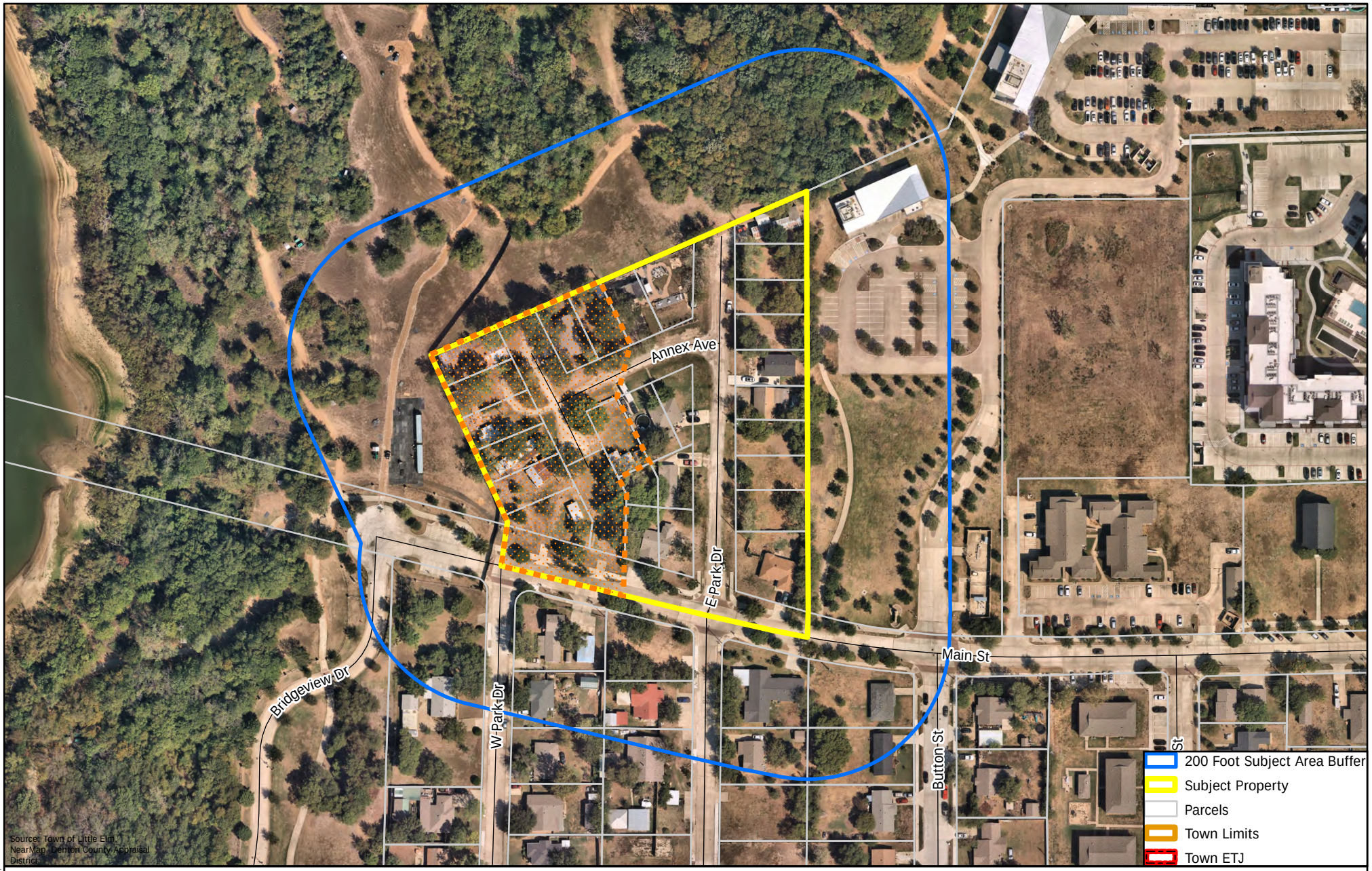
Planning and Zoning Commission recommends approval subject to the following conditions:

1. provide at least a five-foot landscape area adjacent to the buildings along the perimeter and meander the sidewalk as needed
2. provide additional detail showing how rear doors are accessed, maintaining sufficient landscaping and utility screening
3. revise tree mitigation plan to show all trees impacted by the development
4. no perimeter fencing allowed

Attachments

Location Map

Ordinance No. 1762 - Frisco Park Annex PD Amendment

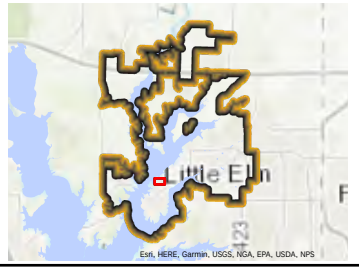


Regulating Plan for Frisco Park Annex Subdivision
Little Elm, TX 75068

Town of Little Elm
Denton County, Tx

Date: 11/20/2023

0 90 180
US Feet



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.

Project Location: G:\GIS\For Town\Employee\GIS\eServices\Jose\LocationMap\

TOWN OF LITTLE ELM

ORDINANCE NO. 1762

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE, BY AMENDING THE ZONING FROM PLANNED DEVELOPMENT - LAKEFRONT DISTRICT (PD-LF), THROUGH ORDINANCE NO. 1752, IN ORDER TO ESTABLISH MODIFIED DEVELOPMENT STANDARDS FOR A PORTION OF THE CONCEPT PLAN AREA AND APPROVE DEVELOPMENT PLANS FOR A 25-TOWN HOME DEVELOPMENT ON 4.9 ACRES OF LAND GENERALLY LOCATED ON THE NORTH SIDE OF MAIN STREET AT EAST PARK DRIVE; 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 to establish modified development standards and approve development plans on approximately 4.9 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 May 16, 2024 the Planning & Zoning

Commission considered and made recommendations on a request to amend existing Planned Development-Lakefront (PD-LF), Case No. PD-23-004665; 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 amending Planned Development-Lakefront (PD-LF), through Ordinance No. 1752, establishing modified development standards for a portion of the concept plan area and approving development plans for a 25-town home development, generally located on the north side of Main Street at East Park Drive, within Little Elm Town limits, approximately 4.9 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 PD-LF District through Ordinance No. 1752, 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) amendment. 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 June, 2024.

Town of Little Elm, Texas

_____

Curtis Cornelious, Mayor

ATTEST:

_____

Caitlan Biggs, Town Secretary

EXHIBIT A

Property Description – Overall Subject Area

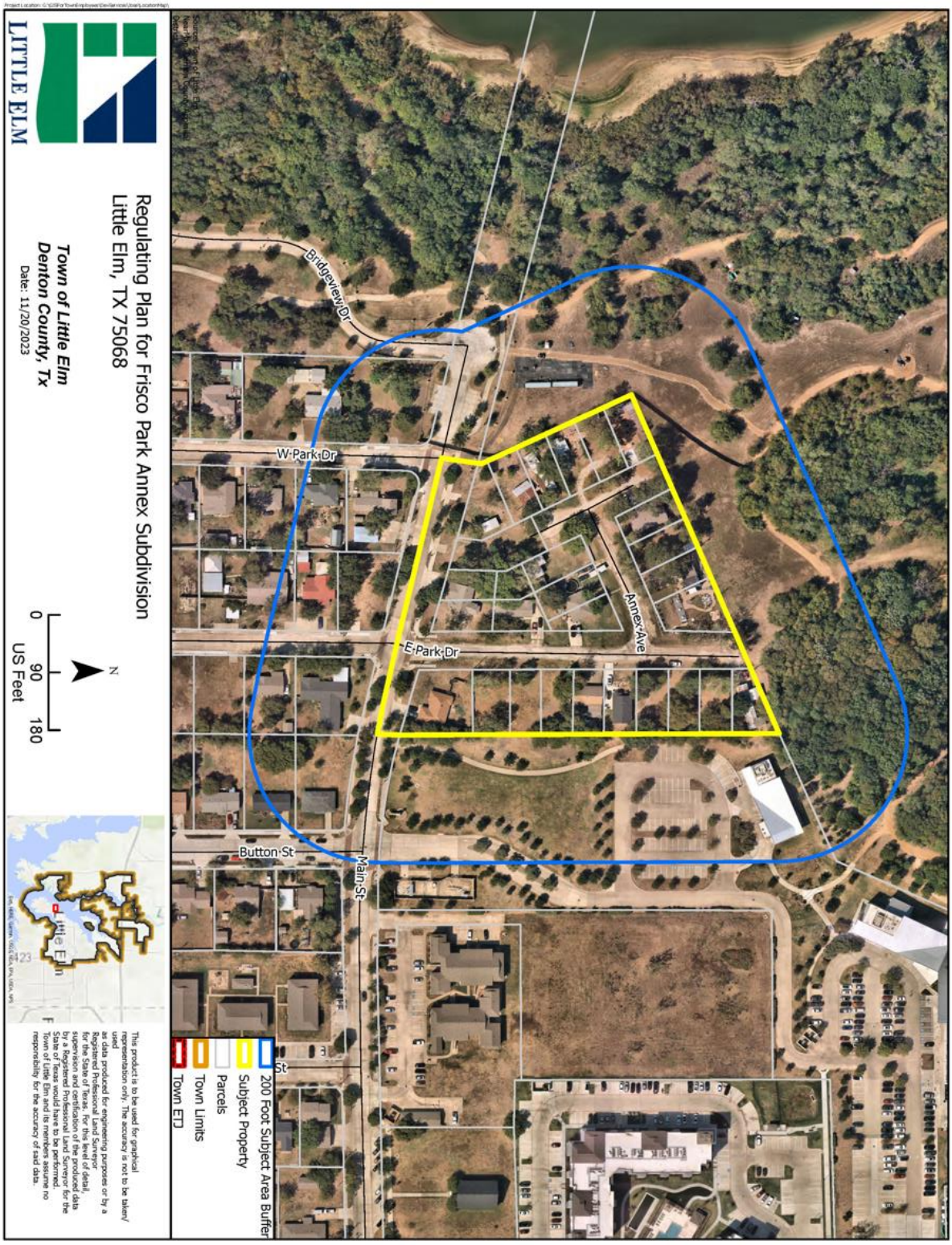


EXHIBIT A

Property Description – Phase 1 Property

Being Lots 14, 15, 16, 17, 18, 19, 20, 21, 22, and 28, of FRISCO PARK ANNEX, an addition to the Town of Little Elm, according to the Plat thereof recorded in Volume 2, Page 160, Plat Records, Denton County, Texas.

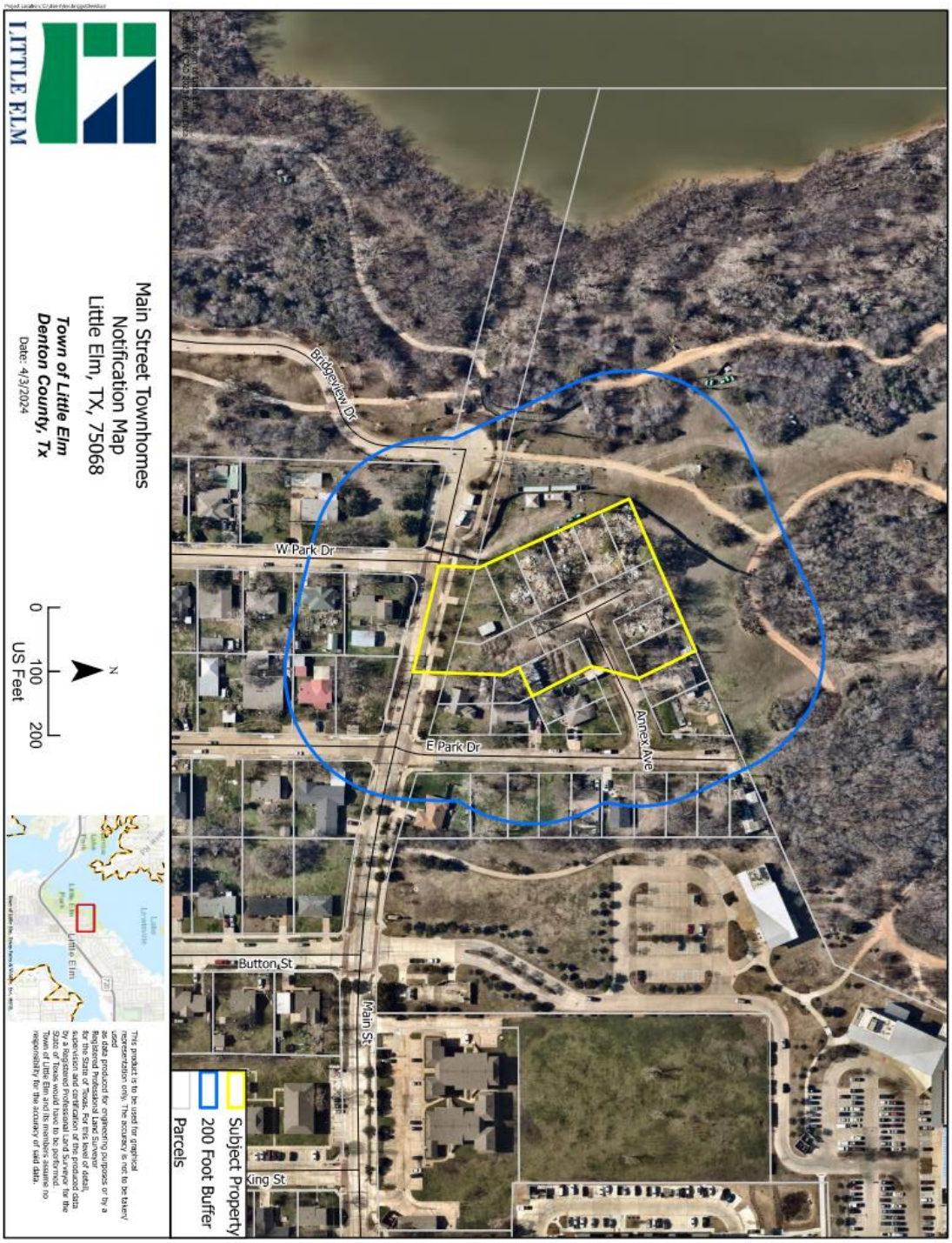


Exhibit B
PD Standards

FRISCO PARK ANNEX SUBDIVISION - TOWNHOMES
PLANNED DEVELOPMENT DISTRICT

This zoning submittal is an amendment to the existing Planned Development - Lakefront District ("PD-LF") through Ordinance No. 1752, which encompasses approximately 4.9 acres of land within the Town of Little Elm. This amendment establishes additional criteria for the overall area, and establishes modified development standards specific to a 1.61-acre Phase 1 of redevelopment, more fully described and attached as Exhibit A (the "Property"). Phase 1 consists of a new owner-occupied townhome development, establishing six buildings and a total of 25, three-bedroom, townhome units. This development shall align with the goals of previously envisioned PD-LF district for cohesive, high-quality redevelopment that enhances the natural characteristics of the property, and provides the highest and best use based on its location within the Lakefront District. This amendment to the existing PD-LF will provide the zoning regulations as depicted in Exhibit B, specific to the 1.61-acre Property. The final layout must generally conform with Exhibit C, and the concept plan as previously approved through ordinance No. 1752 .

It is the intent of this PD-LF to primarily follow the Lakefront District (LF) zoning regulations as the base district, with modified development standards as outlined within Exhibit B, therefore amending the existing Town of Little Elm, Texas zoning map. Any conflict between this PD-LF and the Zoning Ordinance shall be resolved in favor of the regulations set forth in the PD-LF, or as may be ascertained through the intent of this PD-LF. As used herein, "Zoning Ordinance" means the comprehensive zoning of the Town of Little Elm, Texas, in effect on the effective date of this Agreement, except otherwise defined in this Agreement. Uses and development regulations specifically modified, designated or included in this PD-LF shall not be subject to amendment after the date of the adoption of this PD-LF (the "Effective Date") (whether through the amendment of the Zoning Ordinance or otherwise), except through an amendment of this PD-LF. Uses and development regulations which otherwise are not specifically modified, designated, or included in this PD-LF shall be controlled by the "Zoning Ordinance", as it may be amended unless context provides to the contrary.

CONCEPT PLAN REQUIRED

The Concept Plan attached hereto as Exhibit C, and incorporated herein by reference, regulates the general layout of townhome development, required amenities, and private street layout. An amendment to a concept plan approved as a part of an ordinance establishing a planned development district is a change in zoning district classification and must follow the same procedures set forth in Section 106.04.03, except the Director may approve minor revisions which do not alter the basic relationship of the proposed development, and align with the visions, goals, and intent of the Lakefront District and Ordinance No. 1752.

As used herein, "Director" means the Director of Development Services.

EXHIBIT B

Development Standards

Except as otherwise set forth in these development standards, the development of this area shall follow the regulation of the Town Little Elm's Zoning Ordinance and the Subdivision Ordinance, as they exist, or may be amended, at the time of development.

Generally. The 4.9 acres of land shall be generally improved in accordance with the Regulating Concept Plan and Design Vision documents forth in Exhibit B of Ordinance 1752, providing conceptual framework and architectural design options for townhome development. Development standards shall be in accordance with the Lakefront District (LF) and the Zoning Ordinance in general.

Amenities. Open Space and Amenity Center shall be provided generally as shown in the Regulating Concept Plan.

Open Space shall be amenitized per approval of the Director; including, but not limited to, landscaping, trail, covered seating, and either sculpture, water feature, or barbeque grills. Open Space could alternatively be a private dog park with landscaping and amenities appropriate for such use. Open Space landscaping shall follow the typical Townhome District requirement of a minimum of three large canopy trees and six small ornamental trees for every 1,600 square feet of open space area.

Amenity Center shall be constructed to match the materials and design of the townhomes, per the intent of the adopted design guide, and shall provide meeting space/event club house and an outdoor pool with landscaping, per approval of the Director. Additional or alternative amenity options are subject to approval of the Director, and must be supported by the HOA.

Open Space and Amenity Center, whichever is most relevant based on location of development at that time, shall be provided in concurrence to the issuance of a building permit for building containing the units that add up to 45 of the total 66 possible townhome units. The second amenity shall be provided prior to the issuance of a building permit for the building containing the last of the 66 units.

GENERAL CONDITIONS FOR PHASE 1 "PROPERTY"

1. Use Regulations
    a. No building, structure, land or premises will be used, and no building or structure shall hereafter be erected, constructed, reconstructed, or altered, except for one or more of the uses specified herein as depicted on the concept site plan attached as Exhibit C.

        i. Maximum of 25 owner-occupied townhomes

2. Area and Height Regulations
    a. Lot regulations shall be in accordance with the Zoning and Subdivision Ordinance, unless otherwise specified in the Regulating Concept Plan and herein.

        i. Phase 1 will remain as one lot with a maximum of 25 dwellings units platted through a condo plat to provide for individual townhome ownership, and establish an HOA for the maintenance of private streets and common areas.

        ii. The minimum setbacks are established as follow:

Front yard building setback from Main Street:	10 feet
Rear yard building setback from Army Corps of Engineers land:	10 feet
Side yard building setback on the east and west:	5 feet
Building separation:	20 feet

    b. Maximum Height is 45 feet, with only the buildings facing the existing Army Corps of Engineers land with possible additional 2 feet at the peak of the middle townhome unit.

3. Front Door Entry
    a. The front door entry shall be located a minimum of 6 inches above the sidewalk elevation and include a minimum 50 square foot stoop.
    b. If pre-empted by topographic conditions, the entry may be lowered in elevation, subject to approval of the Director.
    c. There shall be a landscaped area separating the private area from the public/private sidewalk area.
    d. Up to 50 percent of units may be ADA accessible from the sidewalk.

4. Architectural Standards
    a. Architectural standards shall be in accordance with the Zoning Ordinance, Section 106.04.02 - Lakefront District and Section 106.06.04 Architectural Standards for Townhomes, unless otherwise specified in the Façade Plans, referenced in Exhibit C, and provided herein.

        i. Buildings must be developed per approved Facades Plans.

        ii. Townhomes shall be finished with a minimum of 60% Category A (masonry) materials on the first floor and 50% on all other floors. The remaining percentage on each floor should be Category B materials, with Category C materials allowed as accents not to exceed 10%.

        iii. Garage doors and front entry doors visible from the right-of-way, or a private street, shall consist of stained cedar, redwood, spruce, fir or other hardwood, or other products, including products that are not wood but have a wood appearance and approved by the Director.

        iv. Mailboxes must be grouped. Exterior of the structure shall be masonry to match the primary buildings, the roof made of metal materials, located on a common lot and maintained by the HOA.

        v. Outside of designated trash pickup times, trash receptacles shall be stored inside, out of view from any private or public street.

5. Landscaping Standards
    a. All provisions within Article VI. Division 2. Landscaping and Tree Preservation shall be met, as it exists or may be amended in accordance with the standards in effect at the time of development, or requested change, unless otherwise shown on the Landscape Plans attached hereto as Exhibit C.

        i. Front Yard Landscape Zones
        Zone 1. The intent of this zone is met through provision of sidewalks and street trees.
        Zone 2. A minimum five-foot-wide clear sidewalk.
        Zone 3. A minimum five-foot landscape area adjacent to the building.

        ii. Rear Entries shall be provided with adequate landscaping and maintain a clear path to the door.

        iii. Tree mitigation shall be met by the provision of trees over the required amount, provision of 6-inch caliper trees, and enhanced shrub heights, as shown within Exhibit C.

        Total number of trees and shrubs, as shown in Exhibit C, must be planted on-site; if any conflict arises due to circumstances outside of the developer's control, trees may be relocated within proximity of original location, but must be planted within the boundaries of the subject 4.9 acre area.

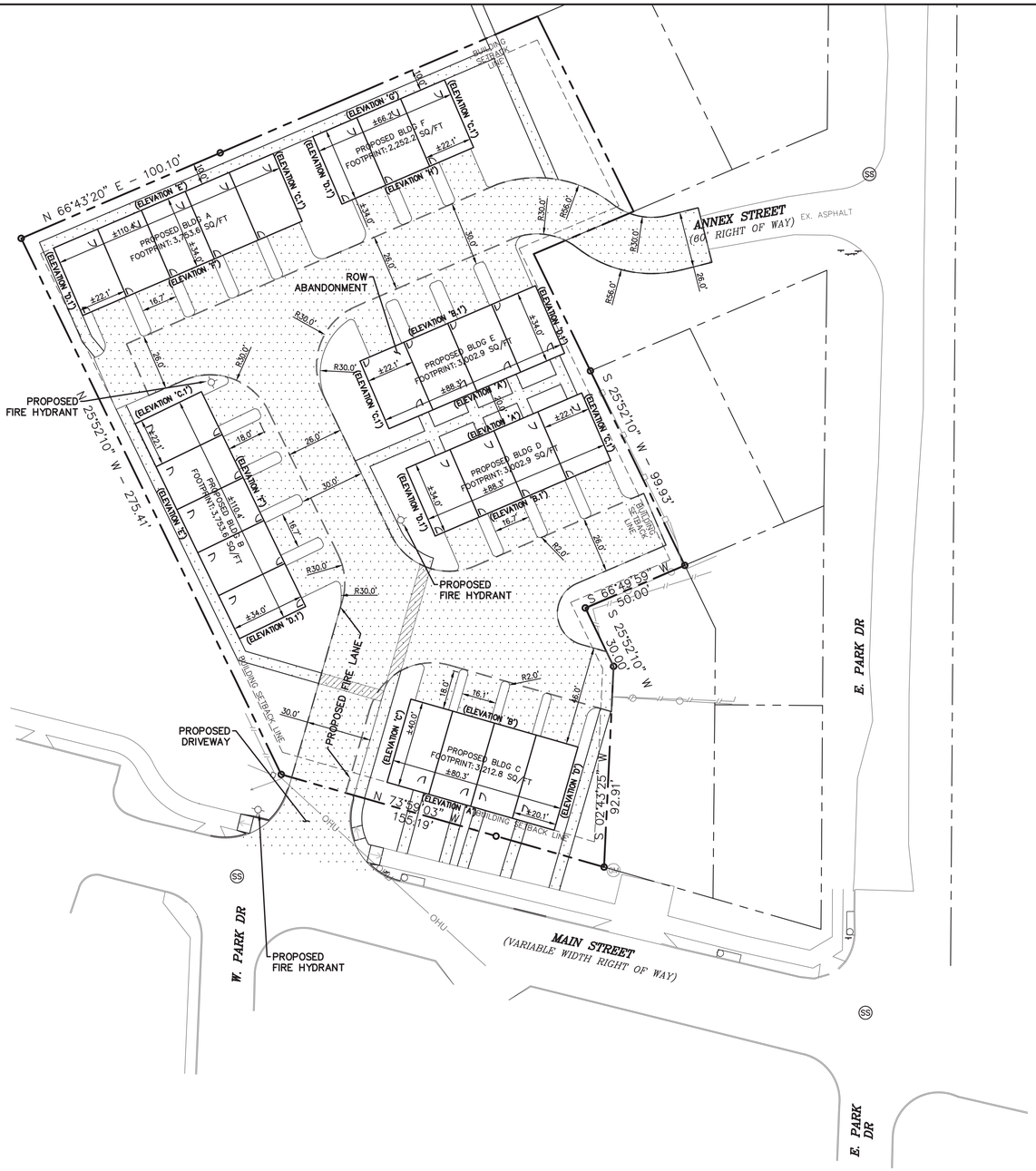
6. Parking and Accessibility
    a. All provisions within Section 106.03.01(j) - Townhome District and Section 106.04.02 -Lakefront District in general shall be met except as specified below:

        i. Minimum garage and driveway space size established as shown in the Site Plan referenced in Exhibit C.
        ii. Garage driveway spaces can be counted toward the minimum number of other parking spaces required per unit, in addition to the two-car garage.
        iii. On-street parking is prohibited.

7. Screening
    a. All provisions within Article VI. Division 3 Screening Walls and Fences shall be met.
    b. Any ground-, roof-, or wall-mounted mechanical/electrical equipment or utilities must be located away from Main Street and fully screened at the time of installation.
    c. Screening shrubs and additional decorative fence or panels must be used for ground-mounted equipment visible from Main Street, as approved by the Director.
    d. If any ground-mounted equipment is required within the landscape islands at the rear garage entries, a decorative cover must be provided, as approved by the Director.
    e. No perimeter fencing allowed.

8. Homeowners Association
    a. A Homeowners' Association (HOA) will be established for the development.
    b. Dedicated open space, required landscape, private streets and parkway areas, any retaining walls or screening walls/mechanisms, signage, common areas, amenities, or other ancillary items will be owned and maintained by the HOA.
    c. Final Covenants, Conditions, and Restrictions (CC&Rs) required to be approved by the Director and recorded prior to the Town being able to sign off on the plat document.

Exhibit C
Development Plans



LEGEND

– EXISTING CURB

– PROPOSED CURB

– PROPOSED PAVEMENT

N

0 30 60

DRAWING SCALE
1"=30'

SITE PLAN SUMMARY CHART		
SITE DATA SUMMARY	EXISTING	PROPOSED
EXISTING ZONING	PLANNED DEVELOPMENT TOWN HOMES	PLANNED DEVELOPMENT TOWN HOMES
FRONT SETBACK	6'	6'
SIDE SETBACK	5'	5'
REAR SETBACK	20'	10'
LAND USE DESIGNATION	TOWNHOMES	TOWNHOMES
GROSS ACREAGE	1.61 ACRES	1.61 ACRES
NET ACREAGE	1.61 ACRES	1.61 ACRES
NUMBER OF PROPOSED LOTS	1	1
PERCENTAGE OF SITE COVERAGE	25%	75%
AREA OF OPEN SPACE	52,636 SQFT	17,440 SQFT
PERCENTAGE OF OPEN SPACE	75%	25%
PERCENTAGE OF LANDSCAPE	0%	10%
AREA OF IMPERVIOUS COVERAGE	17,632 SQFT	52,827 SQFT
PERCENTAGE OF IMPERVIOUS COVERAGE	25%	75%
PROPOSED BUILDING AREA (SQUARE FOOTAGE FOOTPRINT)	9,427 SQFT	18,978 SQFT
NUMBER OF SINGLE–STORY BUILDINGS	8	0
NUMBER OF TWO–STORY BUILDINGS	0	0
MAXIMUM BUILDING HEIGHT	45	45
PROPOSED FLOOR AREA	–	56,934 SQFT
PROPOSED FLOOR AREA BY USE	–	56,934 SQFT
REQUIRED PARKING	–	25
PROPOSED PARKING	–	25
STANDARD (DRIVE/GARAGE PARKING)	–	25
HANDICAP	–	0
TOTAL	–	25
INVENTORY PARKING	–	0
ELECTRIC VEHICLE CHARGING INFRASTRUCTURE	0	0
BICYCLE RACKS	0	0
REQUIRED LOADING SPACES	–	0

SITE NOTES:

1. ALL SIDEWALKS SHALL MAINTAIN A 2% MAXIMUM CROSS SLOPE AND A 5% MAXIMUM SLOPE IN THE DIRECTION OF PEDESTRIAN TRAVEL. ALL ADA SIDEWALKS SHALL INCLUDE ALL LANDINGS, MARKINGS, ETC AS REQUIRED BY CODE.
2. PREMISE IDENTIFICATION SHALL BE PER THE FIRE DEPARTMENT REQUIREMENTS
3. ALL DIMENSIONS ARE FROM FACE OF CURB TO EDGE OF CONCRETE OR FACE OF BUILDING UNLESS OTHERWISE NOTED.
4. SITE SIGNAGE SHALL BE BY SEPARATE PERMIT.
5. ALL FIRE LANES SHALL BE CONCRETE A MINIMUM OF 6" THICK WITH #3 REBAR, 18" ON CENTER. IT SHALL HAVE 6" LIME STABILIZATION OR 2" OF CONRETE IN LIEU OF LIME WITH TOWN APPROVAL.

!!! CAUTION !!!
UNDERGROUND UTILITIES

EXISTING UTILITIES AND UNDERGROUND FACILITIES INDICATED ON THESE PLANS HAVE BEEN LOCATED FROM REFERENCE INFORMATION SUPPLIED BY VARIOUS PARTIES. THE ENGINEER DOES NOT ASSUME THE RESPONSIBILITY FOR THE UTILITY LOCATIONS SHOWN. IT SHALL BE THE SOLE RESPONSIBILITY OF THE CONTRACTOR(S) TO VERIFY THE HORIZONTALLY AND VERTICALLY LOCATION OF ALL UTILITIES AND UNDERGROUND FACILITIES PRIOR TO CONSTRUCTION, TO TAKE PRECAUTIONS IN ORDER TO PROTECT ALL FACILITIES ENCOUNTERED AND NOTIFY THE ENGINEER OF ALL CONFLICTS OF THE WORK WITH EXISTING FACILITIES. THE CONTRACTOR SHALL PROTECT AND MAINTAIN ALL UTILITIES FROM DAMAGE DURING CONSTRUCTION. ANY DAMAGE BY THE CONTRACTOR TO UTILITIES SHALL BE REPAIRED OR REPLACED BY THE CONTRACTOR AT THEIR OWN EXPENSE.
CONTACT TOWN OF LITTLE ELM & 811 FOR UTILITY LOCATES AT LEAST 72 HOURS PRIOR TO CONSTRUCTION.

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STATE OF TEXAS
PAUL M. CRAGUN
112767
LICENSED
PROFESSIONAL ENGINEER

04/24/24

FOR REVIEW, NOT FOR CONSTRUCTION.

REVISIONS			
REV NO.	DATE	DESCRIPTION	BY

ENGINEER: Cumulus Design Firm #14810
2080 N. Highway 360, Suite 240 Grand Prairie, Texas 75050
Tel. 214.235.0367

ZONING SITE PLAN

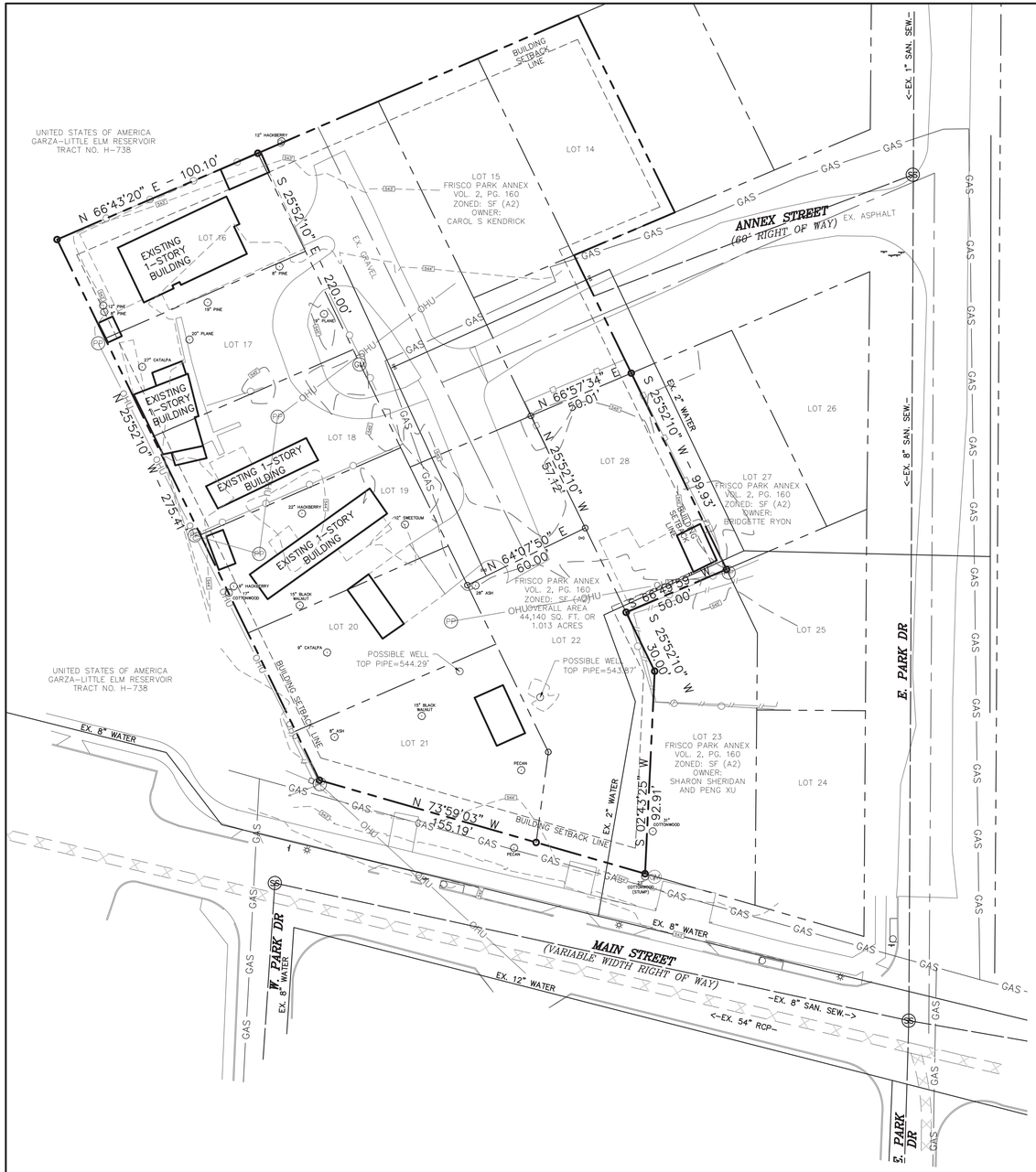
LAKEVIEW AT ANNEX

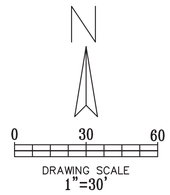
PARK LANE & ANNEX AVENUE, 1.31 ACRES

FRISCO PARK ANNEX, LOTS 16-22 AND 28

TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

TOWN CASE NUMBER	DATE	SHEET
–	04/24/24	SP





LEGEND

- EXISTING CURB
- 671 — EXISTING CONTOUR
- EXISTING STORM
- PROPERTY LINE

TOPOGRAPHIC DATA AND PROPERTY BOUNDARY SHOWN ON THIS PLAN WAS PROVIDED BY THE DEVELOPER THROUGH A TOPOGRAPHIC SURVEY CONDUCTED BY PEISER & MANKIN SURVEYING, LLC ON 8/18/2022.

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EXISTING CONDITIONS PLAN

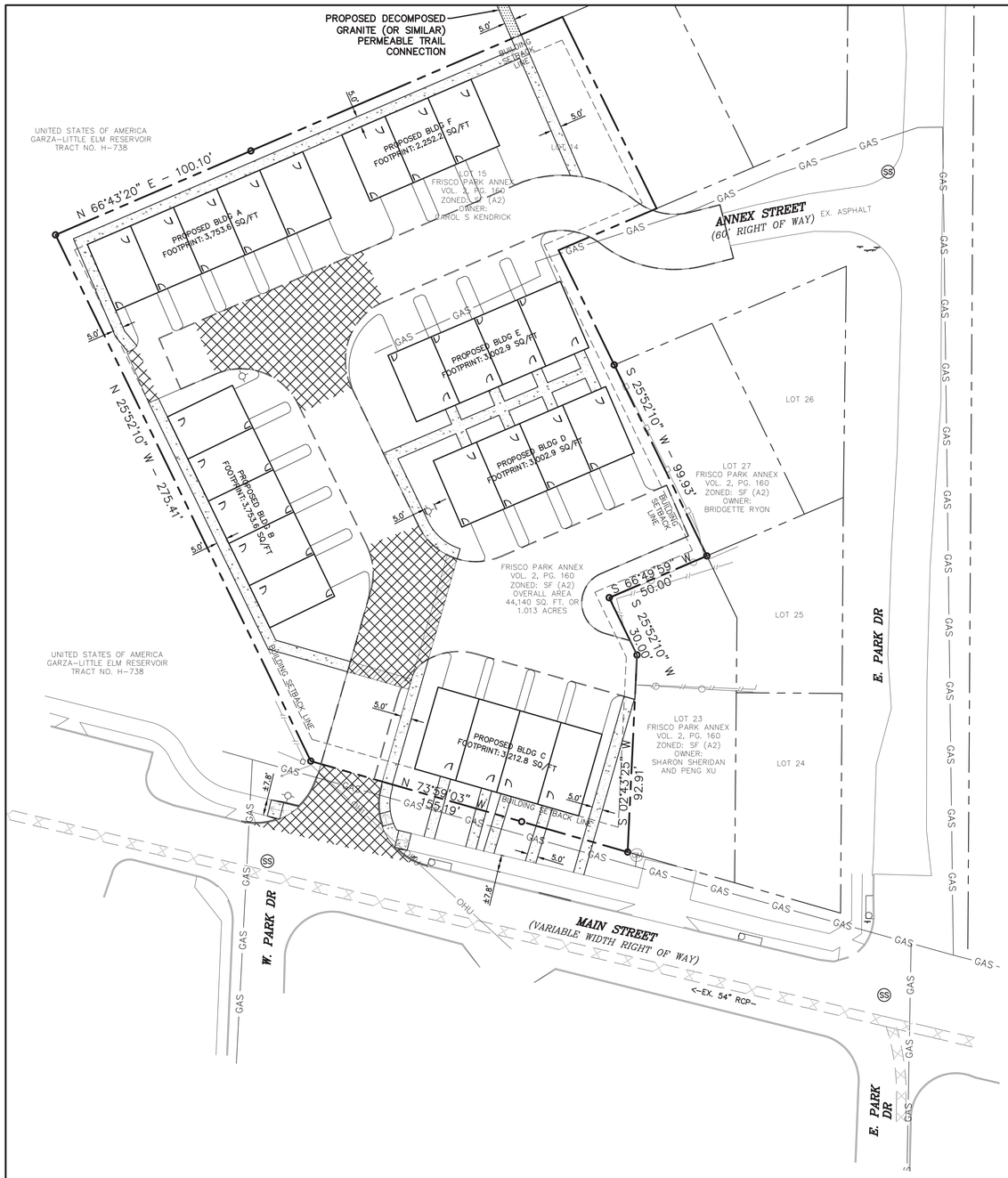
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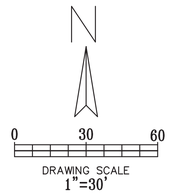
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TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

TOWN CASE NUMBER	DATE	SHEET
–	04/24/24	C1.01





LEGEND

- – EXISTING CURB
- – PROPOSED CURB
- – PROPOSED CONCRETE SIDEWALK
- – PROPOSED PERMEABLE SIDEWALK/TRAIL
- – PEDESTRIAN CROSSING SHALL BE COLORED STAMPED CONCRETE PER TOWN STANDARDS.

GENERAL NOTES:

1. ALL MATERIALS AND CONSTRUCTION WITHIN STREET RIGHT-OF-WAY SHALL CONFORM TO THE TOWN STANDARD CONSTRUCTION DETAILS AND SPECIFICATIONS.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING WITH ALL APPROPRIATE UTILITY COMPANIES FOR THE LOCATION OF ALL UTILITIES WITHIN THE CONSTRUCTION AREA/SITE.
3. THE PAVING CONTRACTOR SHALL NOT PLACE PERMANENT PAVEMENT UNTIL ALL SLEEVING FOR IRRIGATION, ELECTRIC, GAS, TELEPHONE, CABLE TV, SITE IRRIGATION, ETC. HAS BEEN INSTALLED. IT SHALL BE THE PAVING CONTRACTOR'S RESPONSIBILITY TO ENSURE THAT ALL SLEEVING IS IN PLACE PRIOR TO THE PLACING OF PERMANENT PAVING.
4. ALL PAVING AND EARTHWORK OPERATIONS SHALL CONFORM TO THE RECOMMENDATIONS IN THE GEOTECHNICAL INVESTIGATION REPORT.
5. ALL DIMENSIONS ARE FROM BACK OF CURB, EDGE OF PAVEMENT, OR FACE OF BUILDING UNLESS OTHER WISE NOTED.
6. ALL SIDEWALKS SHALL MAINTAIN A 2% MAXIMUM CROSS SLOPE AND 5% MAXIMUM SLOPE IN THE DIRECTION OF PEDESTRIAN TRAVEL.

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CONTACT TOWN OF LITTLE ELM & 811 FOR UTILITY LOCATES AT LEAST 72 HOURS PRIOR TO CONSTRUCTION.

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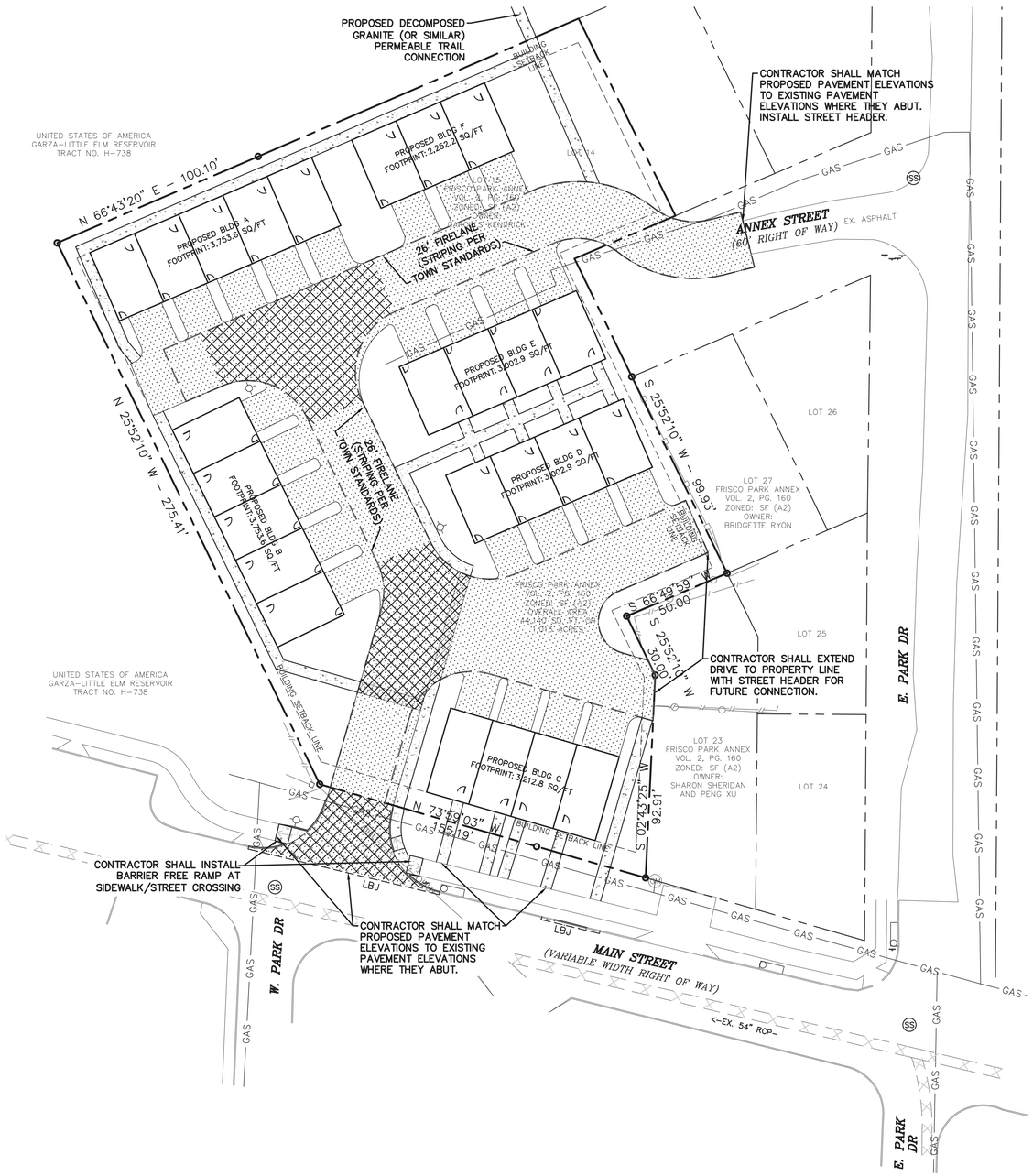
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SIDEWALK PLAN

LAKEVIEW AT ANNEX
PARK LANE & ANNEX AVENUE, 1.31 ACRES
FRISCO PARK ANNEX, LOTS 16-22 AND 28
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

TOWN CASE NUMBER	DATE	SHEET
–	04/24/24	C3.01



LEGEND

- ═══ – EXISTING CURB/PAVEMENT EDGE
- ═══ – PROPOSED CURB
- – – – – – – PROPOSED SAWCUT
- LBJ – PROPOSED LONGITUDINAL BUTT JOINT
- LS – PROPOSED LANDSCAPING AREA
- – 4" 3000 PSI REINFORCED CONCRETE PAVEMENT WITH #3 BARS @ 24" ON CENTER, EACH WAY, ON PREPARED SUBGRADE.
- – DECOMPOSED GRANITE OR APPROVED EQUAL MATERIAL TO MATCH EXISTING TRAIL SYSTEM (FOR TRAIL TO SITE CONNECTION)
- – 6" 3600 PSI REINFORCED CONCRETE PAVEMENT WITH A MIN. #4 @ 18" ON CENTER, EACH WAY WITH LIME STABILIZED SUBGRADE OR 6" FLEXBASE WITH GEOGRID. FIRELANES SHALL BE PER TOWN STANDARDS
- – PEDESTRIAN CROSSING SHALL BE COLORED STAMPED CONCRETE PER TOWN STANDARDS.

N

0 30 60

DRAWING SCALE
1"=30'

GENERAL PAVING NOTES:

1. ALL MATERIALS AND CONSTRUCTION WITHIN STREET RIGHT-OF-WAY SHALL CONFORM TO THE TOWN STANDARD CONSTRUCTION DETAILS AND SPECIFICATIONS.
2. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO PROTECT ALL PUBLIC UTILITIES IN THE CONSTRUCTION OF THIS PROJECT. ALL MANHOLES, CLEANOUTS, VALVE BOXES, FIRE HYDRANTS, ETC. MUST BE ADJUSTED TO PROPER LINE AND GRADE BY THE CONTRACTOR PRIOR TO AND AFTER THE PLACING OF PERMANENT PAVING. UTILITIES MUST BE MAINTAINED TO PROPER LINE AND GRADE DURING CONSTRUCTION OF THIS PROJECT.
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING WITH ALL APPROPRIATE UTILITY COMPANIES FOR THE LOCATION OF ALL UTILITIES WITHIN THE CONSTRUCTION AREA/SITE.
4. THE PAVING CONTRACTOR SHALL NOT PLACE PERMANENT PAVEMENT UNTIL ALL SLEEVING FOR IRRIGATION, ELECTRIC, GAS, TELEPHONE, CABLE TV, SITE IRRIGATION, ETC. HAS BEEN INSTALLED. IT SHALL BE THE PAVING CONTRACTOR'S RESPONSIBILITY TO ENSURE THAT ALL SLEEVING IS IN PLACE PRIOR TO THE PLACING OF PERMANENT PAVING.
5. ALL PAVING AND EARTHWORK OPERATIONS SHALL CONFORM TO THE RECOMMENDATIONS IN THE GEOTECHNICAL INVESTIGATION REPORT.
6. FIRE LANES SHALL BE STRIPED IN ACCORDANCE WITH THE TOWN REQUIREMENTS (IF ANY).
7. ALL DIMENSIONS ARE FROM BACK OF CURB, EDGE OF PAVEMENT, OR FACE OF BUILDING UNLESS OTHER WISE NOTED.
8. ALL SIDEWALKS SHALL MAINTAIN A 2% MAXIMUM CROSS SLOPE AND 5% MAXIMUM SLOPE IN THE DIRECTION OF PEDESTRIAN TRAVEL.
9. SLOPE WITHIN THE HANDICAP PARKING AND STRIPED AREA SHALL NOT EXCEED 2% IN ANY DIRECTION.
10. ALL CURB RADII ARE 1.5' UNLESS OTHER WISE SPECIFIED (EXCEPT FOR AT END OF PARKING SPACES AND FLUMES WHERE THE RADII IS 0').
11. CONTRACTOR TO REFERENCE ARCHITECT/LANDSCAPE PLANS FOR ANY SPECIAL PATTERN/STAINS OR ANY OTHER PAVEMENT DETAILS.

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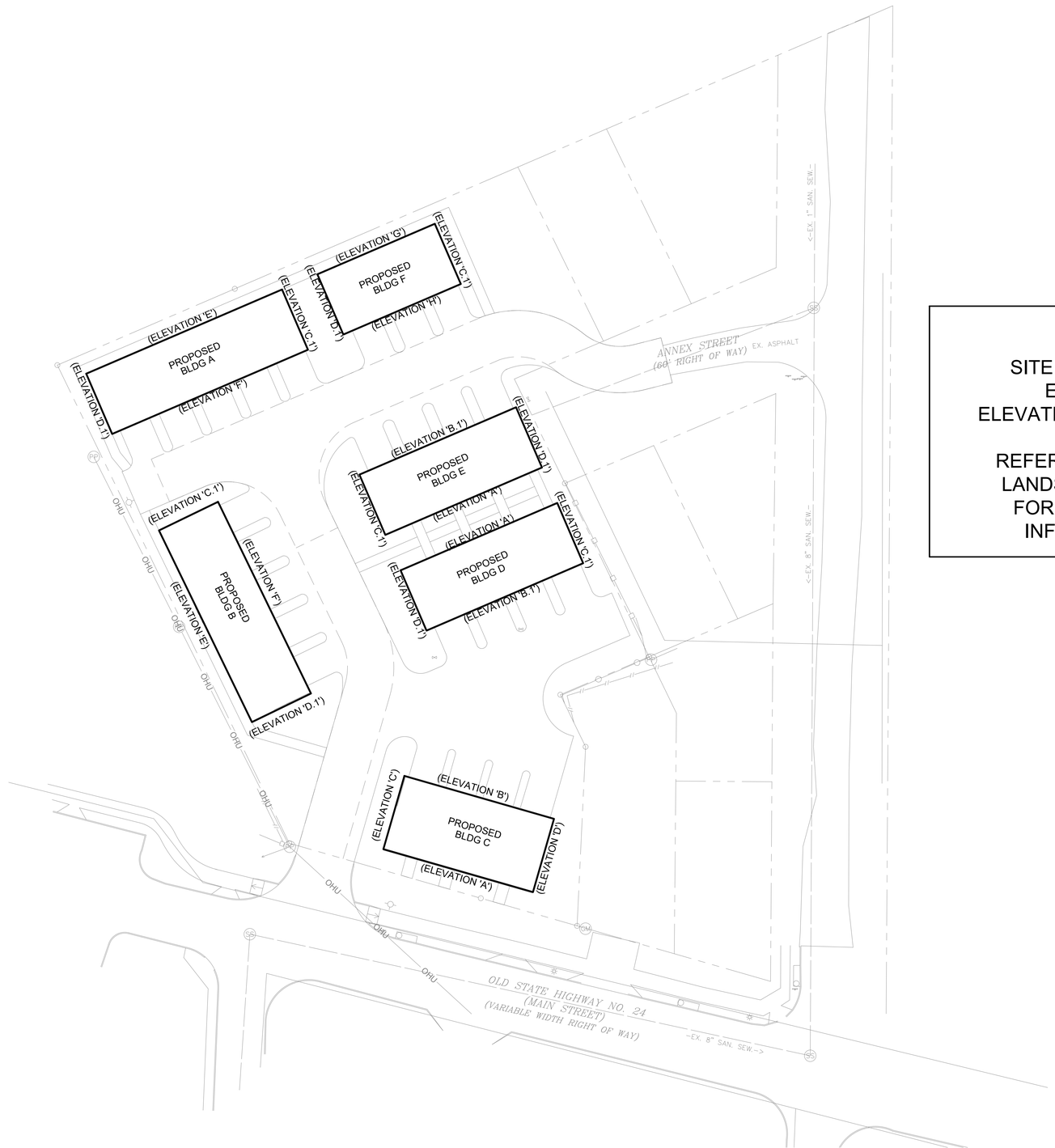
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PAVING PLAN

LAKEVIEW AT ANNEX
PARK LANE & ANNEX AVENUE, 1.31 ACRES
FRISCO PARK ANNEX, LOTS 16-22 AND 28
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

TOWN CASE NUMBER	DATE	SHEET
–	04/24/24	C3.02



REFERENCE SITE PLAN
01 1" = 30'

NOTE:

SITE PLAN IS FOR EXTERIOR ELEVATION REFERENCE ONLY, REFER TO CIVIL AND LANDSCAPE PLANS FOR ADDITIONAL INFORMATION.

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitecturepllc.com

Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

SITE-PLAN

ELEVATION REFERENCE

A2.0



"ELEVATION type A"
(INCLUDES) MAIN-STREET-FACING ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface = 2,991
Total Windows & Doors (30% Required) = 897 Total Windows & Doors (30.16% Provided) = 902
Total Elev (Minus Doors/Windows): 2,088 sq.ft.
1250 sq.ft. Brick (60%)
293 sq.ft. 'Poplar' Siding(14%)
442 sq.ft. Stucco (21%)
103 sq.ft. Accent Materials (5%)
-Metal Awnings
-Cedar Trellis

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE A
01 1/4" = 1'-0"

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitecturepllc.com

Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'A'

EXTERIOR ELEVATIONS

A2.1



ELEVATION type 'B'
REAR (PRIVATE DRIVE) FACING ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface = 2,870
Windows & Doors (21.5% Provided) = 616
Total Elev (Minus Doors/Windows): 2,254 sq.ft.
1,093 sq.ft. Brick (49%)
1,161 sq.ft. Stucco (51%)

ELEVATION TYPE B

01 1/4" = 1'-0"

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Project #: 2224

ELEVATION TYPE 'B'

EXTERIOR ELEVATIONS

A2.2



ELEVATION type 'B.1'
REAR (PRIVATE DRIVE) FACING ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface =3,049 Windows & Doors (21.5% Provided) = 696
Total Elev (Minus Doors/Windows): 2,353 sq.ft.
1,149 sq.ft. Brick (49%)
1,204 sq.ft. Stucco (51%)

ELEVATION TYPE B.1

01 1/4" = 1'-0"

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Project #: 2224

ELEVATION TYPE 'B.1'

EXTERIOR ELEVATIONS

A2.3

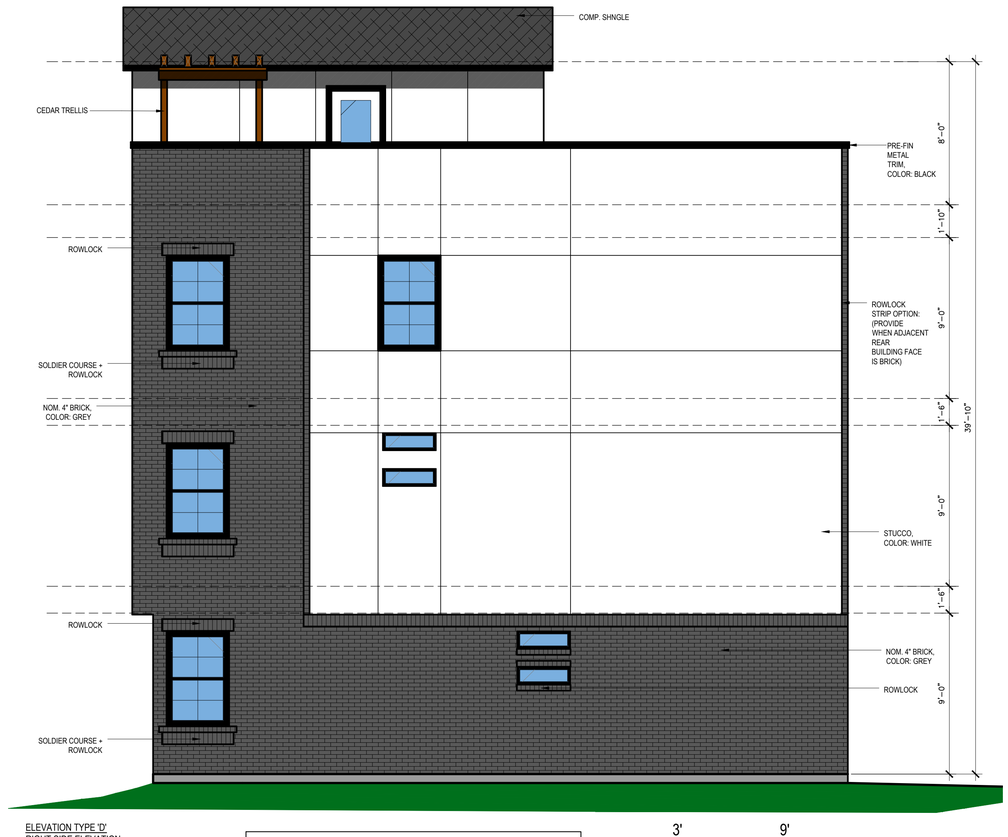


ELEVATION TYPE 'C'
LEFT SIDE ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface (- Windows & Doors = 1,449)
579 sq.ft. Brick (40%)
870 sq.ft. Stucco (60%)

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING



ELEVATION TYPE 'D'
RIGHT SIDE ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface (- Doors & Windows) = 1,412
491 sq.ft. Brick (35%)
911 sq.ft. Stucco (64%)
10 sq.ft.Cedar Trellis (1%)

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE C & D

01 1/4" = 1'-0"

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Project #: 2224

ELEVATION TYPE 'C & D'

EXTERIOR ELEVATIONS

A2.4

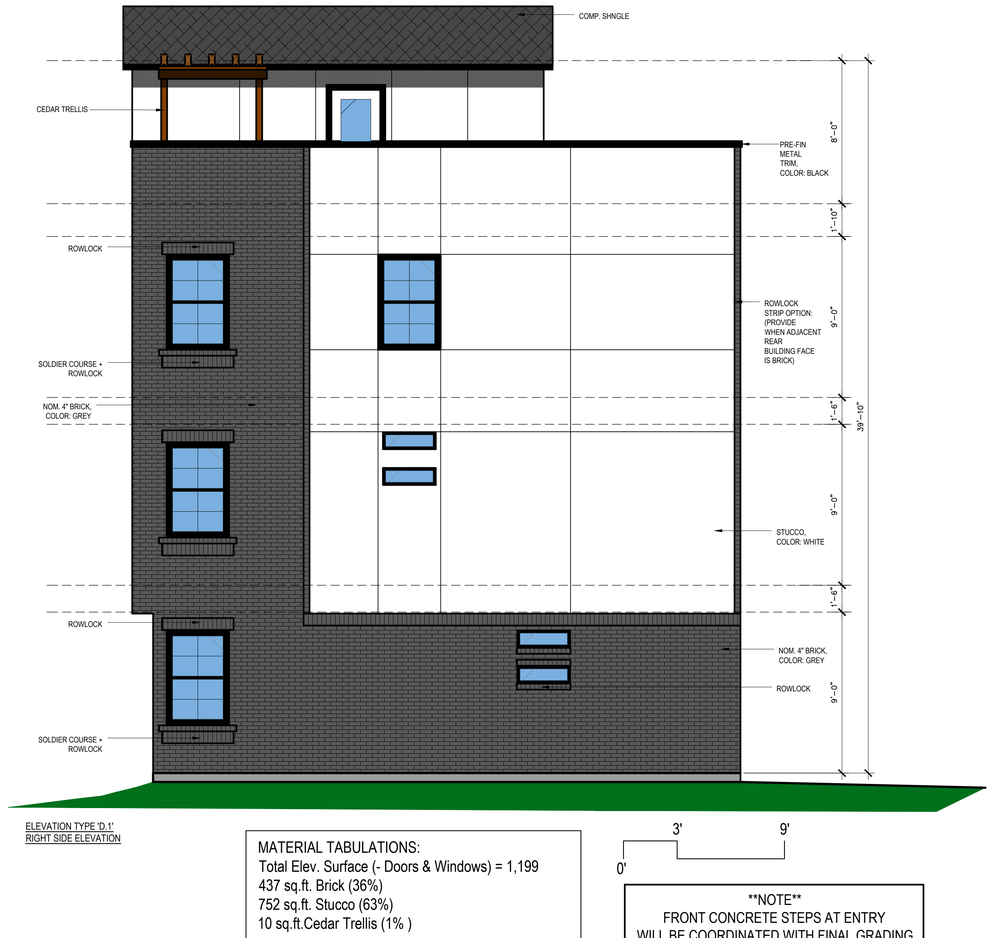


ELEVATION TYPE 'C.1'
LEFT SIDE ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface = 1,210
484 sq.ft. Brick (40%)
726 sq.ft. Stucco (60%)

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING



ELEVATION TYPE 'D.1'
RIGHT SIDE ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface (- Doors & Windows) = 1,199
437 sq.ft. Brick (36%)
752 sq.ft. Stucco (63%)
10 sq.ft.Cedar Trellis (1%)

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE C.1 & D.1

01 1/4" = 1'-0"

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Project #: 2224

ELEVATION TYPE 'C.1 & D.1'

EXTERIOR ELEVATIONS

A2.5



"ELEVATION type E"

0' 3' 9'

MATERIAL TABULATIONS:
Total Elev. Surface = 3,898
Total Windows & Doors (30% Required) = 1,169 Total
Windows & Doors (30.45% Provided) = 1,187
Total Elev (Minus Doors/Windows): 2,711 sq.ft.
1623 sq.ft. Brick (60%)
380 sq.ft. 'Poplar' Siding(14%)
573 sq.ft. Stucco (21%)
135 sq.ft. Accent Materials (5%)
-Metal Awnings
-Cedar Trellis

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE E

01 1/4" = 1'-0"

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Project #: 2224

ELEVATION TYPE 'E'

EXTERIOR ELEVATIONS

A2.6



ELEVATION type 'F'

MATERIAL TABULATIONS:
Total Elev. Surface = 3,583
Windows & Doors (21.5% Provided) = 770
Total Elev (Minus Doors/Windows): 2,813 sq.ft.
1,152 sq.ft. Brick (41%)
1,661 sq.ft. Stucco (59%)

ELEVATION TYPE F

01 1/4" = 1'-0"

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Townhouse Development
"Lakeview at Annex"

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Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'F'

EXTERIOR ELEVATIONS

A2.7



ELEVATION type 'G'

MATERIAL TABULATIONS:
Total Elev. Surface = 2,223
Total Windows & Doors (30% Required) = 667 Total Windows & Doors (30.45% Provided) = 668
Total Elev (Minus Doors/Windows): 1,555 sq.ft.
908 sq.ft. Brick (58%)
232 sq.ft. 'Poplar' Siding(15%)
336 sq.ft. Stucco (22%)
79 sq.ft. Accent Materials (5%)
-Metal Awnings
-Cedar Trellis

3' 9'
0'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE G

01 1/4" = 1'-0"

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Townhouse Development "Lakeview at Annex"

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Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'G'

EXTERIOR ELEVATIONS

A2.8



ELEVATION type 'H'

MATERIAL TABULATIONS:
Total Elev. Surface = 2,191
Windows & Doors (23.8% Provided) = 522
Total Elev (Minus Doors/Windows): 1,669 sq.ft.
981 sq.ft. Brick (59%)
688 sq.ft. Stucco (41%)

ELEVATION TYPE H

01 1/4" = 1'-0"

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972-363-6155
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Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'H'

EXTERIOR ELEVATIONS

A2.9

ACME BRICK,
COLOR:
"WHITE BLUFF"



ACME BRICK,
COLOR:
"PACIFIC CLAY"



WROUGHT IRON
GUARD-RAILING:
BLACK



CANTILEVERED METAL
AWNING:
COLOR: *NATURAL ALUMINUM*



"POPLAR" SIDING
STYLE:
NATURAL WOOD



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Townhouse Development
"Lakeview at Annex"

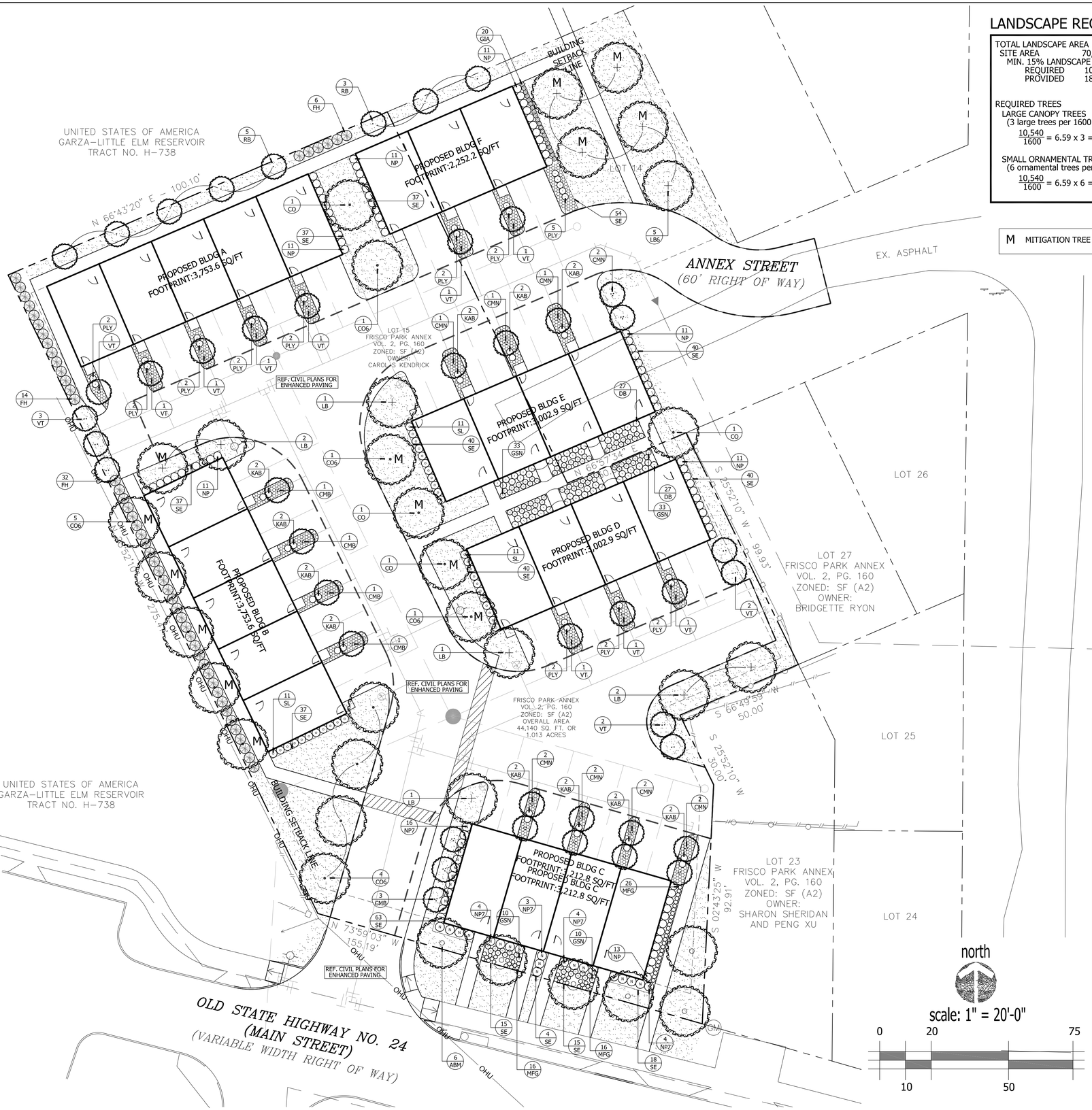
Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

SAMPLE BOARD

A2.10



LANDSCAPE REQUIREMENTS

TOTAL LANDSCAPE AREA
SITE AREA 70,268 sf
MIN. 15% LANDSCAPE AREA REQUIRED
REQUIRED 10,540 sf (15.0%)
PROVIDED 18,153 sf (25.8%)

REQUIRED TREES
LARGE CANOPY TREES
(3 large trees per 1600 sf required landscape area)
$\frac{10,540}{1600}$ = 6.59 x 3 = 19.77 = 20 trees required
34 trees provided

SMALL ORNAMENTAL TREES
(6 ornamental trees per 1600 sf required landscape area)
$\frac{10,540}{1600}$ = 6.59 x 6 = 39.54 = 40 trees required
43 trees provided

M MITIGATION TREE 14 TREES @ 4" CAL. 56"

LANDSCAPE NOTES

1. PLANT LIST FOR THIS SHEET ONLY.
2. PLANT LIST TO BE USED AS AIDE TO BIDDER ONLY. LANDSCAPE CONTRACTOR TO VERIFY ALL QUANTITIES.
3. ALL BEDS SHALL BE ACCEPTED AT ROUGH FINISH GRADE. IF ANY EXISTING VEGETATION IS EVIDENT, LANDSCAPE CONTRACTOR SHALL SPRAY AREA WITH BROAD SPECTRUM HERBICIDE APPLICATION TO REMOVE ANY VEGETATION.
4. AFTER APPROPIATE TIME TO ENSURE A VEGETATION IS DEAD, TILL SUBGRADE AND RAKE SMOOTH, REMOVING ALL DEAD VEGETATION, STONES, CLODS AND DEBRIS.
5. AFTER INSTALLATION OF STEEL EDGING, ALL BEDS SHALL BE TILLED TO A DEPTH OF 4-6", RAKING OUT ALL DEAD VEGETATION.
6. APPLY A 2-3" DEPTH OF ORGANIC MATERIAL OVER ENTIRE BED AND TILL INTO EXISTING SOIL. ORGANIC MATERIAL SHALL BE ONE OF FOLLOWING:
   - VITAL EARTH COMPOST
   - BACK-TO-EARTH SOIL CONDITIONER
   - LIVING EARTH COMPOST
   - SOIL BUILDING SYSTEMS COMPOST
   - SILVER CREEK MATERIALS COMPOST
7. TOPDRESS ENTIRE BED WITH MINIMUM 2" DEPTH SHREDDED NATIVE CEDAR MULCH.
8. ALL SHADE TREES AND ORNAMENTAL TREES SHALL BE PLANTED AS PER DETAILS ON THIS SHEET.
9. ALL LANDSCAPE AREAS SHALL BE WATERED WITH AUTOMATIC IRRIGATION SYSTEM, COMPLETE WITH FREEZE SENSOR, RAIN STAT, AND CONTROLLER. SYSTEM SHALL BE DESIGNED TO UTILIZE WATER-SAVING TECHNIQUES AND EQUIPMENT. INSTALLATION OF SYSTEM SHALL BE MADE BY A FIRM DULY LICENSED UNDER ARTICLE NO. 8751 VTCS (LICENSED IRRIGATORS ACT), S.B. NO. 259.

LANDSCAPE LEGEND

COMMON BERMUDA SOD (CYNODON DACTYLON)

RIVER ROCK (SEE NOTE BELOW)

SOD INSTALLATION NOTES:
a. ALL SUBGRADE SHALL BE ACCEPTED AT ROUGH FINISH GRADE. IF ANY EXISTING VEGETATION IS EVIDENT, LANDSCAPE CONTRACTOR SHALL SPRAY AREA WITH BROAD SPECTRUM HERBICIDE APPLICATION TO REMOVE ANY VEGETATION.
b. AFTER APPROPIATE TIME TO ENSURE A VEGETATION IS DEAD, TILL SUBGRADE AND RAKE SMOOTH, REMOVING ALL DEAD VEGETATION, STONES, CLODS AND DEBRIS.
c. SOD SHALL BE VIGOROUS, WELL-ROOTED AND SHALL BE DELIVERED AT A UNIFORM SOIL THICKNESS.
d. SOD SHALL BE LAID WITH ALTERNATING JOINTS.
e. ALL SOD SHALL BE ROLLED TO CONSISTENT SURFACE, FILLING JOINTS WITH COARSE SAND AS REQUIRED.
f. ALL SOD AREAS SHALL BE WATERED BY PERMANENT AUTOMATIC IRRIGATION SYSTEM.

RIVER ROCK INSTALLATION NOTES:
a. LANDSCAPE CONTRACTOR SHALL INSPECT RIVER ROCK AREAS FOR ANY EXISTING VEGETATION AND PROVIDE BROAD SPECTRUM HERBICIDE APPLICATION TO REMOVE ANY VEGETATION.
b. AFTER APPROPIATE TIME TO ENSURE A VEGETATION IS DEAD, TILL SUBGRADE AND RAKE SMOOTH, REMOVING ALL DEAD VEGETATION.
b. INSTALL FILTER FABRIC OVER ENTIRE AREA TO RECIEVE RIVER ROCK.
c. PLACE MINIMUM FOUR (4) INCHES OF NEW MEXICO MEDIUM RIVER ROCK IN DESIGNATED AREAS.

PLANTLIST

SYM	MATERIAL	QNTY	SIZE	HT	SP	NOTES	SPACING
ABM	AUTUMN BLAZE MAPLE ACER x 'FREEMANII'	6	6" CAL.	16-18'	9-10'	NURSERY GROWN	
CO	CHINKAPIN OAK	12	6" CAL.	16-18'	9-10'	NURSERY GROWN	
CO	CHINKAPIN OAK QUERCUS MUHLENBERGIA	4	4" CAL.	12-14'	6-7'	NURSERY GROWN	
LB	LACEBARK ELM	5	6" CAL.	16-18'	10-11'	NURSERY GROWN	
LB	LACEBARK ELM ULMUS PARVIFOLIA SEMPERVIRENS	7	4" CAL.	12-14'	7-8'	NURSERY GROWN	
CMB	CRAPE MYRTLE LAGERSTROEMIA INDICA 'BASHAM PINK'	7	30 GAL.	8-10'	4-5'	CONTAINER GROWN	
CMN	CRAPE MYRTLE LAGERSTROEMIA INDICA 'NATCHEZ"	13	30 GAL.	8-10'	4-5'	CONTAINER GROWN	
VT	VITEX VITEX AGNUS-CASTUS	17	30 GAL.	8-10'	4-5'	CONTAINER GROWN	
RB	FOREST PANSY REDBUD CERCIS CANADENSIS 'FOREST PANSY'	8	30 GAL.	8-10'	4-5'	CONTAINER GROWN	
FH	FOSTER HOLLY ILEX x ATTENUATA 'FOSTERI'	52	7 GAL.	36"	20"	FULL	48"oc
NP	NEEDLEPOINT HOLLY ILEX CORNUTA 'NEEDLEPOINT'	32	7 GAL.	36"	20"	FULL	42"oc
NP	NEEDLEPOINT HOLLY ILEX CORNUTA 'NEEDLEPOINT'	79	5 GAL.	26"	18"	FULL	36"oc
SL	SUNSHINE LIGUSTRUM LIGUSTRUM SINENSIS 'SUNSHINE'	33	5 GAL.	24"	18"	FULL	36"oc
PLY	PALE LEAF YUCCA YUCCA PALLIDA	25	5 GAL.	12"	15"	FULL	30"oc
DB	DWF BURFORD HOLLY ILEX CORNUTA 'BURFORDI' NANA	54	3 GAL.	20"	12"	FULL	30"oc
KAB	KALIEDOSCOPE ABELIA ABELIA GRANDIFLORA 'KALIEDOSCOPE'	22	3 GAL.	12"	12"	FULL	30"oc
GSN	GULF STREAM NANDINA NANDINA DOMESTICA 'GULF STREAM'	86	3 GAL.	12"	12"	FULL	24"oc
GIA	GIANT LIRIOPE LIRIOPE GIGANTEA	20	1 GAL.	10"	10"	FULL	20"oc
MFG	MEXICAN FEATHERGRASS NASSELLA TENUISSIMA	58	1 GAL.	10"	10"	FULL	20"oc
SE	STEEL EDGING	477	LIN. FT.	REF. DETAIL			

SPECIFIED PLANT HEIGHTS ARE TYPICAL INDUSTRY STANDARD HEIGHTS FOR SPECIFIED CONTAINER SIZES.

appr. by:
drawn by:
date: 01-17-24

revisions
04-05-24
04-29-24
05-29-24
06-11-24
06-12-24

REGISTERED LANDSCAPE ARCHITECT ☆ WILLIAM H. LEEMING III ☆ 1138 ☆ STATE OF TEXAS

PRELIMINARY PLANS

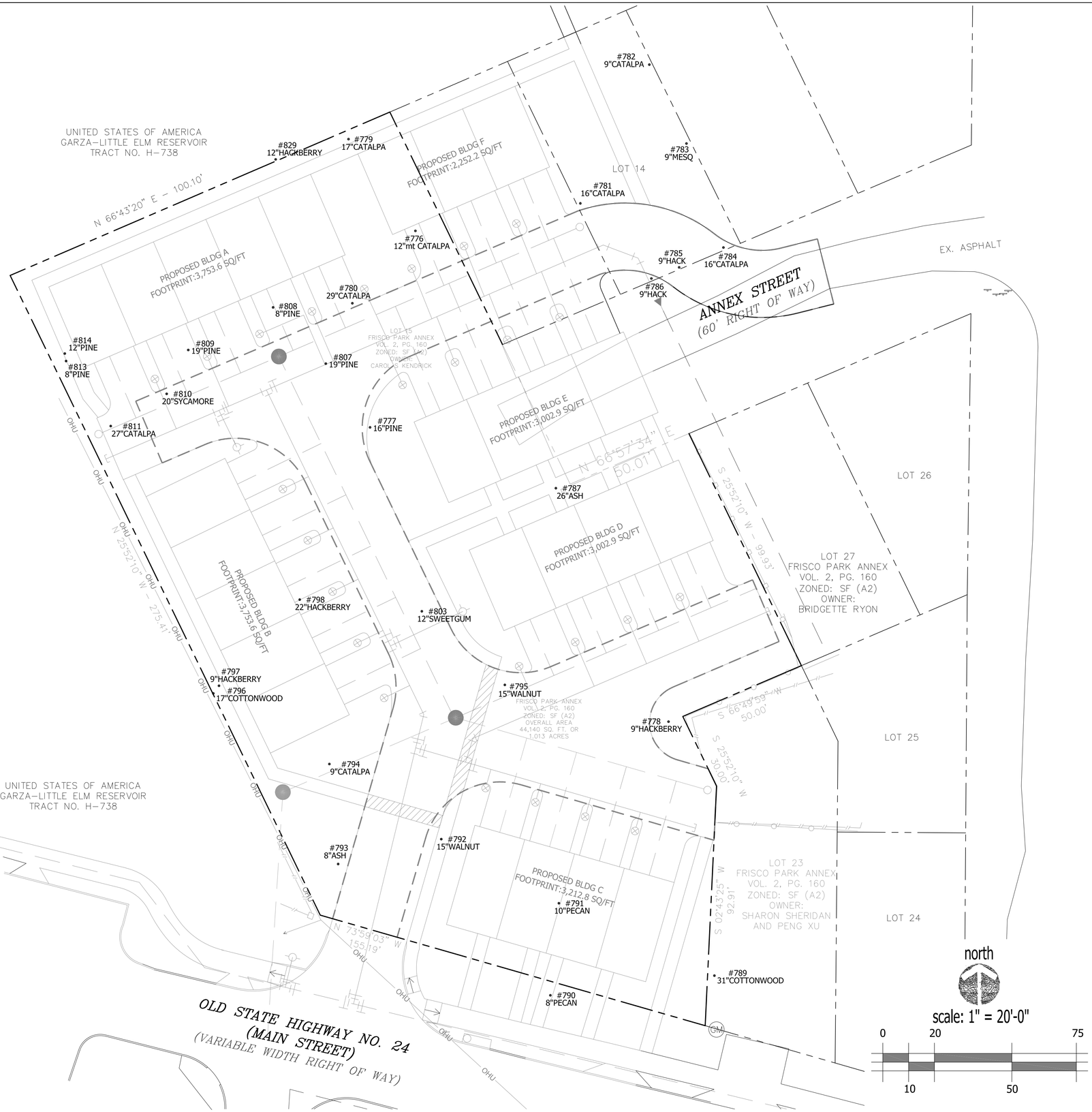
Leeming Design Group
Landscape Architecture
4913 Rock Snow Drive, Suite 101-B
(817) 577-6869
North Richland Hills, Texas 76180
Fax (817) 577-6869
leemingdesigngroup@sbcglobal.net

LANDSCAPE PLAN

LAKEVIEW at ANNEX
MAIN STREET (OLD STATE HWY. 24)
LITTLE ELM, TEXAS

file name:
c:\Little Elm-Townhomes\
ldg-base_LE-Townhomes.dwg

sheet
L-1


UNITED STATES OF AMERICA
GARZA–LITTLE ELM RESERVOIR
TRACT NO. H–738
N 66°43'20" E - 100.10'
#829
12"HACKBERRY
#779
17"CATALPA
#782
9"CATALPA
#783
9"MESQ
#781
16"CATALPA
#776
12"mt CATALPA
#785
9"HACK
#784
16"CATALPA
#786
9"HACK
#780
29"CATALPA
#808
8"PINE
#814
12"PINE
#813
8"PINE
#809
19"PINE
#807
19"PINE
#810
20"SYCAMORE
#811
27"CATALPA
#777
16"PINE
#787
26"ASH
#798
22"HACKBERRY
#803
12"SWEETGUM
#797
9"HACKBERRY
#796
17"COTTONWOOD
#795
15"WALNUT
#778
9"HACKBERRY
#794
9"CATALPA
#793
8"ASH
#792
15"WALNUT
#791
10"PECAN
#789
31"COTTONWOOD
#790
8"PECAN
PROPOSED BLDG A
FOOTPRINT:3,753.6 SQ/FT
PROPOSED BLDG F
FOOTPRINT:2,252.2 SQ/FT
PROPOSED BLDG E
FOOTPRINT:3,002.9 SQ/FT
PROPOSED BLDG D
FOOTPRINT:3,002.9 SQ/FT
PROPOSED BLDG B
FOOTPRINT:3,753.6 SQ/FT
PROPOSED BLDG C
FOOTPRINT:3,212.8 SQ/FT
LOT 14
LOT 15
FRISCO PARK ANNEX
VOL. 2, PG. 160
ZONED: SF (A2)
OWNER:
CAROLYN KENDRICK
FRISCO PARK ANNEX
VOL. 2, PG. 160
ZONED: SF (A2)
OVERALL AREA
44,140 SQ. FT. OR
1.013 ACRES
LOT 23
FRISCO PARK ANNEX
VOL. 2, PG. 160
ZONED: SF (A2)
OWNER:
SHARON SHERIDAN
AND PENG XU
LOT 24
LOT 25
LOT 26
LOT 27
FRISCO PARK ANNEX
VOL. 2, PG. 160
ZONED: SF (A2)
OWNER:
BRIDGETTE RYON
EX. ASPHALT
ANNEX STREET
(60' RIGHT OF WAY)
N 25°52'10" W - 275.41'
N 66°57'34" E
50.01'
S 25°52'10" W - 99.93'
S 66°43'59" W
50.00'
S 25°52'10" W
300.00'
S 02°45'25" W
92.91'
N 73°59'03" W
155.19'
OHU
OHU
OHU



Annex Flats

Sample
SELECTIONS

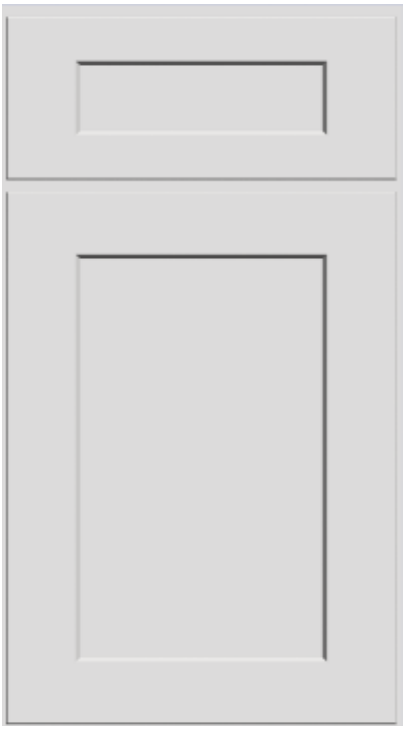
EXAMPLE OF SIMILAR FINISHES



Carpeted Stair with White Wooden Risers – Standard

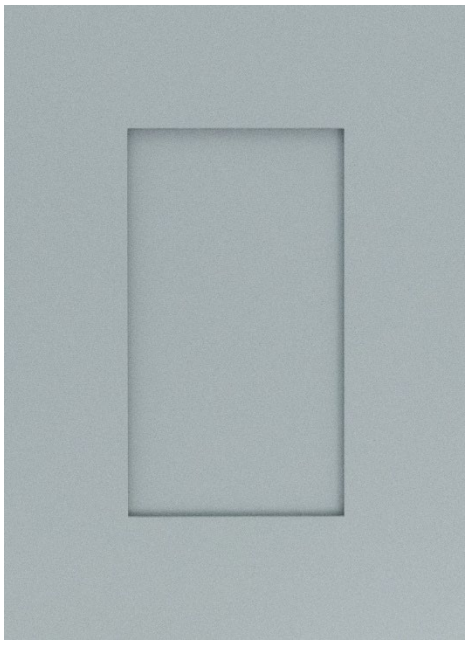


Wooden Stair with White Wooden Risers - Upgrade



White - Standard

Gray - Standard



Polished Chrome – Standard





Satin Nickel – Upgrade



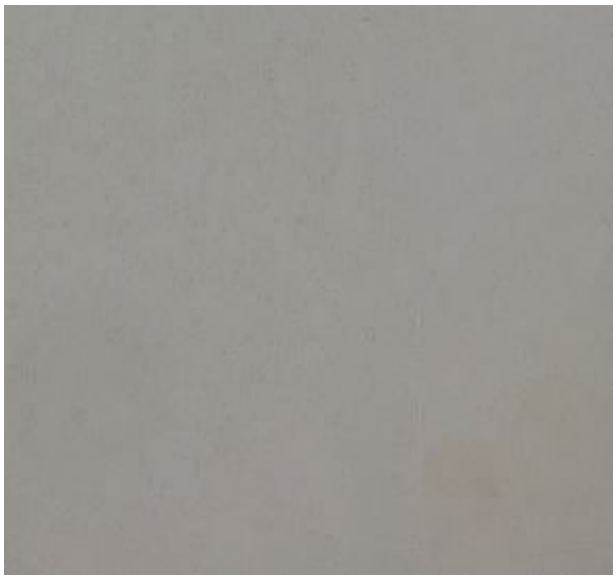


Exterior Hardware Black – Standard

Interior Hardware Black - Upgrade

Quartz 3 cm Countertops

White Quartz – Standard



Gray Quartz – Standard



Quartz Waterfall Edge - Upgrade



White Porcelain Undermount - Vanities



Stainless Steel Undermount Single Bowl Kitchen Sink

Farm Sink - Upgrade







Standard Carpet

Standard Tile Selections

Master Bathroom

Sterling Grey Matte 12X24 Floor



OR

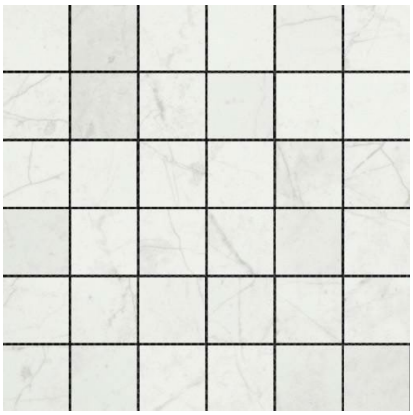
Sterling White Matte 12X24 Floor



Sterling White Polished
12X24 - Shower Wall



Sterling White Matte
2" x 2" Mosaic – Shower Floor



Secondary Bathroom

Sterling White Matte 12X24 Floor



Catch Gray
3X6 tile Tub Deck





Hand Scraped Wood Stain Selections

Bosch Stainless Steel Appliances Standard



30" Electric Slide In Range

Over The Range Microwave

24" Dishwasher





Bosch Alternate Stainless Upgrades



30" Chimney Wall Vent Hood

Stainless-Steel Built-In Microwave



Bosch Upgrade 800 Series Stainless Package



30" Electric Slide In Range

Over The Range Microwave

24" Dishwasher





Bosch Alternate Stainless Upgrades



30" Chimney Wall Vent Hood

Stainless-Steel Built-In Microwave



Bosch Upgrade 800 Series Black Stainless Package

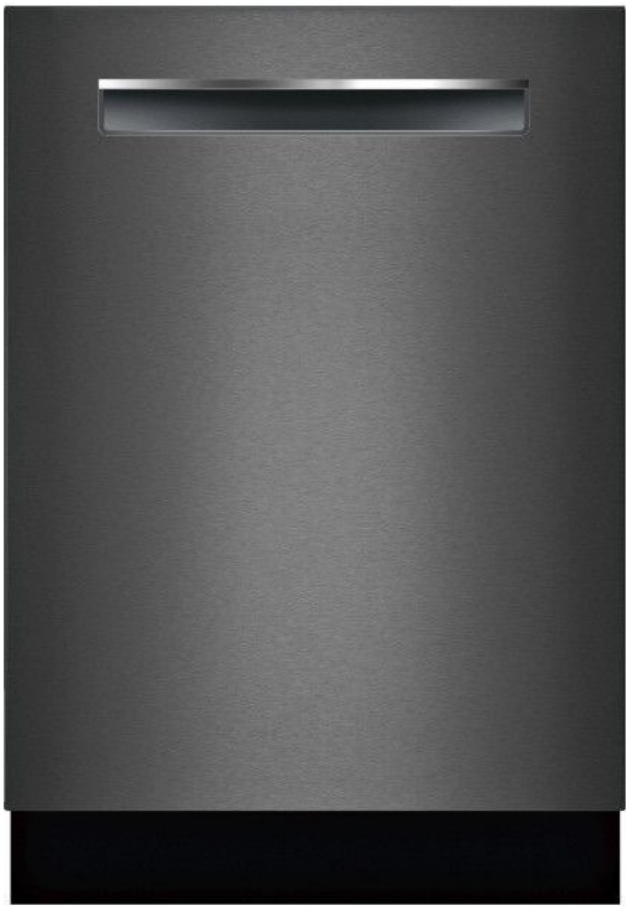


30" Electric Slide In Range

Over The Range Microwave

24" Dishwasher





Bosch Upgrade
Alternate Black Stainless Upgrades



Black Stainless Steel
30" Chimney Wall Vent Hood

Black Stainless-Steel
Built-In Microwave



Electronic Built in Fireplace Upgrade





Plumbing Fixtures - Shower

Polished Chrome – Standard













Satin Nickel – Upgrade



Black – Upgrade





Polished Chrome – Standard









Satin Nickel – Upgrade

Black – Upgrade





Plumbing Fixtures – Rain Shower Upgrades

Polished Chrome – Standard





Satin Nickel – Upgrade

Black – Upgrade



Electrical Fixtures – Chrome

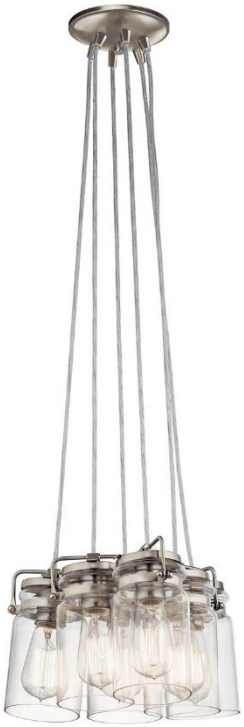








Electrical Fixtures – Satin Nickel Upgrade









Electrical Fixtures – Black Upgrade









Date:	06/18/2024
Agenda Item #:	6. E.
Department:	Development Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Olga Chernomorets, Planning Manager

AGENDA ITEM:

Present, Discuss, and Consider Action on a **Development Agreement between the Town of Little Elm and Solana Annex Flats, LLC.**

DESCRIPTION:

The attached agreement is to solidify the Planned Development amendment and the intended design of the proposed development as outlined in the associated development documents and plans for Frisco Park Annex Planned Development amendment.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Development Agreement - Frisco Park Annex PD Amendment

STATE OF TEXAS §
§
COUNTY OF DENTON §

DEVELOPMENT AGREEMENT FOR FRISCO PARK ANNEX PPD AMENDMENT

This Development Agreement for the Frisco Park Annex Planned Development Amendment ("**Agreement**") is entered into between Solana Annex Flats, LLC ("**Developer**"), whose address for purposes of this Agreement is 14114 Dallas Parkway, Suite 600, Dallas TX 75254 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 4.9 acres located on the north side of Main Street at East Park Drive, 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 Frisco Park Annex PD Ordinance No. 1762, 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 development plans, associated renderings, exhibits and documents attached to this agreement.

C. Formation of Home Owners Association.

a. Dedicated open space, required landscape, private streets and parkway areas, any retaining walls or screening walls/mechanisms, signage, common areas, amenities, or other ancillary items will be owned and maintained by the HOA.

b. Final Covenants, Conditions, and Restrictions (CC&Rs) required to be approved by the Director and recorded prior to the Town being able to sign off on the plat document.

c. No more than 25% of the townhome units may be owned by a single owner/entity and/or utilized for purposes other than the owner's place of residence.

D. Interior samples and finishes, showing appliances, counter tops, and specific style and brand, lighting and plumbing fixtures and hardware, to be captured as the minimum standard for desired quality and aesthetic

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 _____, 2024, 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 _____, 2024, 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 A

Property Description – Overall Subject Area

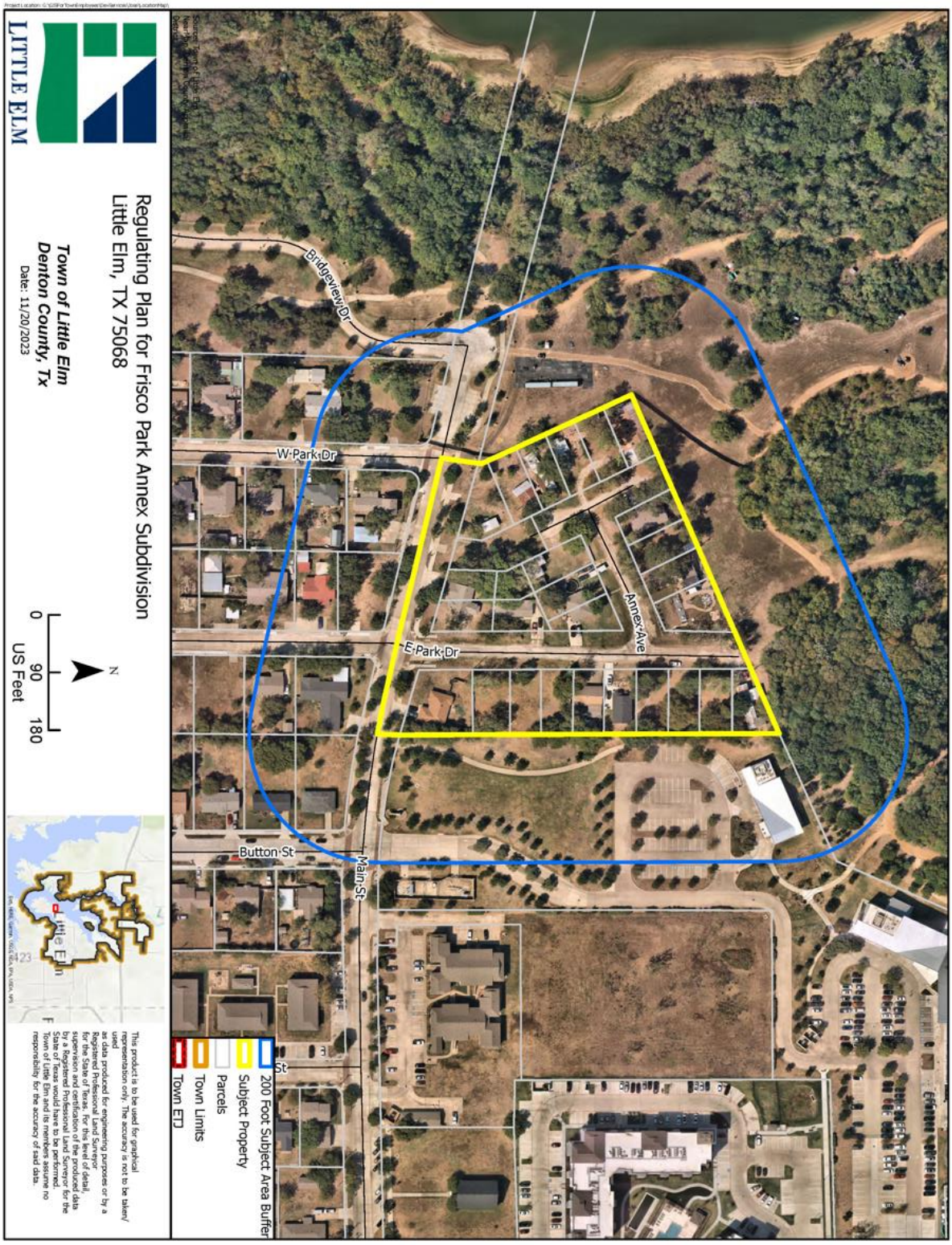


EXHIBIT A

Property Description – Phase 1 Property

Being Lots 14, 15, 16, 17, 18, 19, 20, 21, 22, and 28, of FRISCO PARK ANNEX, an addition to the Town of Little Elm, according to the Plat thereof recorded in Volume 2, Page 160, Plat Records, Denton County, Texas.

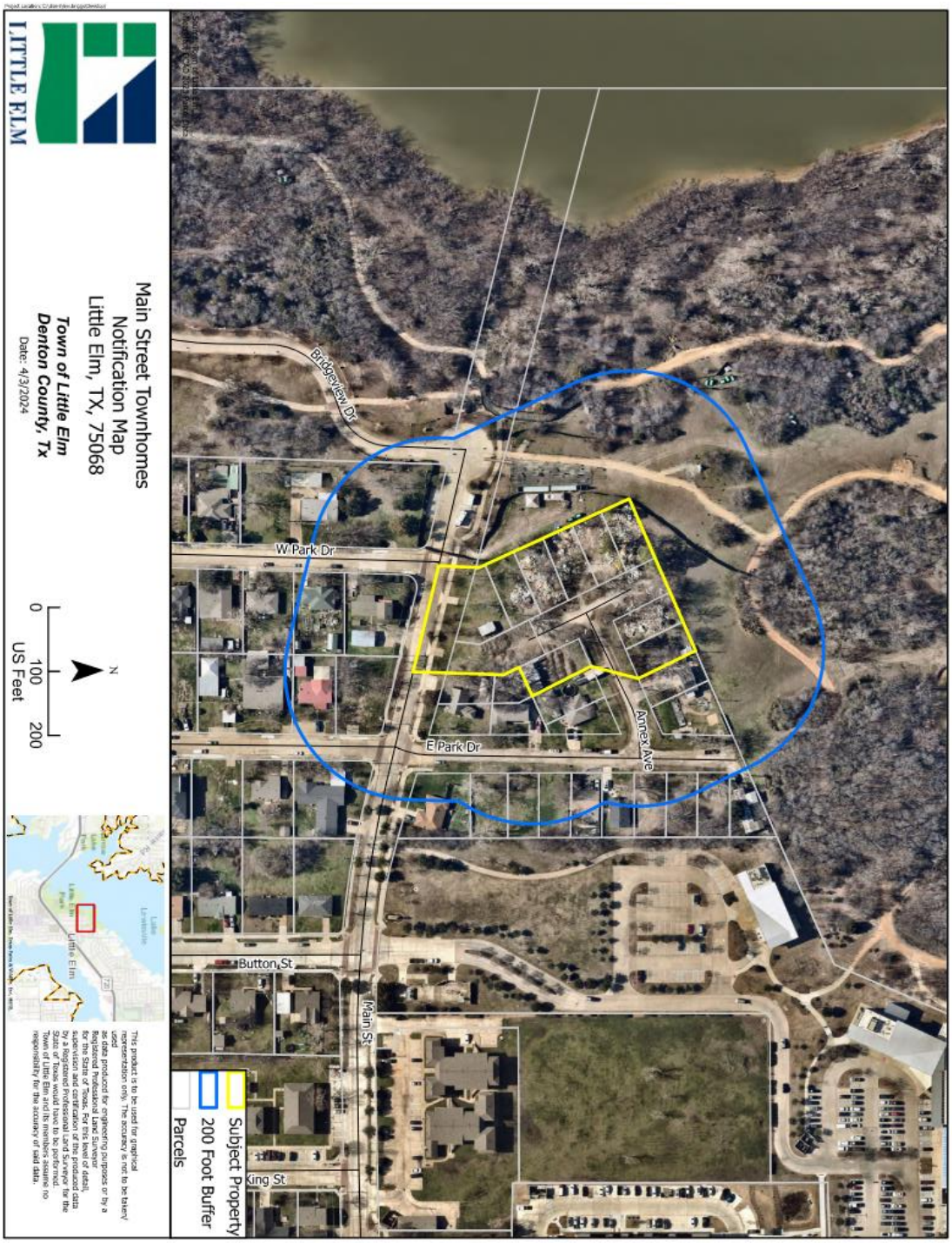


EXHIBIT B

PD Ordinance

TOWN OF LITTLE ELM

ORDINANCE NO. 1762

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE, BY AMENDING THE ZONING FROM PLANNED DEVELOPMENT - LAKEFRONT DISTRICT (PD-LF), THROUGH ORDINANCE NO. 1752, IN ORDER TO ESTABLISH MODIFIED DEVELOPMENT STANDARDS FOR A PORTION OF THE CONCEPT PLAN AREA AND APPROVE DEVELOPMENT PLANS FOR A 25-TOWN HOME DEVELOPMENT ON 4.9 ACRES OF LAND GENERALLY LOCATED ON THE NORTH SIDE OF MAIN STREET AT EAST PARK DRIVE; 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 to establish modified development standards and approve development plans on approximately 4.9 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 May 16, 2024 the Planning & Zoning

Commission considered and made recommendations on a request to amend existing Planned Development-Lakefront (PD-LF), Case No. PD-23-004665; 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 amending Planned Development-Lakefront (PD-LF), through Ordinance No. 1752, establishing modified development standards for a portion of the concept plan area and approving development plans for a 25-town home development, generally located on the north side of Main Street at East Park Drive, within Little Elm Town limits, approximately 4.9 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 PD-LF District through Ordinance No. 1752, 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) amendment. 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 June, 2024.

Town of Little Elm, Texas

_____

Curtis Cornelious, Mayor

ATTEST:

_____

Caitlan Biggs, Town Secretary

EXHIBIT A

Property Description – Overall Subject Area

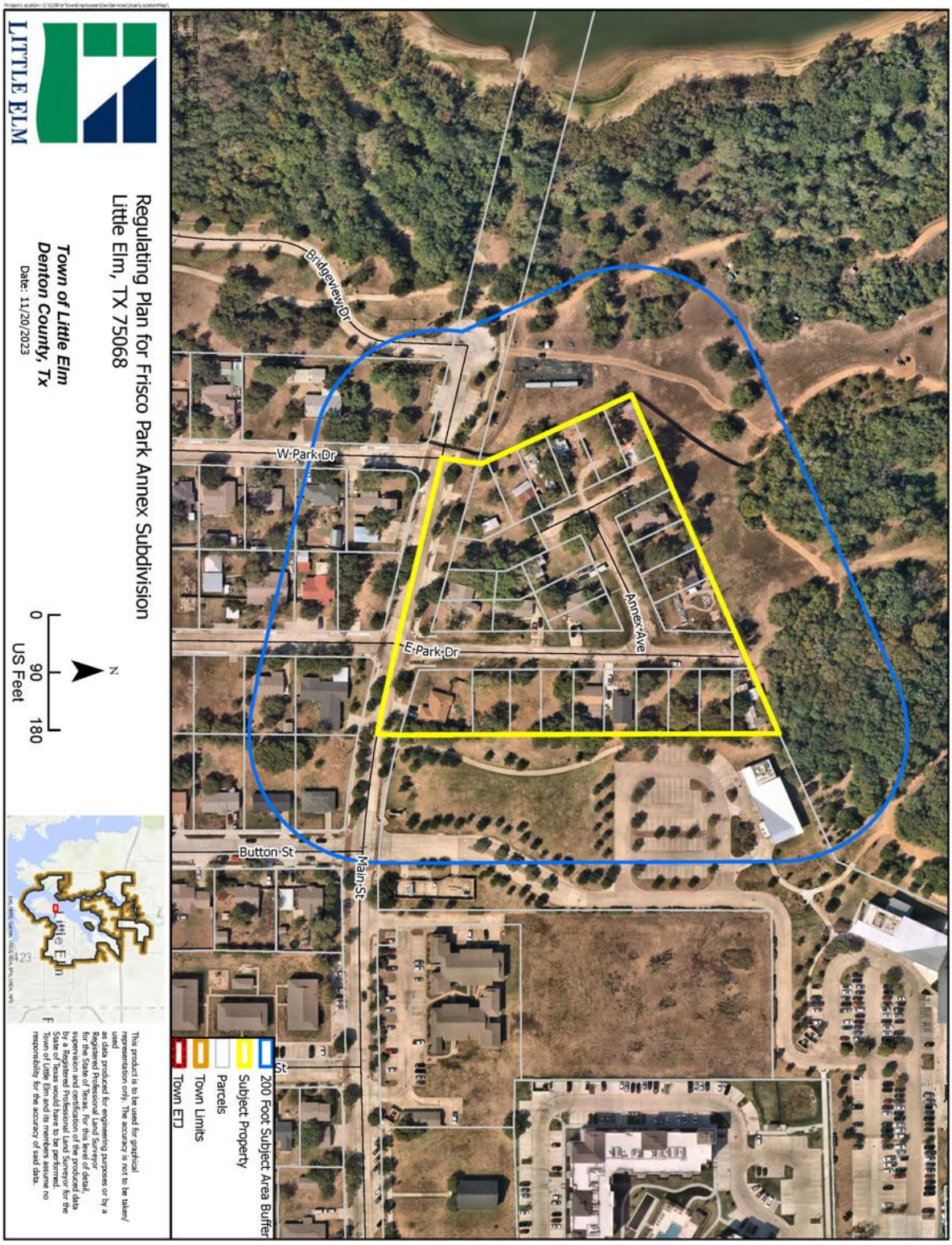


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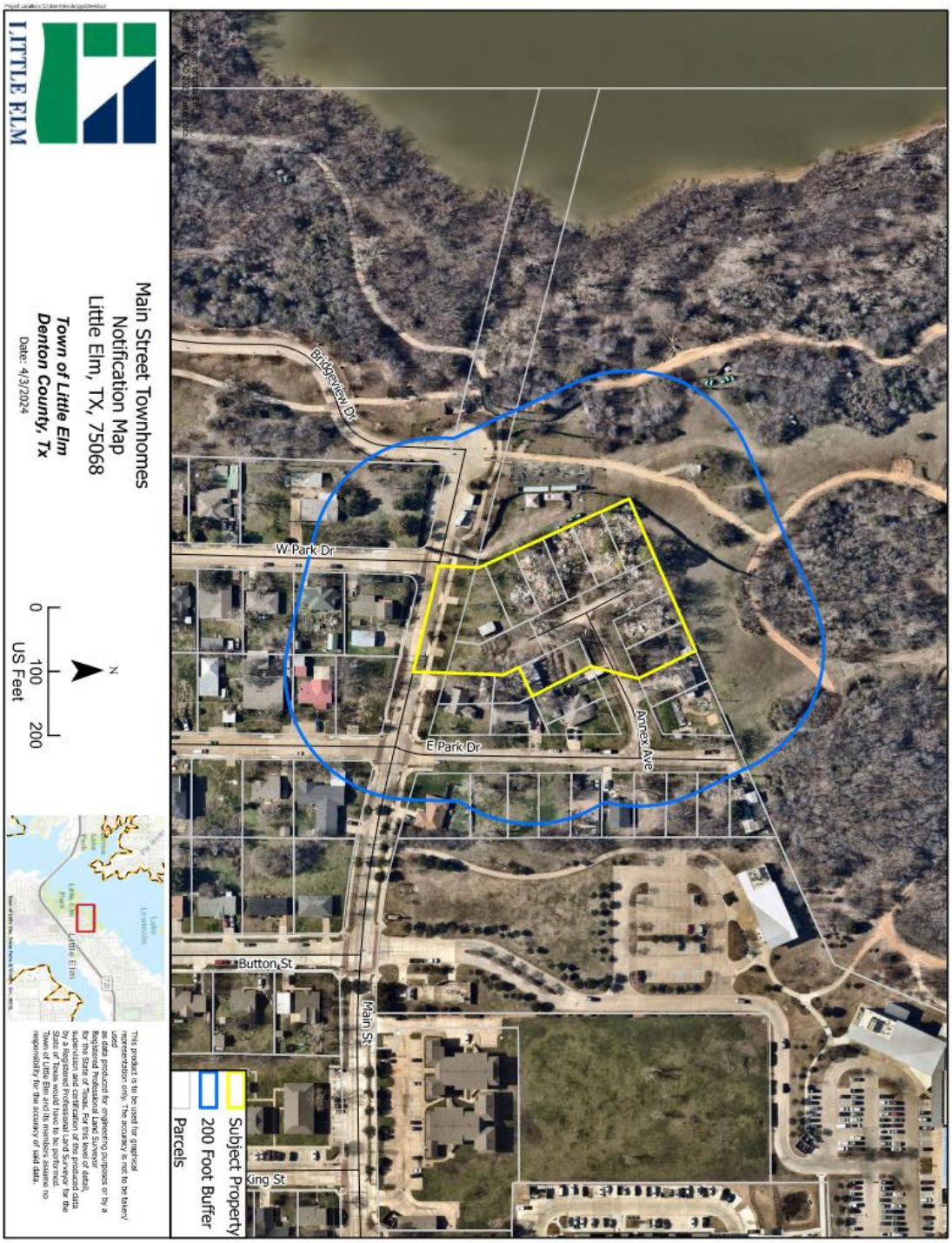


Exhibit B
PD Standards

FRISCO PARK ANNEX SUBDIVISION - TOWNHOMES
PLANNED DEVELOPMENT DISTRICT

This zoning submittal is an amendment to the existing Planned Development - Lakefront District ("PD-LF") through Ordinance No. 1752, which encompasses approximately 4.9 acres of land within the Town of Little Elm. This amendment establishes additional criteria for the overall area, and establishes modified development standards specific to a 1.61-acre Phase 1 of redevelopment, more fully described and attached as Exhibit A (the "Property"). Phase 1 consists of a new owner-occupied townhome development, establishing six buildings and a total of 25, three-bedroom, townhome units. This development shall align with the goals of previously envisioned PD-LF district for cohesive, high-quality redevelopment that enhances the natural characteristics of the property, and provides the highest and best use based on its location within the Lakefront District. This amendment to the existing PD-LF will provide the zoning regulations as depicted in Exhibit B, specific to the 1.61-acre Property. The final layout must generally conform with Exhibit C, and the concept plan as previously approved through ordinance No. 1752 .

It is the intent of this PD-LF to primarily follow the Lakefront District (LF) zoning regulations as the base district, with modified development standards as outlined within Exhibit B, therefore amending the existing Town of Little Elm, Texas zoning map. Any conflict between this PD-LF and the Zoning Ordinance shall be resolved in favor of the regulations set forth in the PD-LF, or as may be ascertained through the intent of this PD-LF. As used herein, "Zoning Ordinance" means the comprehensive zoning of the Town of Little Elm, Texas, in effect on the effective date of this Agreement, except otherwise defined in this Agreement. Uses and development regulations specifically modified, designated or included in this PD-LF shall not be subject to amendment after the date of the adoption of this PD-LF (the "Effective Date") (whether through the amendment of the Zoning Ordinance or otherwise), except through an amendment of this PD-LF. Uses and development regulations which otherwise are not specifically modified, designated, or included in this PD-LF shall be controlled by the "Zoning Ordinance", as it may be amended unless context provides to the contrary.

CONCEPT PLAN REQUIRED

The Concept Plan attached hereto as Exhibit C, and incorporated herein by reference, regulates the general layout of townhome development, required amenities, and private street layout. An amendment to a concept plan approved as a part of an ordinance establishing a planned development district is a change in zoning district classification and must follow the same procedures set forth in Section 106.04.03, except the Director may approve minor revisions which do not alter the basic relationship of the proposed development, and align with the visions, goals, and intent of the Lakefront District and Ordinance No. 1752.

As used herein, "Director" means the Director of Development Services.

EXHIBIT B

Development Standards

Except as otherwise set forth in these development standards, the development of this area shall follow the regulation of the Town Little Elm's Zoning Ordinance and the Subdivision Ordinance, as they exist, or may be amended, at the time of development.

Generally. The 4.9 acres of land shall be generally improved in accordance with the Regulating Concept Plan and Design Vision documents forth in Exhibit B of Ordinance 1752, providing conceptual framework and architectural design options for townhome development. Development standards shall be in accordance with the Lakefront District (LF) and the Zoning Ordinance in general.

Amenities. Open Space and Amenity Center shall be provided generally as shown in the Regulating Concept Plan.

Open Space shall be amenitized per approval of the Director; including, but not limited to, landscaping, trail, covered seating, and either sculpture, water feature, or barbeque grills. Open Space could alternatively be a private dog park with landscaping and amenities appropriate for such use. Open Space landscaping shall follow the typical Townhome District requirement of a minimum of three large canopy trees and six small ornamental trees for every 1,600 square feet of open space area.

Amenity Center shall be constructed to match the materials and design of the townhomes, per the intent of the adopted design guide, and shall provide meeting space/event club house and an outdoor pool with landscaping, per approval of the Director. Additional or alternative amenity options are subject to approval of the Director, and must be supported by the HOA.

Open Space and Amenity Center, whichever is most relevant based on location of development at that time, shall be provided in concurrence to the issuance of a building permit for building containing the units that add up to 45 of the total 66 possible townhome units. The second amenity shall be provided prior to the issuance of a building permit for the building containing the last of the 66 units.

GENERAL CONDITIONS FOR PHASE 1 "PROPERTY"

1. Use Regulations
    a. No building, structure, land or premises will be used, and no building or structure shall hereafter be erected, constructed, reconstructed, or altered, except for one or more of the uses specified herein as depicted on the concept site plan attached as Exhibit C.

        i. Maximum of 25 owner-occupied townhomes

2. Area and Height Regulations
    a. Lot regulations shall be in accordance with the Zoning and Subdivision Ordinance, unless otherwise specified in the Regulating Concept Plan and herein.

        i. Phase 1 will remain as one lot with a maximum of 25 dwellings units platted through a condo plat to provide for individual townhome ownership, and establish an HOA for the maintenance of private streets and common areas.

        ii. The minimum setbacks are established as follow:

Front yard building setback from Main Street:	10 feet
Rear yard building setback from Army Corps of Engineers land:	10 feet
Side yard building setback on the east and west:	5 feet
Building separation:	20 feet

    b. Maximum Height is 45 feet, with only the buildings facing the existing Army Corps of Engineers land with possible additional 2 feet at the peak of the middle townhome unit.

3. Front Door Entry
    a. The front door entry shall be located a minimum of 6 inches above the sidewalk elevation and include a minimum 50 square foot stoop.
    b. If pre-empted by topographic conditions, the entry may be lowered in elevation, subject to approval of the Director.
    c. There shall be a landscaped area separating the private area from the public/private sidewalk area.
    d. Up to 50 percent of units may be ADA accessible from the sidewalk.

4. Architectural Standards
    a. Architectural standards shall be in accordance with the Zoning Ordinance, Section 106.04.02 - Lakefront District and Section 106.06.04 Architectural Standards for Townhomes, unless otherwise specified in the Façade Plans, referenced in Exhibit C, and provided herein.

        i. Buildings must be developed per approved Facades Plans.

        ii. Townhomes shall be finished with a minimum of 60% Category A (masonry) materials on the first floor and 50% on all other floors. The remaining percentage on each floor should be Category B materials, with Category C materials allowed as accents not to exceed 10%.

        iii. Garage doors and front entry doors visible from the right-of-way, or a private street, shall consist of stained cedar, redwood, spruce, fir or other hardwood, or other products, including products that are not wood but have a wood appearance and approved by the Director.

        iv. Mailboxes must be grouped. Exterior of the structure shall be masonry to match the primary buildings, the roof made of metal materials, located on a common lot and maintained by the HOA.

        v. Outside of designated trash pickup times, trash receptacles shall be stored inside, out of view from any private or public street.

5. Landscaping Standards
    a. All provisions within Article VI. Division 2. Landscaping and Tree Preservation shall be met, as it exists or may be amended in accordance with the standards in effect at the time of development, or requested change, unless otherwise shown on the Landscape Plans attached hereto as Exhibit C.

        i. Front Yard Landscape Zones
        Zone 1. The intent of this zone is met through provision of sidewalks and street trees.
        Zone 2. A minimum five-foot-wide clear sidewalk.
        Zone 3. A minimum five-foot landscape area adjacent to the building.

        ii. Rear Entries shall be provided with adequate landscaping and maintain a clear path to the door.

        iii. Tree mitigation shall be met by the provision of trees over the required amount, provision of 6-inch caliper trees, and enhanced shrub heights, as shown within Exhibit C.

        Total number of trees and shrubs, as shown in Exhibit C, must be planted on-site; if any conflict arises due to circumstances outside of the developer's control, trees may be relocated within proximity of original location, but must be planted within the boundaries of the subject 4.9 acre area.

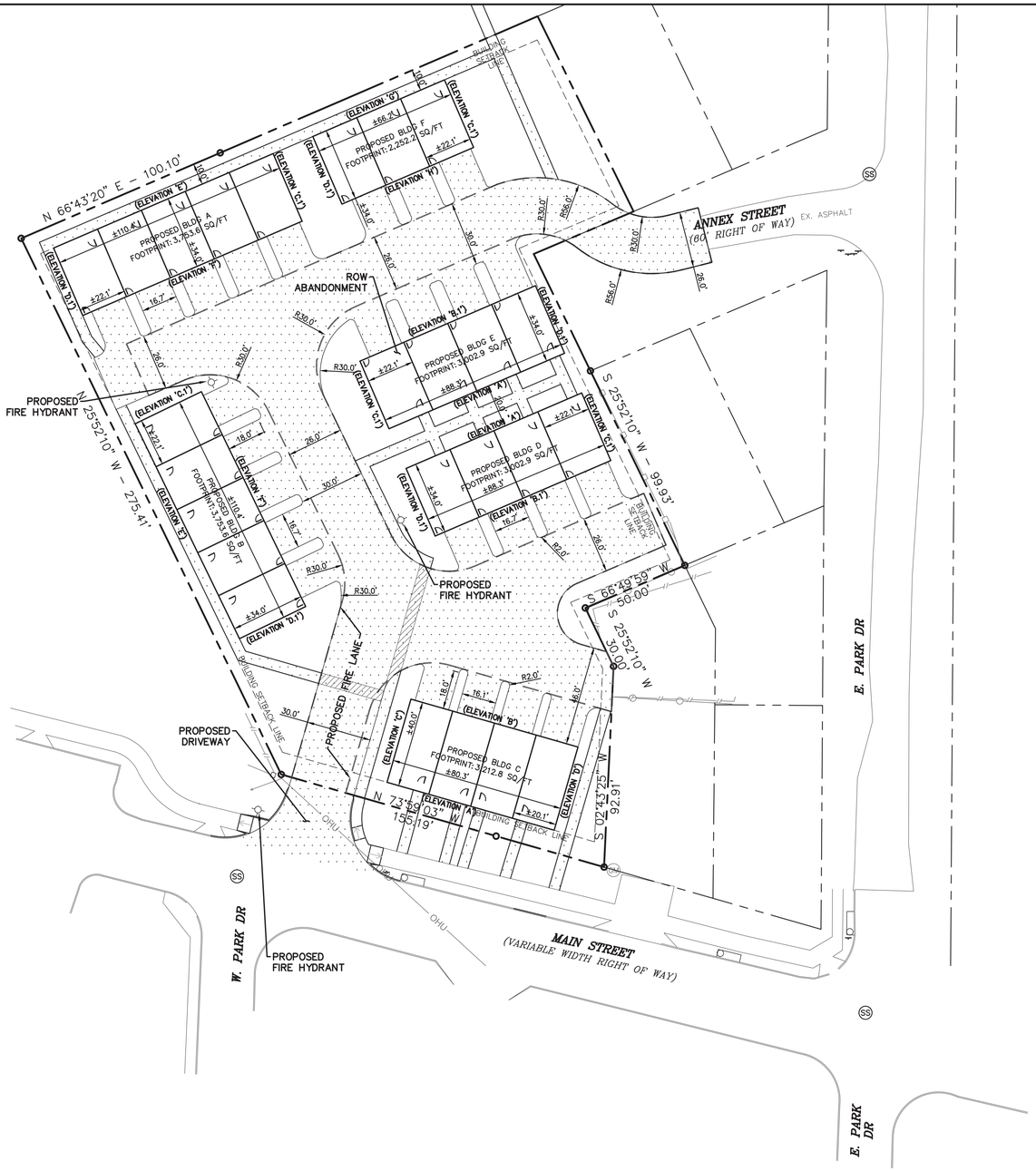
6. Parking and Accessibility
    a. All provisions within Section 106.03.01(j) - Townhome District and Section 106.04.02 -Lakefront District in general shall be met except as specified below:

        i. Minimum garage and driveway space size established as shown in the Site Plan referenced in Exhibit C.
        ii. Garage driveway spaces can be counted toward the minimum number of other parking spaces required per unit, in addition to the two-car garage.
        iii. On-street parking is prohibited.

7. Screening
    a. All provisions within Article VI. Division 3 Screening Walls and Fences shall be met.
    b. Any ground-, roof-, or wall-mounted mechanical/electrical equipment or utilities must be located away from Main Street and fully screened at the time of installation.
    c. Screening shrubs and additional decorative fence or panels must be used for ground-mounted equipment visible from Main Street, as approved by the Director.
    d. If any ground-mounted equipment is required within the landscape islands at the rear garage entries, a decorative cover must be provided, as approved by the Director.
    e. No perimeter fencing allowed.

8. Homeowners Association
    a. A Homeowners' Association (HOA) will be established for the development.
    b. Dedicated open space, required landscape, private streets and parkway areas, any retaining walls or screening walls/mechanisms, signage, common areas, amenities, or other ancillary items will be owned and maintained by the HOA.
    c. Final Covenants, Conditions, and Restrictions (CC&Rs) required to be approved by the Director and recorded prior to the Town being able to sign off on the plat document.

Exhibit C
Development Plans



LEGEND

– EXISTING CURB

– PROPOSED CURB

– PROPOSED PAVEMENT

N

0 30 60

DRAWING SCALE
1"=30'

SITE PLAN SUMMARY CHART		
SITE DATA SUMMARY	EXISTING	PROPOSED
EXISTING ZONING	PLANNED DEVELOPMENT TOWN HOMES	PLANNED DEVELOPMENT TOWN HOMES
FRONT SETBACK	6'	6'
SIDE SETBACK	5'	5'
REAR SETBACK	20'	10'
LAND USE DESIGNATION	TOWNHOMES	TOWNHOMES
GROSS ACREAGE	1.61 ACRES	1.61 ACRES
NET ACREAGE	1.61 ACRES	1.61 ACRES
NUMBER OF PROPOSED LOTS	1	1
PERCENTAGE OF SITE COVERAGE	25%	75%
AREA OF OPEN SPACE	52,636 SQFT	17,440 SQFT
PERCENTAGE OF OPEN SPACE	75%	25%
PERCENTAGE OF LANDSCAPE	0%	10%
AREA OF IMPERVIOUS COVERAGE	17,632 SQFT	52,827 SQFT
PERCENTAGE OF IMPERVIOUS COVERAGE	25%	75%
PROPOSED BUILDING AREA (SQUARE FOOTAGE FOOTPRINT)	9,427 SQFT	18,978 SQFT
NUMBER OF SINGLE–STORY BUILDINGS	8	0
NUMBER OF TWO–STORY BUILDINGS	0	0
MAXIMUM BUILDING HEIGHT	45	45
PROPOSED FLOOR AREA	–	56,934 SQFT
PROPOSED FLOOR AREA BY USE	–	56,934 SQFT
REQUIRED PARKING	–	25
PROPOSED PARKING	–	25
STANDARD (DRIVE/GARAGE PARKING)	–	25
HANDICAP	–	0
TOTAL	–	25
INVENTORY PARKING	–	0
ELECTRIC VEHICLE CHARGING INFRASTRUCTURE	0	0
BICYCLE RACKS	0	0
REQUIRED LOADING SPACES	–	0

SITE NOTES:

1. ALL SIDEWALKS SHALL MAINTAIN A 2% MAXIMUM CROSS SLOPE AND A 5% MAXIMUM SLOPE IN THE DIRECTION OF PEDESTRIAN TRAVEL. ALL ADA SIDEWALKS SHALL INCLUDE ALL LANDINGS, MARKINGS, ETC AS REQUIRED BY CODE.
2. PREMISE IDENTIFICATION SHALL BE PER THE FIRE DEPARTMENT REQUIREMENTS
3. ALL DIMENSIONS ARE FROM FACE OF CURB TO EDGE OF CONCRETE OR FACE OF BUILDING UNLESS OTHERWISE NOTED.
4. SITE SIGNAGE SHALL BE BY SEPARATE PERMIT.
5. ALL FIRE LANES SHALL BE CONCRETE A MINIMUM OF 6" THICK WITH #3 REBAR, 18" ON CENTER. IT SHALL HAVE 6" LIME STABILIZATION OR 2" OF CONRETE IN LIEU OF LIME WITH TOWN APPROVAL.

!!! CAUTION !!!
UNDERGROUND UTILITIES

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CONTACT TOWN OF LITTLE ELM & 811 FOR UTILITY LOCATES AT LEAST 72 HOURS PRIOR TO CONSTRUCTION.

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STATE OF TEXAS
PAUL M. CRAGUN
112767
LICENSED
PROFESSIONAL ENGINEER

04/24/24

FOR REVIEW, NOT FOR CONSTRUCTION.

REVISIONS			
REV NO.	DATE	DESCRIPTION	BY

ENGINEER: Cumulus Design Firm #14810
2080 N. Highway 360, Suite 240 Grand Prairie, Texas 75050
Tel. 214.235.0367

ZONING SITE PLAN

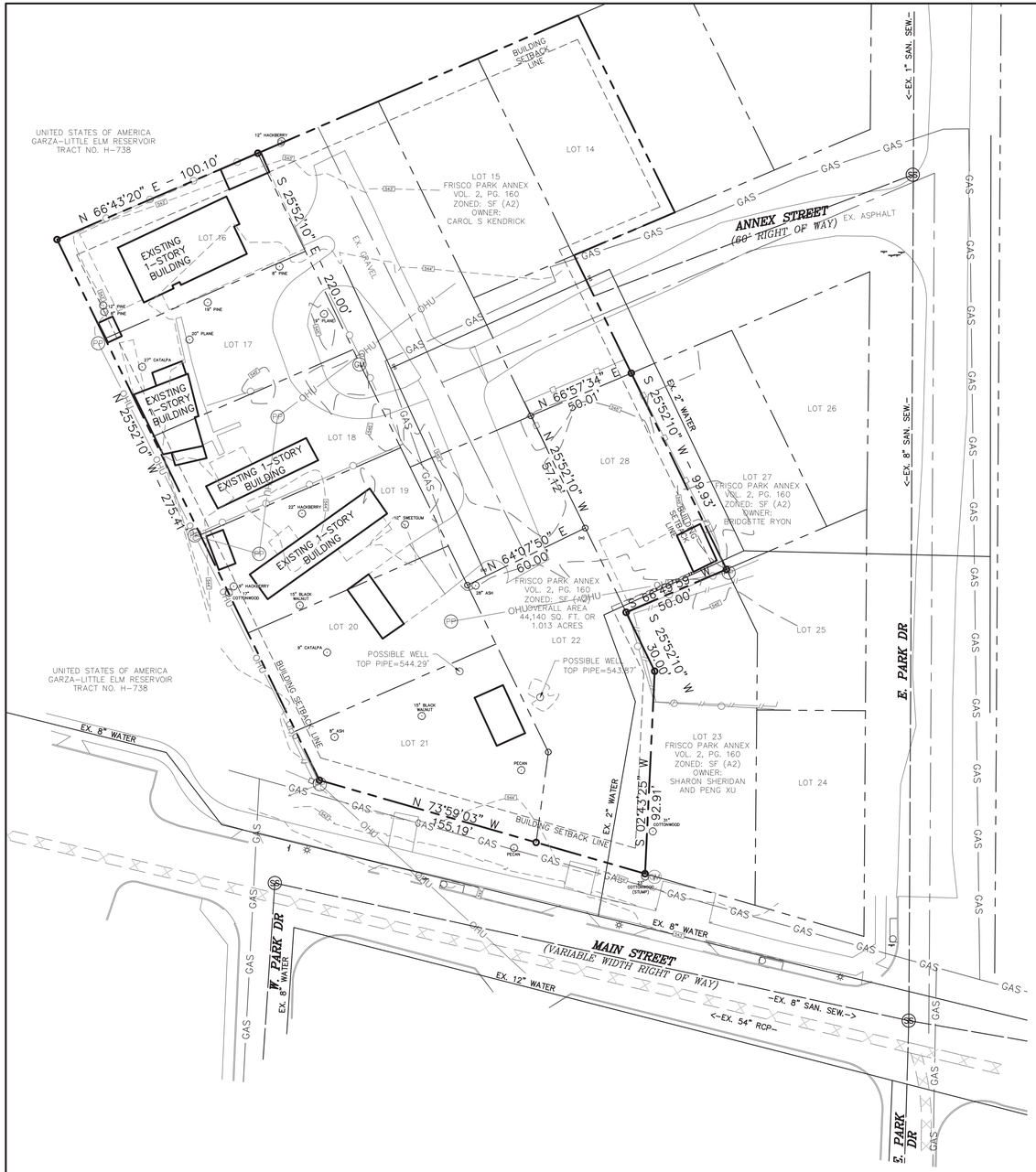
LAKEVIEW AT ANNEX

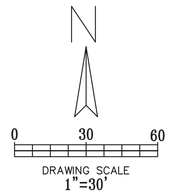
PARK LANE & ANNEX AVENUE, 1.31 ACRES

FRISCO PARK ANNEX, LOTS 16-22 AND 28

TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

TOWN CASE NUMBER	DATE	SHEET
–	04/24/24	SP





LEGEND

- EXISTING CURB
- 671 — EXISTING CONTOUR
- EXISTING STORM
- PROPERTY LINE

TOPOGRAPHIC DATA AND PROPERTY BOUNDARY SHOWN ON THIS PLAN WAS PROVIDED BY THE DEVELOPER THROUGH A TOPOGRAPHIC SURVEY CONDUCTED BY PEISER & MANKIN SURVEYING, LLC ON 8/18/2022.

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ENGINEER: Cumulus Design Firm #14810
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Tel. 214.235.0367

EXISTING CONDITIONS PLAN

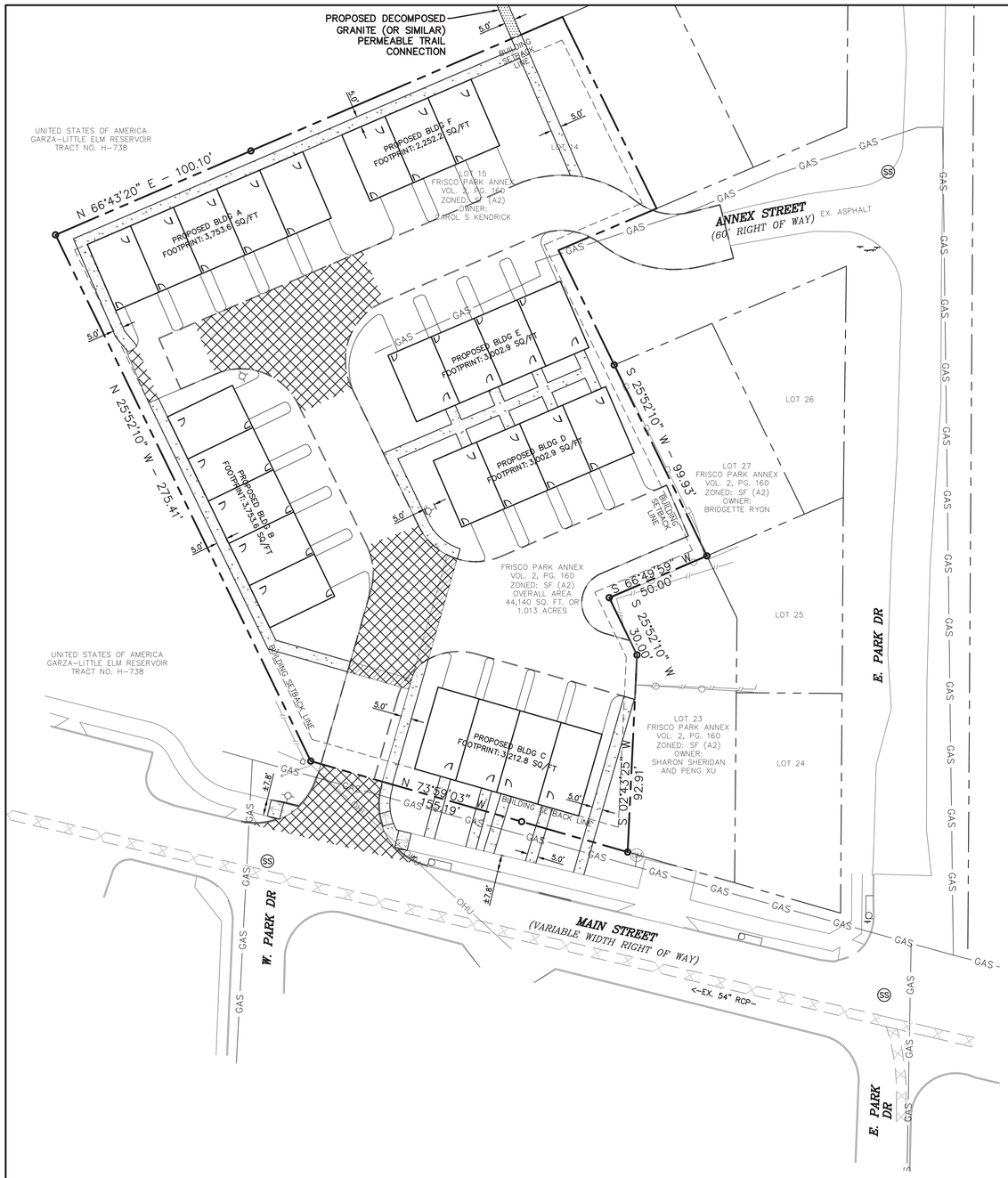
LAKEVIEW AT ANNEX

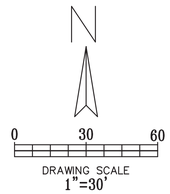
PARK LANE & ANNEX AVENUE, 1.31 ACRES

FRISCO PARK ANNEX, LOTS 16-22 AND 28

TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

TOWN CASE NUMBER	DATE	SHEET
–	04/24/24	C1.01





LEGEND

- – EXISTING CURB
- – PROPOSED CURB
- – PROPOSED CONCRETE SIDEWALK
- – PROPOSED PERMEABLE SIDEWALK/TRAIL
- – PEDESTRIAN CROSSING SHALL BE COLORED STAMPED CONCRETE PER TOWN STANDARDS.

GENERAL NOTES:

1. ALL MATERIALS AND CONSTRUCTION WITHIN STREET RIGHT-OF-WAY SHALL CONFORM TO THE TOWN STANDARD CONSTRUCTION DETAILS AND SPECIFICATIONS.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING WITH ALL APPROPRIATE UTILITY COMPANIES FOR THE LOCATION OF ALL UTILITIES WITHIN THE CONSTRUCTION AREA/SITE.
3. THE PAVING CONTRACTOR SHALL NOT PLACE PERMANENT PAVEMENT UNTIL ALL SLEEVING FOR IRRIGATION, ELECTRIC, GAS, TELEPHONE, CABLE TV, SITE IRRIGATION, ETC. HAS BEEN INSTALLED. IT SHALL BE THE PAVING CONTRACTOR'S RESPONSIBILITY TO ENSURE THAT ALL SLEEVING IS IN PLACE PRIOR TO THE PLACING OF PERMANENT PAVING.
4. ALL PAVING AND EARTHWORK OPERATIONS SHALL CONFORM TO THE RECOMMENDATIONS IN THE GEOTECHNICAL INVESTIGATION REPORT.
5. ALL DIMENSIONS ARE FROM BACK OF CURB, EDGE OF PAVEMENT, OR FACE OF BUILDING UNLESS OTHER WISE NOTED.
6. ALL SIDEWALKS SHALL MAINTAIN A 2% MAXIMUM CROSS SLOPE AND 5% MAXIMUM SLOPE IN THE DIRECTION OF PEDESTRIAN TRAVEL.

!!! CAUTION !!!
UNDERGROUND UTILITIES

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CONTACT TOWN OF LITTLE ELM & 811 FOR UTILITY LOCATES AT LEAST 72 HOURS PRIOR TO CONSTRUCTION.

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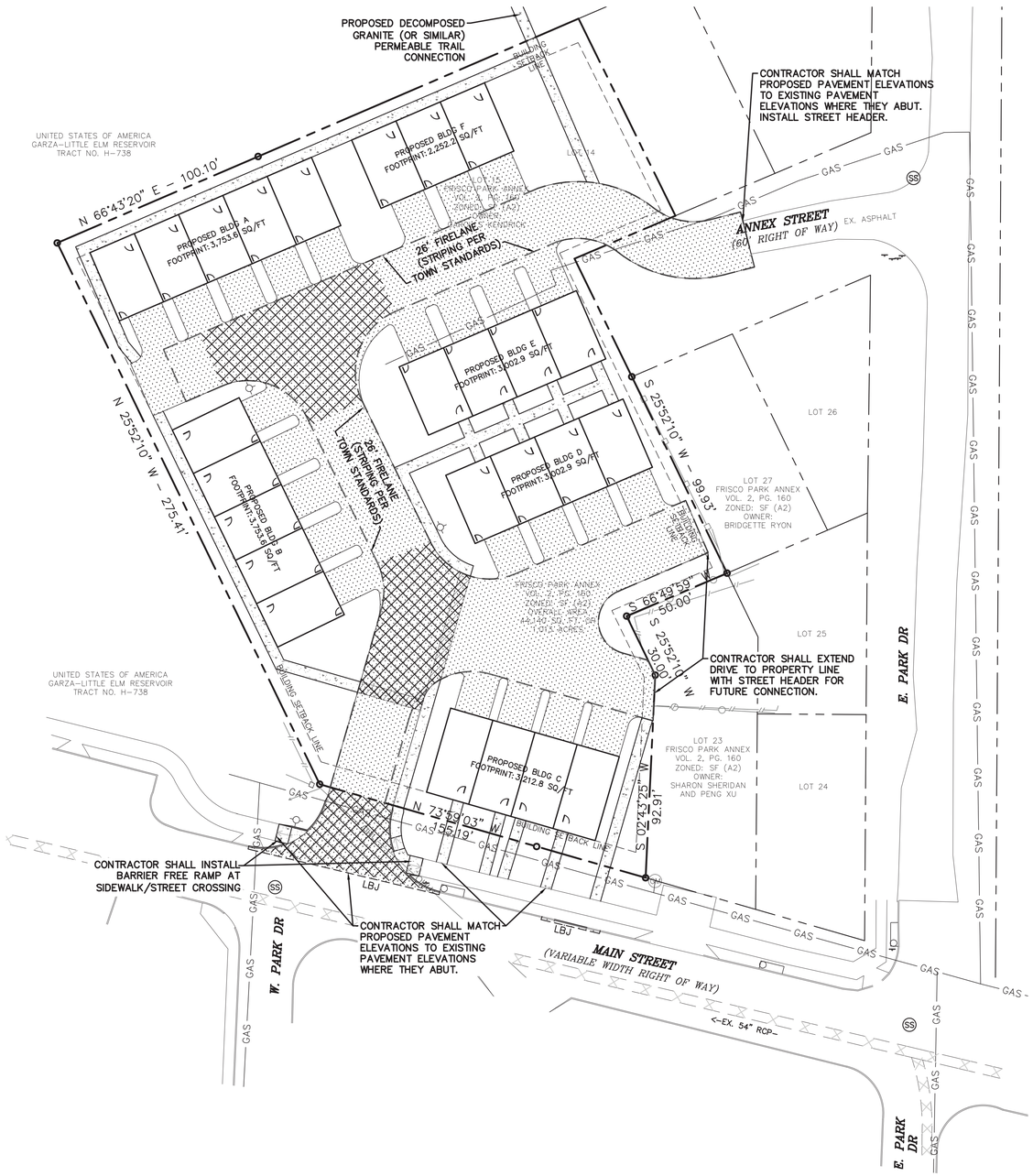
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ENGINEER: Cumulus Design Firm #14810
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Tel. 214.235.0367

SIDEWALK PLAN

LAKEVIEW AT ANNEX
PARK LANE & ANNEX AVENUE, 1.31 ACRES
FRISCO PARK ANNEX, LOTS 16-22 AND 28
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

TOWN CASE NUMBER	DATE	SHEET
–	04/24/24	C3.01



LEGEND

- ═══ – EXISTING CURB/PAVEMENT EDGE
- ═══ – PROPOSED CURB
- – – – – – – PROPOSED SAWCUT
- LBJ – PROPOSED LONGITUDINAL BUTT JOINT
- LS – PROPOSED LANDSCAPING AREA
- – 4" 3000 PSI REINFORCED CONCRETE PAVEMENT WITH #3 BARS @ 24" ON CENTER, EACH WAY, ON PREPARED SUBGRADE.
- – DECOMPOSED GRANITE OR APPROVED EQUAL MATERIAL TO MATCH EXISTING TRAIL SYSTEM (FOR TRAIL TO SITE CONNECTION)
- – 6" 3600 PSI REINFORCED CONCRETE PAVEMENT WITH A MIN. #4 @ 18" ON CENTER, EACH WAY WITH LIME STABILIZED SUBGRADE OR 6" FLEXBASE WITH GEOGRID. FIRELANES SHALL BE PER TOWN STANDARDS
- – PEDESTRIAN CROSSING SHALL BE COLORED STAMPED CONCRETE PER TOWN STANDARDS.

N

0 30 60

DRAWING SCALE
1"=30'

GENERAL PAVING NOTES:

1. ALL MATERIALS AND CONSTRUCTION WITHIN STREET RIGHT-OF-WAY SHALL CONFORM TO THE TOWN STANDARD CONSTRUCTION DETAILS AND SPECIFICATIONS.
2. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO PROTECT ALL PUBLIC UTILITIES IN THE CONSTRUCTION OF THIS PROJECT. ALL MANHOLES, CLEANOUTS, VALVE BOXES, FIRE HYDRANTS, ETC. MUST BE ADJUSTED TO PROPER LINE AND GRADE BY THE CONTRACTOR PRIOR TO AND AFTER THE PLACING OF PERMANENT PAVING. UTILITIES MUST BE MAINTAINED TO PROPER LINE AND GRADE DURING CONSTRUCTION OF THIS PROJECT.
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING WITH ALL APPROPRIATE UTILITY COMPANIES FOR THE LOCATION OF ALL UTILITIES WITHIN THE CONSTRUCTION AREA/SITE.
4. THE PAVING CONTRACTOR SHALL NOT PLACE PERMANENT PAVEMENT UNTIL ALL SLEEVING FOR IRRIGATION, ELECTRIC, GAS, TELEPHONE, CABLE TV, SITE IRRIGATION, ETC. HAS BEEN INSTALLED. IT SHALL BE THE PAVING CONTRACTOR'S RESPONSIBILITY TO ENSURE THAT ALL SLEEVING IS IN PLACE PRIOR TO THE PLACING OF PERMANENT PAVING.
5. ALL PAVING AND EARTHWORK OPERATIONS SHALL CONFORM TO THE RECOMMENDATIONS IN THE GEOTECHNICAL INVESTIGATION REPORT.
6. FIRE LANES SHALL BE STRIPED IN ACCORDANCE WITH THE TOWN REQUIREMENTS (IF ANY).
7. ALL DIMENSIONS ARE FROM BACK OF CURB, EDGE OF PAVEMENT, OR FACE OF BUILDING UNLESS OTHER WISE NOTED.
8. ALL SIDEWALKS SHALL MAINTAIN A 2% MAXIMUM CROSS SLOPE AND 5% MAXIMUM SLOPE IN THE DIRECTION OF PEDESTRIAN TRAVEL.
9. SLOPE WITHIN THE HANDICAP PARKING AND STRIPED AREA SHALL NOT EXCEED 2% IN ANY DIRECTION.
10. ALL CURB RADII ARE 1.5' UNLESS OTHER WISE SPECIFIED (EXCEPT FOR AT END OF PARKING SPACES AND FLUMES WHERE THE RADII IS 0').
11. CONTRACTOR TO REFERENCE ARCHITECT/LANDSCAPE PLANS FOR ANY SPECIAL PATTERN/STAINS OR ANY OTHER PAVEMENT DETAILS.

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UNDERGROUND UTILITIES

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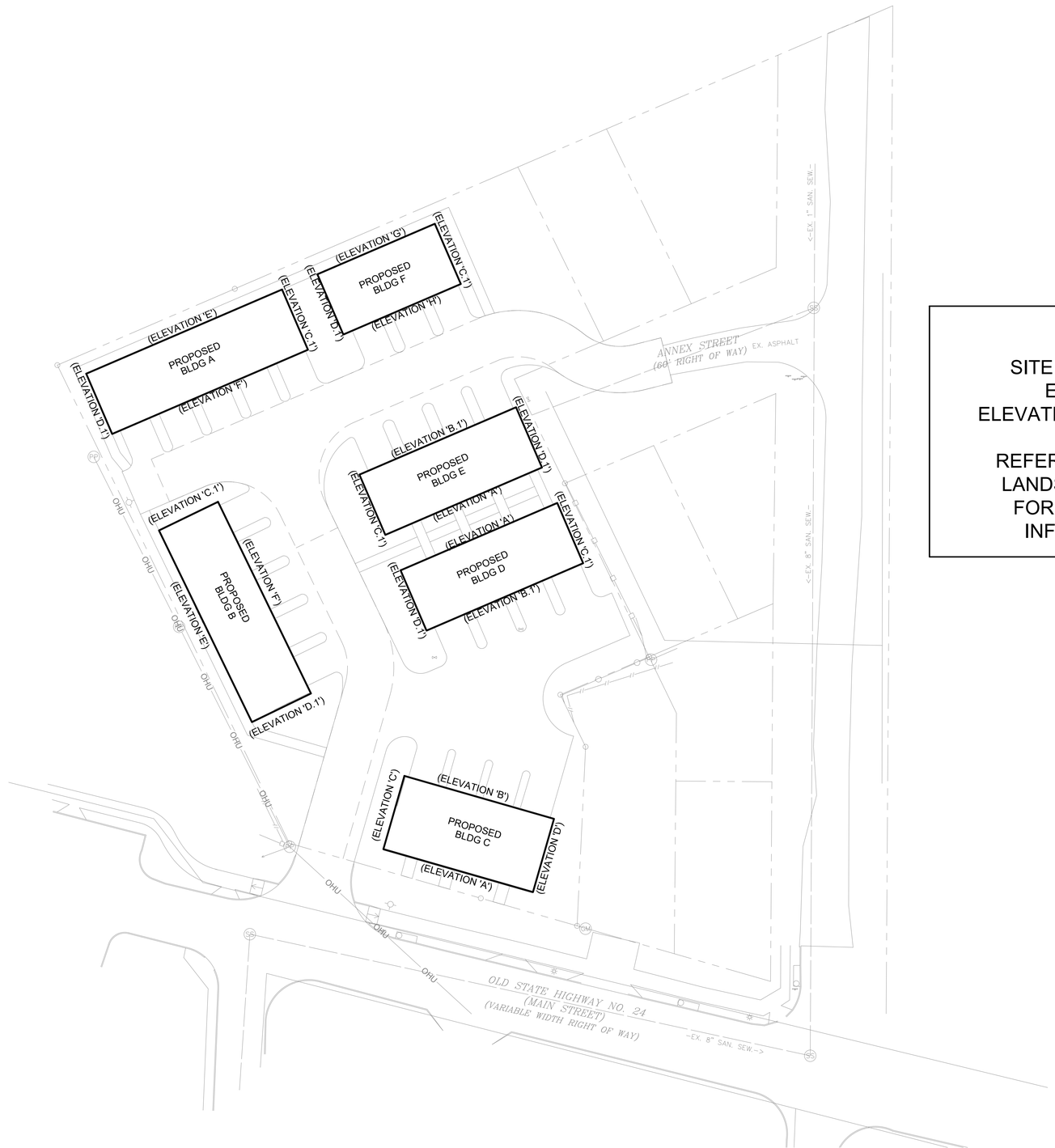
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ENGINEER: Cumulus Design Firm #14810
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PAVING PLAN

LAKEVIEW AT ANNEX
PARK LANE & ANNEX AVENUE, 1.31 ACRES
FRISCO PARK ANNEX, LOTS 16-22 AND 28
TOWN OF LITTLE ELM, DENTON COUNTY, TEXAS

TOWN CASE NUMBER	DATE	SHEET
–	04/24/24	C3.02



REFERENCE SITE PLAN
01 1" = 30'

NOTE:

SITE PLAN IS FOR EXTERIOR ELEVATION REFERENCE ONLY, REFER TO CIVIL AND LANDSCAPE PLANS FOR ADDITIONAL INFORMATION.

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitecturepllc.com

Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

SITE-PLAN

ELEVATION REFERENCE

A2.0



"ELEVATION type A"
(INCLUDES) MAIN-STREET-FACING ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface = 2,991
Total Windows & Doors (30% Required) = 897 Total Windows & Doors (30.16% Provided) = 902
Total Elev (Minus Doors/Windows): 2,088 sq.ft.
1250 sq.ft. Brick (60%)
293 sq.ft. 'Poplar' Siding(14%)
442 sq.ft. Stucco (21%)
103 sq.ft. Accent Materials (5%)
-Metal Awnings
-Cedar Trellis

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE A
01 1/4" = 1'-0"

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Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'A'

EXTERIOR ELEVATIONS

A2.1



ELEVATION type 'B'
REAR (PRIVATE DRIVE) FACING ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface = 2,870
Windows & Doors (21.5% Provided) = 616
Total Elev (Minus Doors/Windows): 2,254 sq.ft.
1,093 sq.ft. Brick (49%)
1,161 sq.ft. Stucco (51%)

ELEVATION TYPE B

01 1/4" = 1'-0"

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Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'B'

EXTERIOR ELEVATIONS

A2.2



ELEVATION type 'B.1'
REAR (PRIVATE DRIVE) FACING ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface =3,049 Windows & Doors (21.5% Provided) = 696
Total Elev (Minus Doors/Windows): 2,353 sq.ft.
1,149 sq.ft. Brick (49%)
1,204 sq.ft. Stucco (51%)

ELEVATION TYPE B.1

01 1/4" = 1'-0"

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitecturepllc.com

Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'B.1'

EXTERIOR ELEVATIONS

A2.3

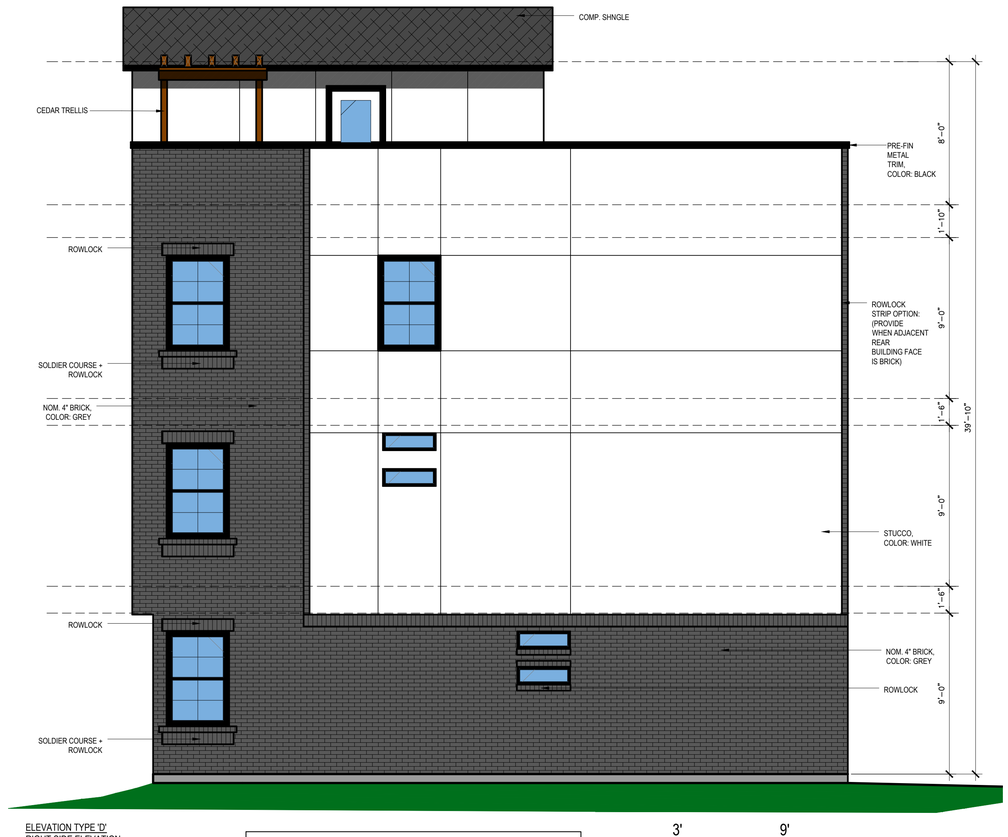


ELEVATION TYPE 'C'
LEFT SIDE ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface (- Windows & Doors = 1,449)
579 sq.ft. Brick (40%)
870 sq.ft. Stucco (60%)

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING



ELEVATION TYPE 'D'
RIGHT SIDE ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface (- Doors & Windows) = 1,412
491 sq.ft. Brick (35%)
911 sq.ft. Stucco (64%)
10 sq.ft.Cedar Trellis (1%)

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE C & D

01 1/4" = 1'-0"

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitecturepllc.com

Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'C & D'

EXTERIOR ELEVATIONS

A2.4

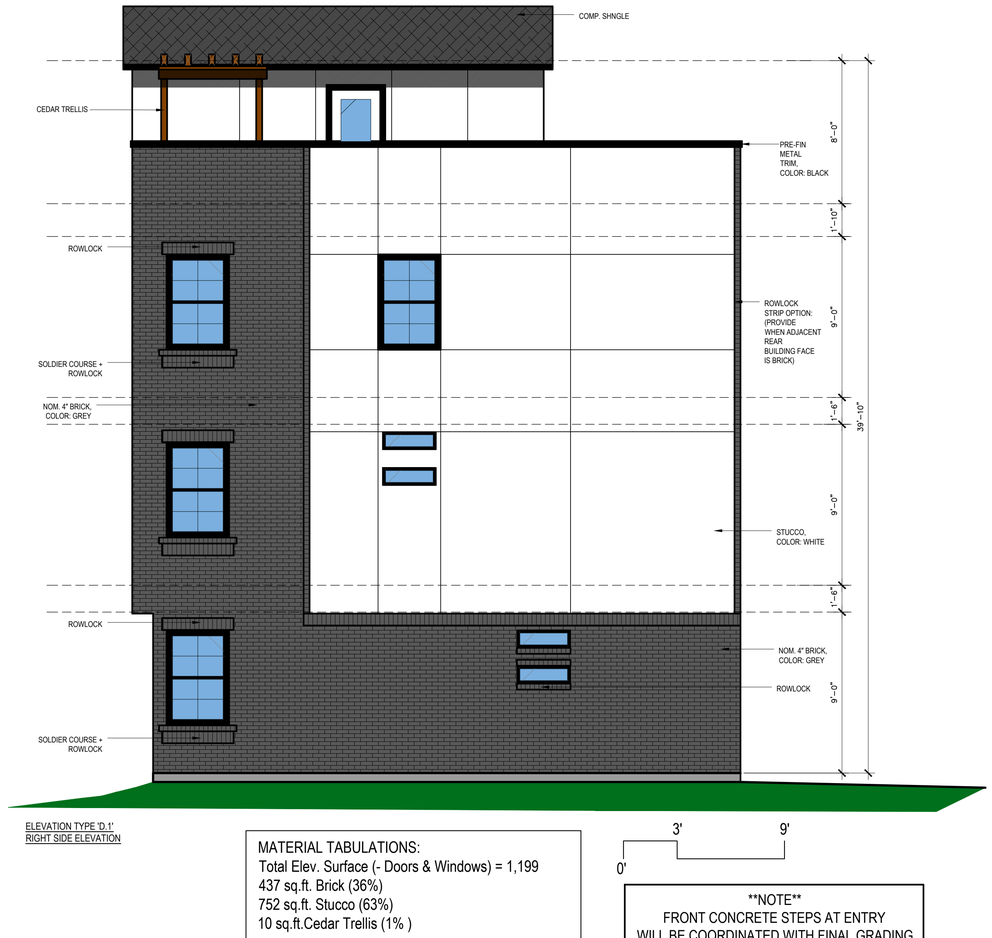


ELEVATION TYPE 'C.1'
LEFT SIDE ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface = 1,210
484 sq.ft. Brick (40%)
726 sq.ft. Stucco (60%)

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING



ELEVATION TYPE 'D.1'
RIGHT SIDE ELEVATION

MATERIAL TABULATIONS:
Total Elev. Surface (- Doors & Windows) = 1,199
437 sq.ft. Brick (36%)
752 sq.ft. Stucco (63%)
10 sq.ft.Cedar Trellis (1%)

0' 3' 9'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE C.1 & D.1

01 1/4" = 1'-0"

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitecturepllc.com

Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'C.1 & D.1'

EXTERIOR ELEVATIONS

A2.5



"ELEVATION type E"

0' 3' 9'

MATERIAL TABULATIONS:
Total Elev. Surface = 3,898
Total Windows & Doors (30% Required) = 1,169 Total
Windows & Doors (30.45% Provided) = 1,187
Total Elev (Minus Doors/Windows): 2,711 sq.ft.
1623 sq.ft. Brick (60%)
380 sq.ft. 'Poplar' Siding(14%)
573 sq.ft. Stucco (21%)
135 sq.ft. Accent Materials (5%)
-Metal Awnings
-Cedar Trellis

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE E

01 1/4" = 1'-0"

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Project #: 2224

ELEVATION TYPE 'E'

EXTERIOR ELEVATIONS

A2.6



ELEVATION type 'F'

MATERIAL TABULATIONS:
Total Elev. Surface = 3,583
Windows & Doors (21.5% Provided) = 770
Total Elev (Minus Doors/Windows): 2,813 sq.ft.
1,152 sq.ft. Brick (41%)
1,661 sq.ft. Stucco (59%)

ELEVATION TYPE F

01 1/4" = 1'-0"

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Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'F'

EXTERIOR ELEVATIONS

A2.7



ELEVATION type 'G'

MATERIAL TABULATIONS:
Total Elev. Surface = 2,223
Total Windows & Doors (30% Required) = 667 Total Windows & Doors (30.45% Provided) = 668
Total Elev (Minus Doors/Windows): 1,555 sq.ft.
908 sq.ft. Brick (58%)
232 sq.ft. 'Poplar' Siding(15%)
336 sq.ft. Stucco (22%)
79 sq.ft. Accent Materials (5%)
-Metal Awnings
-Cedar Trellis

3' 9'
0'

NOTE
FRONT CONCRETE STEPS AT ENTRY
WILL BE COORDINATED WITH FINAL GRADING

ELEVATION TYPE G

01 1/4" = 1'-0"

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972-363-6155
www.triunearchitecturepllc.com

Townhouse Development "Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'G'

EXTERIOR ELEVATIONS

A2.8



ELEVATION type 'H'

MATERIAL TABULATIONS:
Total Elev. Surface = 2,191
Windows & Doors (23.8% Provided) = 522
Total Elev (Minus Doors/Windows): 1,669 sq.ft.
981 sq.ft. Brick (59%)
688 sq.ft. Stucco (41%)

ELEVATION TYPE H

01 1/4" = 1'-0"

TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitecturepllc.com

Townhouse Development
"Lakeview at Annex"

Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

ELEVATION TYPE 'H'

EXTERIOR ELEVATIONS

A2.9

ACME BRICK,
COLOR:
"WHITE BLUFF"



ACME BRICK,
COLOR:
"PACIFIC CLAY"



WROUGHT IRON
GUARD-RAILING:
BLACK



CANTILEVERED METAL
AWNING:
COLOR: *NATURAL ALUMINUM*



"POPLAR" SIDING
STYLE:
NATURAL WOOD



TRIUNE ARCHITECTURE
972-363-6155
www.triunearchitecturepllc.com

Townhouse Development
"Lakeview at Annex"

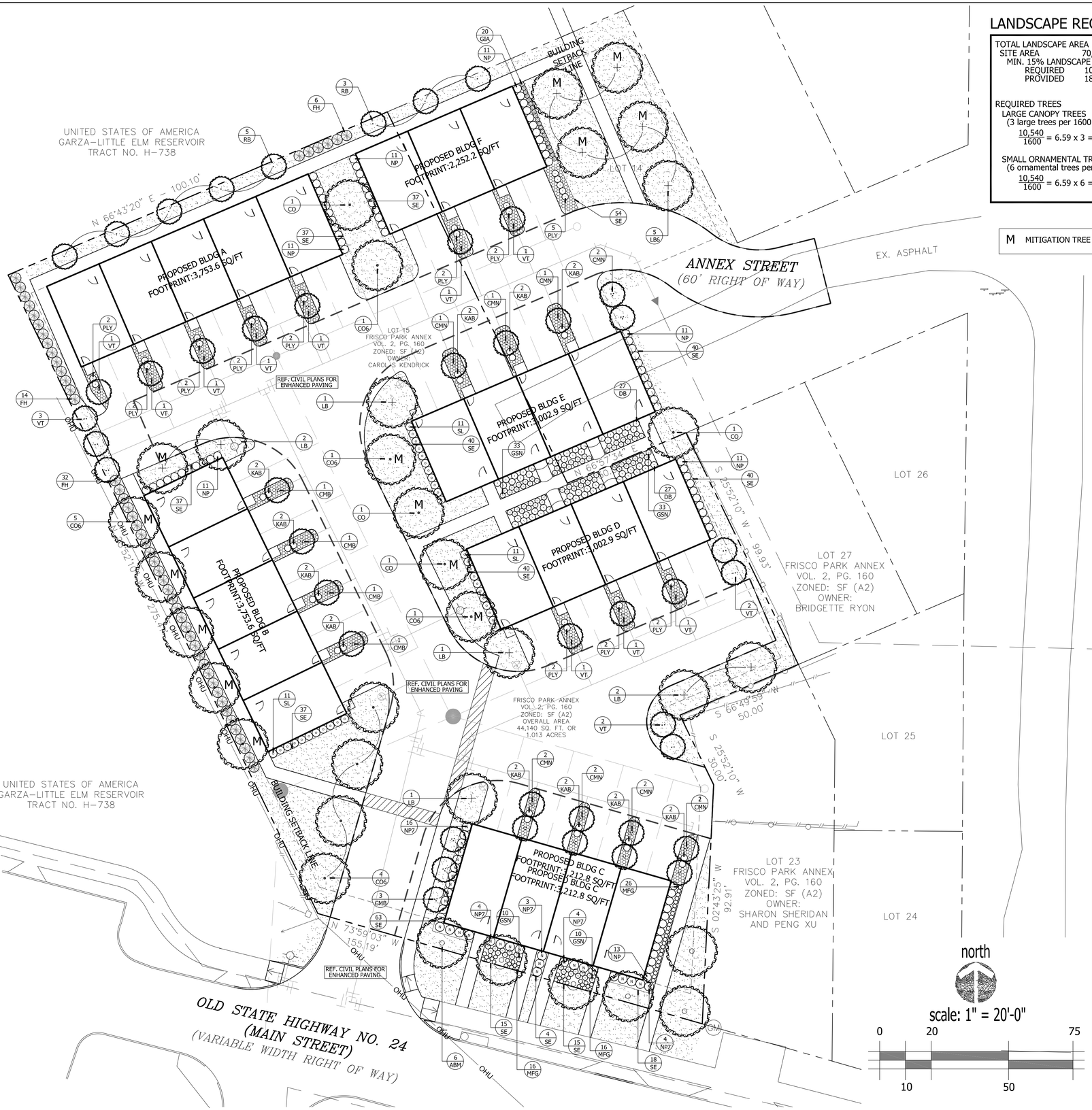
Annex Ln.
Townhouses
Little Elm, TX

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL

Project #: 2224

SAMPLE BOARD

A2.10



LANDSCAPE REQUIREMENTS

TOTAL LANDSCAPE AREA
SITE AREA 70,268 sf
MIN. 15% LANDSCAPE AREA REQUIRED
REQUIRED 10,540 sf (15.0%)
PROVIDED 18,153 sf (25.8%)

REQUIRED TREES
LARGE CANOPY TREES
(3 large trees per 1600 sf required landscape area)
$\frac{10,540}{1600}$ = 6.59 x 3 = 19.77 = 20 trees required
34 trees provided

SMALL ORNAMENTAL TREES
(6 ornamental trees per 1600 sf required landscape area)
$\frac{10,540}{1600}$ = 6.59 x 6 = 39.54 = 40 trees required
43 trees provided

M MITIGATION TREE 14 TREES @ 4" CAL. 56"

LANDSCAPE NOTES

1. PLANT LIST FOR THIS SHEET ONLY.
2. PLANT LIST TO BE USED AS AIDE TO BIDDER ONLY. LANDSCAPE CONTRACTOR TO VERIFY ALL QUANTITIES.
3. ALL BEDS SHALL BE ACCEPTED AT ROUGH FINISH GRADE. IF ANY EXISTING VEGETATION IS EVIDENT, LANDSCAPE CONTRACTOR SHALL SPRAY AREA WITH BROAD SPECTRUM HERBICIDE APPLICATION TO REMOVE ANY VEGETATION.
4. AFTER APPROPIATE TIME TO ENSURE A VEGETATION IS DEAD, TILL SUBGRADE AND RAKE SMOOTH, REMOVING ALL DEAD VEGETATION, STONES, CLODS AND DEBRIS.
5. AFTER INSTALLATION OF STEEL EDGING, ALL BEDS SHALL BE TILLED TO A DEPTH OF 4-6", RAKING OUT ALL DEAD VEGETATION.
6. APPLY A 2-3" DEPTH OF ORGANIC MATERIAL OVER ENTIRE BED AND TILL INTO EXISTING SOIL. ORGANIC MATERIAL SHALL BE ONE OF FOLLOWING:
   - VITAL EARTH COMPOST
   - BACK-TO-EARTH SOIL CONDITIONER
   - LIVING EARTH COMPOST
   - SOIL BUILDING SYSTEMS COMPOST
   - SILVER CREEK MATERIALS COMPOST
7. TOPDRESS ENTIRE BED WITH MINIMUM 2" DEPTH SHREDDED NATIVE CEDAR MULCH.
8. ALL SHADE TREES AND ORNAMENTAL TREES SHALL BE PLANTED AS PER DETAILS ON THIS SHEET.
9. ALL LANDSCAPE AREAS SHALL BE WATERED WITH AUTOMATIC IRRIGATION SYSTEM, COMPLETE WITH FREEZE SENSOR, RAIN STAT, AND CONTROLLER. SYSTEM SHALL BE DESIGNED TO UTILIZE WATER-SAVING TECHNIQUES AND EQUIPMENT. INSTALLATION OF SYSTEM SHALL BE MADE BY A FIRM DULY LICENSED UNDER ARTICLE NO. 8751 VTCS (LICENSED IRRIGATORS ACT), S.B. NO. 259.

LANDSCAPE LEGEND

COMMON BERMUDA SOD (CYNODON DACTYLON)

RIVER ROCK (SEE NOTE BELOW)

SOD INSTALLATION NOTES:
a. ALL SUBGRADE SHALL BE ACCEPTED AT ROUGH FINISH GRADE. IF ANY EXISTING VEGETATION IS EVIDENT, LANDSCAPE CONTRACTOR SHALL SPRAY AREA WITH BROAD SPECTRUM HERBICIDE APPLICATION TO REMOVE ANY VEGETATION.
b. AFTER APPROPIATE TIME TO ENSURE A VEGETATION IS DEAD, TILL SUBGRADE AND RAKE SMOOTH, REMOVING ALL DEAD VEGETATION, STONES, CLODS AND DEBRIS.
c. SOD SHALL BE VIGOROUS, WELL-ROOTED AND SHALL BE DELIVERED AT A UNIFORM SOIL THICKNESS.
d. SOD SHALL BE LAID WITH ALTERNATING JOINTS.
e. ALL SOD SHALL BE ROLLED TO CONSISTENT SURFACE, FILLING JOINTS WITH COARSE SAND AS REQUIRED.
f. ALL SOD AREAS SHALL BE WATERED BY PERMANENT AUTOMATIC IRRIGATION SYSTEM.

RIVER ROCK INSTALLATION NOTES:
a. LANDSCAPE CONTRACTOR SHALL INSPECT RIVER ROCK AREAS FOR ANY EXISTING VEGETATION AND PROVIDE BROAD SPECTRUM HERBICIDE APPLICATION TO REMOVE ANY VEGETATION.
b. AFTER APPROPIATE TIME TO ENSURE A VEGETATION IS DEAD, TILL SUBGRADE AND RAKE SMOOTH, REMOVING ALL DEAD VEGETATION.
b. INSTALL FILTER FABRIC OVER ENTIRE AREA TO RECIEVE RIVER ROCK.
c. PLACE MINIMUM FOUR (4) INCHES OF NEW MEXICO MEDIUM RIVER ROCK IN DESIGNATED AREAS.

PLANTLIST

SYM	MATERIAL	QNTY	SIZE	HT	SP	NOTES	SPACING
ABM	AUTUMN BLAZE MAPLE ACER x 'FREEMANII'	6	6" CAL.	16-18'	9-10'	NURSERY GROWN	
CO	CHINKAPIN OAK	12	6" CAL.	16-18'	9-10'	NURSERY GROWN	
CO	CHINKAPIN OAK QUERCUS MUHLENBERGIA	4	4" CAL.	12-14'	6-7'	NURSERY GROWN	
LB	LACEBARK ELM	5	6" CAL.	16-18'	10-11'	NURSERY GROWN	
LB	LACEBARK ELM ULMUS PARVIFOLIA SEMPERVIRENS	7	4" CAL.	12-14'	7-8'	NURSERY GROWN	
CMB	CRAPE MYRTLE LAGERSTROEMIA INDICA 'BASHAM PINK'	7	30 GAL.	8-10'	4-5'	CONTAINER GROWN	
CMN	CRAPE MYRTLE LAGERSTROEMIA INDICA 'NATCHEZ"	13	30 GAL.	8-10'	4-5'	CONTAINER GROWN	
VT	VITEX VITEX AGNUS-CASTUS	17	30 GAL.	8-10'	4-5'	CONTAINER GROWN	
RB	FOREST PANSY REDBUD CERCIS CANADENSIS 'FOREST PANSY'	8	30 GAL.	8-10'	4-5'	CONTAINER GROWN	
FH	FOSTER HOLLY ILEX x ATTENUATA 'FOSTERI'	52	7 GAL.	36"	20"	FULL	48"oc
NP	NEEDLEPOINT HOLLY ILEX CORNUTA 'NEEDLEPOINT'	32	7 GAL.	36"	20"	FULL	42"oc
NP	NEEDLEPOINT HOLLY ILEX CORNUTA 'NEEDLEPOINT'	79	5 GAL.	26"	18"	FULL	36"oc
SL	SUNSHINE LIGUSTRUM LIGUSTRUM SINENSIS 'SUNSHINE'	33	5 GAL.	24"	18"	FULL	36"oc
PLY	PALE LEAF YUCCA YUCCA PALLIDA	25	5 GAL.	12"	15"	FULL	30"oc
DB	DWF BURFORD HOLLY ILEX CORNUTA 'BURFORDI' NANA	54	3 GAL.	20"	12"	FULL	30"oc
KAB	KALIEDOSCOPE ABELIA ABELIA GRANDIFLORA 'KALIEDOSCOPE'	22	3 GAL.	12"	12"	FULL	30"oc
GSN	GULF STREAM NANDINA NANDINA DOMESTICA 'GULF STREAM'	86	3 GAL.	12"	12"	FULL	24"oc
GIA	GIANT LIRIOPE LIRIOPE GIGANTEA	20	1 GAL.	10"	10"	FULL	20"oc
MFG	MEXICAN FEATHERGRASS NASSELLA TENUISSIMA	58	1 GAL.	10"	10"	FULL	20"oc
SE	STEEL EDGING	477	LIN. FT.	REF. DETAIL			

SPECIFIED PLANT HEIGHTS ARE TYPICAL INDUSTRY STANDARD HEIGHTS FOR SPECIFIED CONTAINER SIZES.

appr. by:
drawn by:
date: 01-17-24

revisions
04-05-24
04-29-24
05-29-24
06-11-24
06-12-24

REGISTERED LANDSCAPE ARCHITECT ☆ WILLIAM H. LEEMING III ☆ 1138 ☆ STATE OF TEXAS

PRELIMINARY PLANS

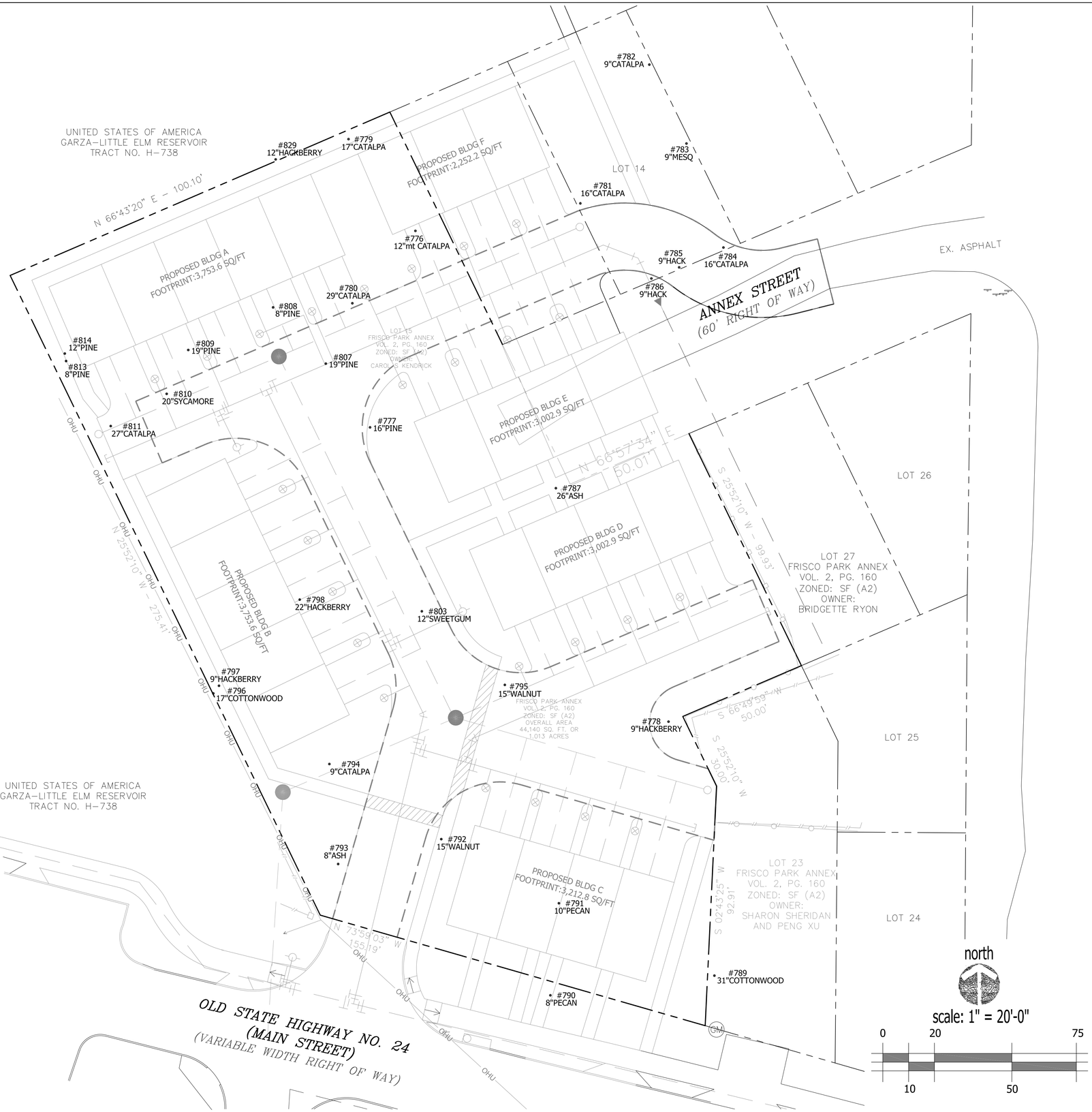
Leeming Design Group
Landscape Architecture
4913 Rock Snow Drive, Suite 101-B
(817) 577-6869
North Richland Hills, Texas 76180
Fax (817) 577-6869
leemingdesigngroup@sbcglobal.net

LANDSCAPE PLAN

LAKEVIEW at ANNEX
MAIN STREET (OLD STATE HWY. 24)
LITTLE ELM, TEXAS

file name:
c:\Little Elm-Townhomes\
ldg-base_LE-Townhomes.dwg

sheet
L-1


UNITED STATES OF AMERICA
GARZA–LITTLE ELM RESERVOIR
TRACT NO. H–738
N 66°43'20" E - 100.10'
#829
12"HACKBERRY
#779
17"CATALPA
#782
9"CATALPA
#783
9"MESQ
#781
16"CATALPA
#776
12"mt CATALPA
#785
9"HACK
#784
16"CATALPA
#786
9"HACK
#780
29"CATALPA
#808
8"PINE
#814
12"PINE
#813
8"PINE
#809
19"PINE
#807
19"PINE
#810
20"SYCAMORE
#811
27"CATALPA
#777
16"PINE
#787
26"ASH
#798
22"HACKBERRY
#803
12"SWEETGUM
#797
9"HACKBERRY
#796
17"COTTONWOOD
#795
15"WALNUT
#778
9"HACKBERRY
#794
9"CATALPA
#793
8"ASH
#792
15"WALNUT
#791
10"PECAN
#789
31"COTTONWOOD
#790
8"PECAN
PROPOSED BLDG A
FOOTPRINT:3,753.6 SQ/FT
PROPOSED BLDG F
FOOTPRINT:2,252.2 SQ/FT
PROPOSED BLDG E
FOOTPRINT:3,002.9 SQ/FT
PROPOSED BLDG D
FOOTPRINT:3,002.9 SQ/FT
PROPOSED BLDG B
FOOTPRINT:3,753.6 SQ/FT
PROPOSED BLDG C
FOOTPRINT:3,212.8 SQ/FT
LOT 14
LOT 15
FRISCO PARK ANNEX
VOL. 2, PG. 160
ZONED: SF (A2)
OWNER:
CAROLYN KENDRICK
FRISCO PARK ANNEX
VOL. 2, PG. 160
ZONED: SF (A2)
OVERALL AREA
44,140 SQ. FT. OR
1.013 ACRES
LOT 23
FRISCO PARK ANNEX
VOL. 2, PG. 160
ZONED: SF (A2)
OWNER:
SHARON SHERIDAN
AND PENG XU
LOT 24
LOT 25
LOT 26
LOT 27
FRISCO PARK ANNEX
VOL. 2, PG. 160
ZONED: SF (A2)
OWNER:
BRIDGETTE RYON
EX. ASPHALT
ANNEX STREET
(60' RIGHT OF WAY)
N 25°52'10" W - 275.41'
N 66°57'34" E
50.01'
S 25°52'10" W - 99.93'
S 66°43'59" W
50.00'
S 25°52'10" W
300.00'
S 02°45'25" W
92.91'
N 73°59'03" W
155.19'
OHU
OHU
OHU



Annex Flats

Sample
SELECTIONS

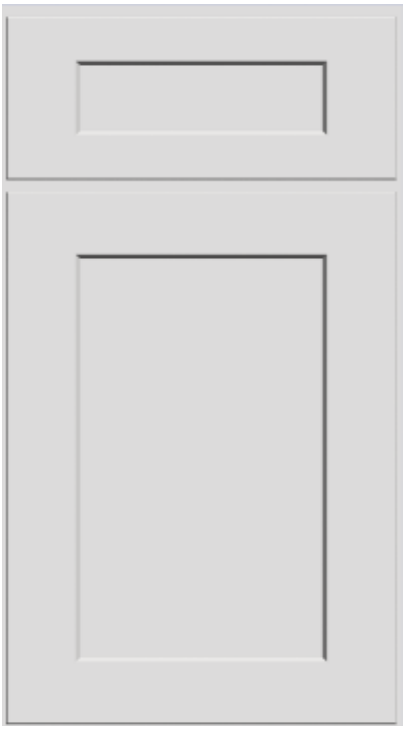
EXAMPLE OF SIMILAR FINISHES



Carpeted Stair with White Wooden Risers – Standard

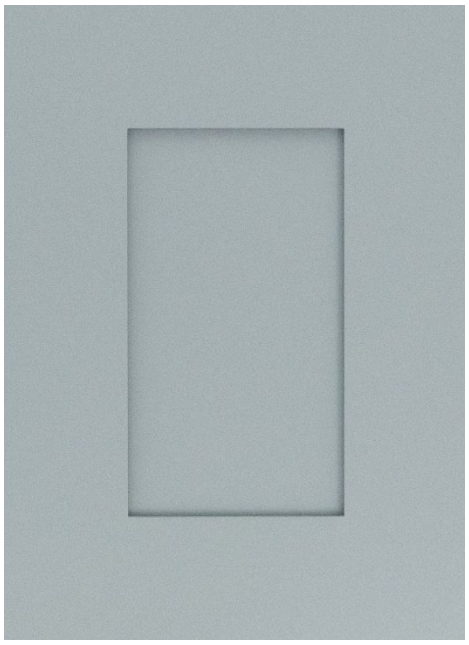


Wooden Stair with White Wooden Risers - Upgrade



White - Standard

Gray - Standard



Polished Chrome – Standard





Satin Nickel – Upgrade



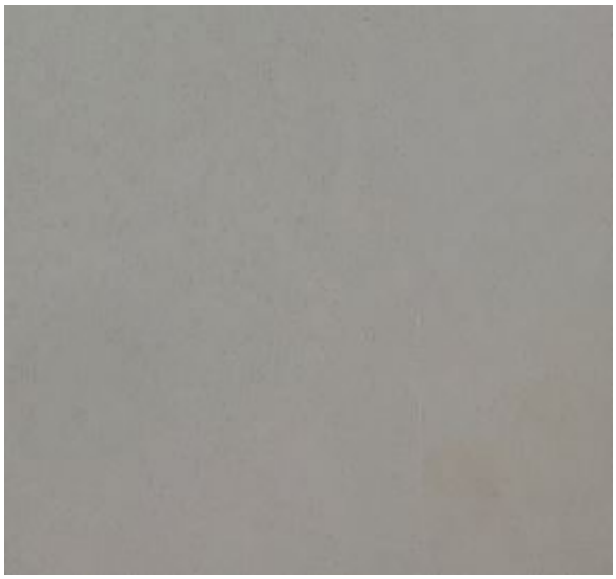


Exterior Hardware Black – Standard

Interior Hardware Black - Upgrade

Quartz 3 cm Countertops

White Quartz – Standard



Gray Quartz – Standard



Quartz Waterfall Edge - Upgrade



White Porcelain Undermount - Vanities



Stainless Steel Undermount Single Bowl Kitchen Sink

Farm Sink - Upgrade







Standard Carpet

Standard Tile Selections

Master Bathroom

Sterling Grey Matte 12X24 Floor



OR

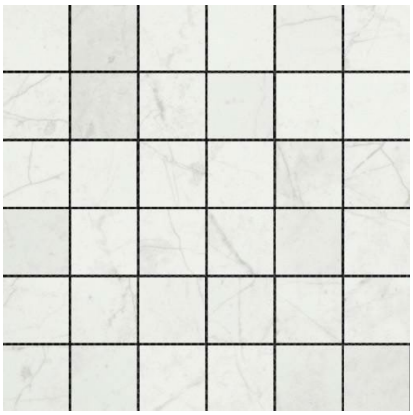
Sterling White Matte 12X24 Floor



Sterling White Polished
12X24 - Shower Wall



Sterling White Matte
2" x 2" Mosaic – Shower Floor



Secondary Bathroom

Sterling White Matte 12X24 Floor



Catch Gray
3X6 tile Tub Deck





Hand Scraped Wood Stain Selections

Bosch Stainless Steel Appliances Standard



30" Electric Slide In Range

Over The Range Microwave

24" Dishwasher





Bosch Alternate Stainless Upgrades



30" Chimney Wall Vent Hood

Stainless-Steel Built-In Microwave



Bosch Upgrade 800 Series Stainless Package



30" Electric Slide In Range

Over The Range Microwave

24" Dishwasher





Bosch Alternate Stainless Upgrades



30" Chimney Wall Vent Hood

Stainless-Steel Built-In Microwave



Bosch Upgrade 800 Series Black Stainless Package

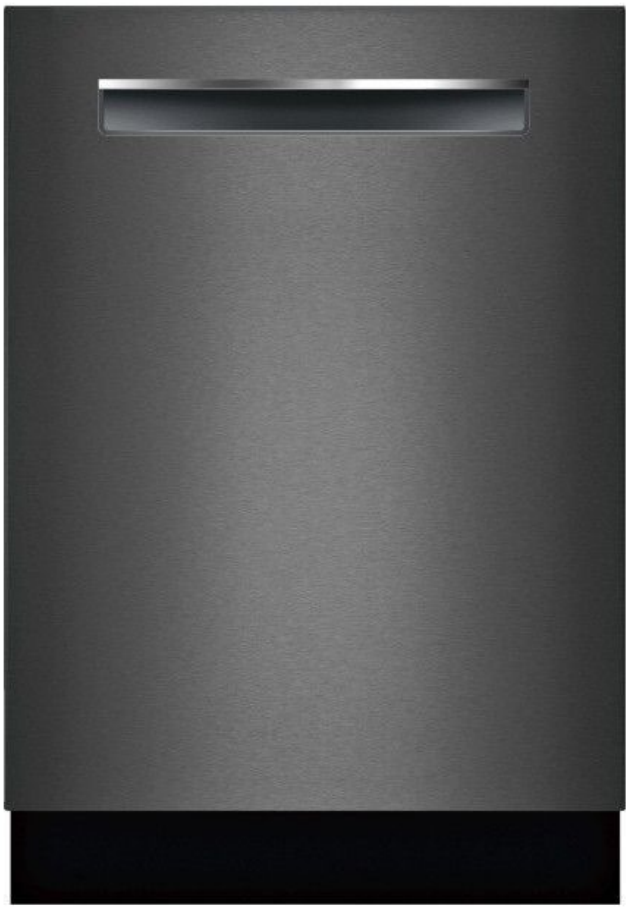


30" Electric Slide In Range

Over The Range Microwave

24" Dishwasher





Bosch Upgrade
Alternate Black Stainless Upgrades



Black Stainless Steel
30" Chimney Wall Vent Hood

Black Stainless-Steel
Built-In Microwave



Electronic Built in Fireplace Upgrade





Plumbing Fixtures - Shower

Polished Chrome – Standard













Satin Nickel – Upgrade



Black – Upgrade





Polished Chrome – Standard









Satin Nickel – Upgrade

Black – Upgrade





Plumbing Fixtures – Rain Shower Upgrades

Polished Chrome – Standard





Satin Nickel – Upgrade

Black – Upgrade



Electrical Fixtures – Chrome

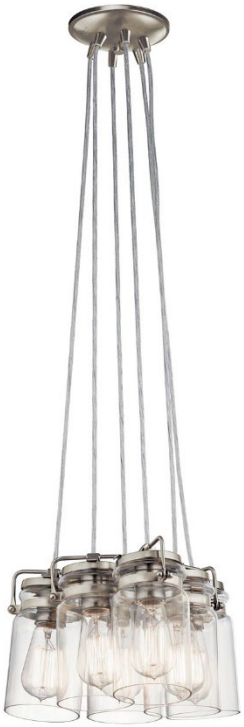








Electrical Fixtures – Satin Nickel Upgrade









Electrical Fixtures – Black Upgrade









Date:	06/18/2024
Agenda Item #:	6. F.
Department:	Development Services
Strategic Goal:	Promote and expand Little Elm's identity
Staff Contact:	Olga Chernomorets, Planning Manager

AGENDA ITEM:

Hold a Public Hearing, Present, Discuss, and Consider Action on **Ordinance No. 1763 Regarding a Proposed Amendment to the Town of Little Elm Comprehensive Plan, in Order to Update the Future Land Use Map, Future Land Use Categories, and the Town's Projected Population and Capacity.**

Open Public Hearing:
Receive Public Comments:
Close Public Hearing:
Take Action on Ordinance No. 1763:

DESCRIPTION:

The purpose of the Comprehensive Plan is to serve as official policy of the Town and guide future zoning decisions.

In March 2024, the Town of Little Elm engaged the services of Freese and Nichols, Inc., the firm who helped the Town create the 2017 Comprehensive Plan, to update targeted sections of the 2017 Plan. The sections, presented in more detail below, primarily addressed the Future Land Use map, densities associated with various residential categories, and future population projections.

The purpose of the update was the right-sizing of future growth numbers to inform other Town planning initiatives, the most immediate being a 5-year impact fee update. As the Town anticipates a broader update to its Comprehensive Plan in the near future, this land use update is considered an interim step to provide the Town with the data it needs to further immediate planning initiatives.

Updates to the 2017 Comprehensive Plan are encapsulated within this document and are limited to the following (page references below refer to the 2017 Plan):

1. Update the Future Land Use Map Shown on Page 120: Development data and other inputs were used to create a Future Land Use Map that updates the 2017 map.

2. Update the Future Land Use categories shown on Pages 119, 121-123: The future land use categories of the current Comprehensive Plan were updated to reflect recently approved developments and trends that have developed in the Town since 2017. Additionally, dwelling units per acre (DUA) were added for each future land use category.

3. Update the Town's Projected Population and Capacity on Pages 175-179, 181-184: based on data provided by the Town and public sources such as the U.S. Census Bureau and the North Central Texas Council of Governments, updates were made to the Town's projected population and capacity under the current Comprehensive Plan. These were updated to reflect growth and growth rate changes since 2017.

Results show that build-out population of the Town increased from approximately 93,000 population to approximately 107,000. Of the additional residents expected in Town Limits, the land use changes considered in this update contribute approximately 1,700 additional residents. This means that land use changes contribute only 12% of the total increase in build-out population (1,700 out of 14,000 people), with the remaining anticipated increase from 2017 resulting from growth in ETJ population, along with the 4,648 undeveloped lots platted as of the date of this report. With more lots on the ground compared to 2017, the future population of the Town can be predicted with more accuracy compared to projecting vacant areas based on presumed maximum density. The unbuilt lots currently existing equate to 13,981 additional residents (compared to 6,789 residents projected from vacant lots in 2017). This is a difference of 7,192 additional persons compared to 2017.

No other explicit or implicit changes are intended to the 2017 Plan other than those outlined above, nor does this document recommend any specific alternation to the implementation of the 2017 Plan Vision and Goals based on the data presented in this document.

Staff is requesting to amend the Town of Little Elm Comprehensive Plan, adopted in 2017, in order to capture these updates.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDED ACTION:

Planning and Zoning Commission recommend approval.

Attachments

Ordinance No. 1763 - Comprehensive Plan Amendment

2024 Comprehensive Plan - Land Use Updates DRAFT

TOWN OF LITTLE ELM

ORDINANCE NO. 1763

AN ORDINANCE OF THE TOWN OF LITTLE ELM, TEXAS, AMENDING THE TOWN OF LITTLE ELM COMPREHENSIVE PLAN 2017, BY AMENDING THE FUTURE LAND USE PLAN, FUTURE LAND USE CATEGORIES, AND PROJECTED POPULATION AND CAPACITY; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHERE AS, 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 possess all rights, powers, and authorities possessed by all home rule municipalities, including the authority to adopt and amend a comprehensive plan Under Chapter 213 of the Texas Local Government Code; and

WHEREAS, the Town desires to amend the Town of Little Elm Comprehensive Plan, previously adopted in 2017; and

WHEREAS, the Town's Planning and Zoning Commission and the Town Council of the Town of Little Elm, Texas, in accordance with the state law and the ordinances of the Town, have given the required notices and have held the required public hearings regarding the adoption of the proposed amendment; and

WHEREAS, after due deliberations and consideration of the recommendation of the Town's Planning and 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 the amendment to the Comprehensive Plan is in the best interest of public health, safety, and welfare of the residents of the Town.

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 AND ADOPTION. From and after the effective date of this ordinance, the following amendment to the 2017 Town of Little Elm Comprehensive Plan, updating the Future Land Use Plan (page 120), updating Future Land Use categories (pages 119, 121-123), and updating projected population and capacity (page 175-179, 181-184), of the Town of Little Elm, Texas, is attached hereto and adopted.

SECTION 3. 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 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 5. SEVERABILITY. The sections, paragraphs, sentences, phrases, clauses and words of this Ordinance are severable, and if any section, paragraph, sentence, phrase, clause or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the Town Council of the Town of Little Elm, Texas hereby declares that it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions 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 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 18th day of June, 2024.

The Town of Little Elm, Texas

_____

Curtis J. Cornelious, Mayor

ATTEST:

_____

Caitlan Biggs, Town Secretary

FINAL 2024 FUTURE LAND USE
UPDATES TO BE ATTACHED POST
COUNCIL APPROVAL

DRAFT REPORT OF THE UPDATES
PROVIDED SEPARATELY

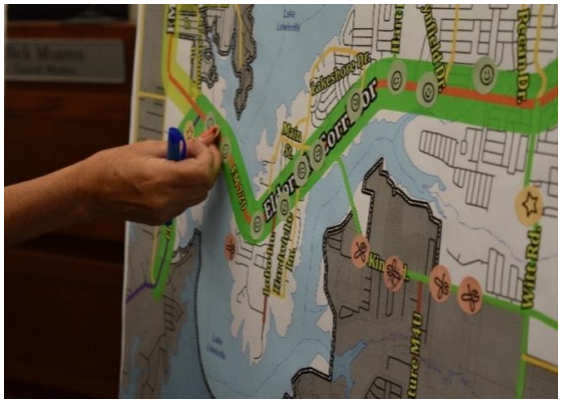
Town of Little Elm
Comprehensive Plan 2017

Future Land Use and Population Projection Update

June 13, 2024







LITTLE ELM

FOR CONSIDERATION OF ADOPTION ONLY

NOT INTENDED FOR PUBLICATION

Executive Summary

In March 2024, the Town of Little Elm engaged the services of Freese and Nichols, Inc., the firm who helped the Town create the 2017 Comprehensive Plan, to update targeted sections of the 2017 Plan. The sections, presented in more detail below, primarily addressed the Future Land Use map, densities associated with various residential categories, and future population projections.

The purpose of the update was the right-sizing of future growth numbers to inform other Town planning initiatives, the most immediate being a 5-year impact fee update. As the Town anticipates a broader update to its Comprehensive Plan in the near future, this land use update is considered an interim step to provide the Town with the data it needs to further immediate planning initiatives.

Updates to the 2017 Comprehensive Plan are encapsulated within this document and are limited to the following (page references below refer to the 2017 Plan, not this document):

1. **Update the Future Land Use Map Shown on Page 120**: Development data and other inputs were used to create a Future Land Use Map that updates the 2017 map.

2. **Update the Future Land Use categories shown on Pages 119, 121-123**: The future land use categories of the current Comprehensive Plan were updated to reflect recently-approved developments and trends that have developed in the Town since 2017. Additionally, dwelling units per acre (DUA) were added for each future land use category.

3. **Update the Town's Projected Population and Capacity on Pages 175-179, 181-184**: based on data provided by the Town and public sources such as the U.S. Census Bureau and the North Central Texas Council of Governments, updates were made to the Town's projected population and capacity under the current Comprehensive Plan. These were updated to reflect growth and growth rate changes since 2017.

Results show that build-out population of the Town increased from approximately 93,000 population to approximately 107,000. Of the additional residents expected in Town Limits, the land use changes considered in this update contribute approximately 1,700 additional residents. This means that land use changes contribute only 12% of the total increase in build-out population (1,700 out of 14,000 people), with the remaining anticipated increase from 2017 resulting from growth in ETJ population, along with the 4,648 undeveloped lots platted as of the date of this report. With more lots on the ground compared to 2017, the future population of the Town can be predicted with more accuracy compared to projecting vacant areas based on presumed maximum density. The unbuilt lots currently existing equate to 13,981 additional residents (compared to 6,789 residents projected from vacant lots in 2017). This is a difference of 7,192 additional persons compared to 2017.

No other explicit or implicit changes are intended to the 2017 Plan other than those outlined above, nor does this document recommend any specific alternation to the implementation of the 2017 Plan Vision and Goals based on the data presented in this document. The Vision of the 2017 Plan along with its areas of emphasis remain as adopted in 2017:

"The Town of Little Elm is a distinct and desirable lakeside destination for all people to live and play while enjoying a safe, vibrant and welcoming community."

Future Land Use Plan (current page 119)

Land Use Categories	Max. DUA*	Description
Residential		
Estate Residential	1	Single-family homes with lot sizes of one acre or greater
Ranchette Residential	2	Single-family homes with lot sizes of 15,000 sq. ft. to 1 acre
Low Density Residential	5	Single-family homes of varying lot sizes that are smaller than 15,000 sq. ft.
Medium Density Residential	10	Townhomes or Duplexes
High Density Residential	25	Apartments and Condominiums
Mixed Residential	8	Range of single family from large lot to patio homes to townhome transitions to neighborhood commercial
Neighborhood	4	Appropriate transitions to existing neighborhoods with respect to densities, screening and buffering within new neighborhoods
Public Use		
Public/Semi-Public	0	Educational, governmental, or institutional uses such as schools, hospitals, places of worship or community organizations etc.
Parks and Open Space	0	Community parks, recreational facilities, cemeteries, and open space and private recreation
Floodplain/CORP properties	0	Conservation area based on FEMA map and CORP properties
Non-residential		
Retail/Commercial	0	Establishments providing merchandise for retail or commercial sale and professional, corporate, or administrative offices
Special Uses		
Lakefront District	32	A mixture of civic, park, cultural, retail, and residential uses, which is designed to be a focal point of the community
Special Planning Area 1	0	“Hilltown” area with redevelopment potential
Special Planning Area 2	7	“Preston on the Lake” area with redevelopment potential
Special Planning Area 3	7	Lakefront area with mostly residential redevelopment potential
Mixed Use	32	Vertical and horizontal mix of residential, non-residential and public uses

**Dwelling Units Per Acre*



Future Land Use Map (current page 120)

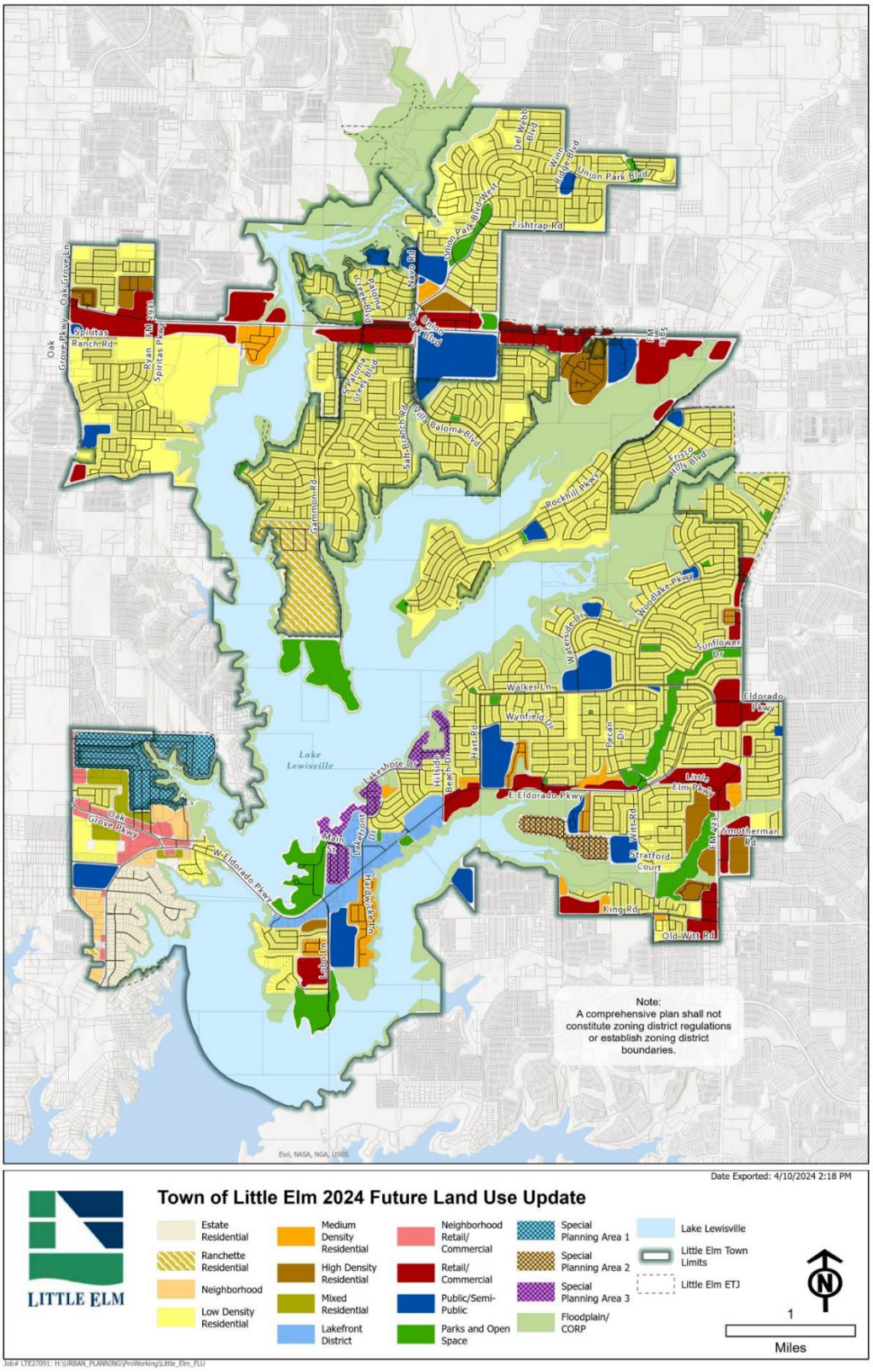
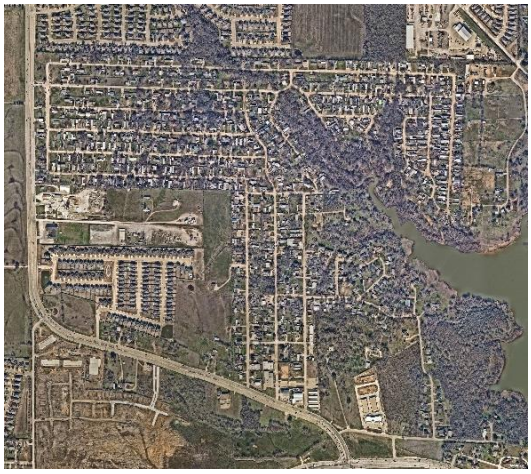


Figure 1: Updated Future Land Use Map

Special Planning Areas (current pages 121 and 122)

Special Planning Area 1

The area currently has several large vacant tracts, several heavy commercial uses, a small church, and a large mobile home subdivision (with several hundred lots covering approximately 240 acres). With the proximity to the lake and access to Eldorado Parkway and Oak Grove (FM 720), this area will likely see demand to develop the vacant land and possibly redevelop the existing mobile home subdivision. As land values increase and Oak Grove (FM 720) is improved to six lanes, the area may see greater interest from developers wanting to purchase land for either new development or redevelopment for both non-residential and residential purposes. It is desirable to have this area to be coordinated into one unified development when development and redevelopment occur. Finally, it is important to recognize this area's potential to change and how it might be different in 10 to 20 years.

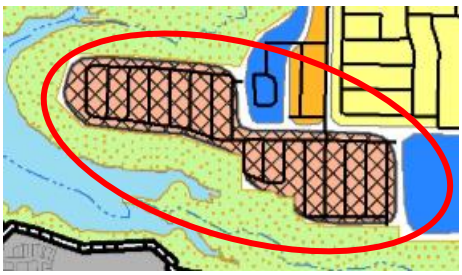




Special Planning Area 2

The area designated as Special Planning Area 2 is currently a quality manufactured home park, with concrete street and sidewalks. The 2008 Future Land Use Plan shows this area as manufactured home development. However, during the 2017 Comprehensive Plan public input process, manufactured homes were identified as one of the least desired uses in the Town. By using the Special Planning Area 2 designation, the Plan recognizes that this area can remain a quality manufactured home park, but also recognizes that the park's land owner may wish to redevelop the site in the future. If redevelopment occurs, it is envisioned to be redeveloped with recreational and single-family detached uses.



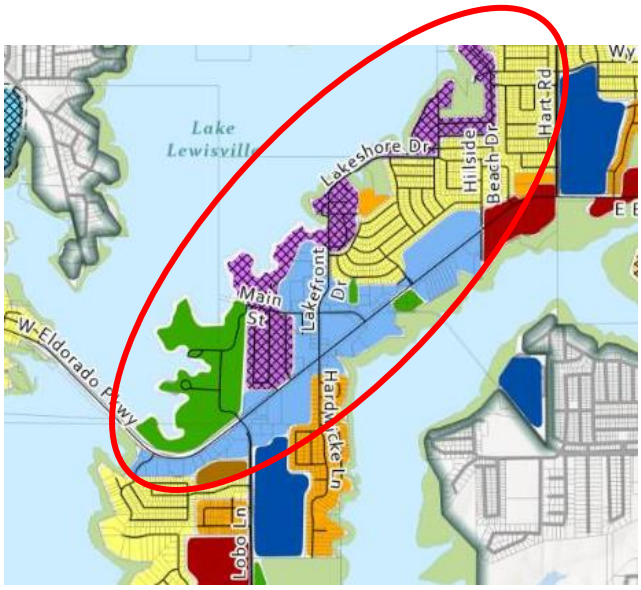


Special Planning Area 3

A large part of Special Planning Area 3 has lake frontage. The area contains attractive lots facing the lake, suitable for "move-up" homes. Many of the existing homes originally started as lake cabins or lake rentals and are smaller than what the market currently builds or demands. Residential redevelopment is highly likely in the northern part of this Special Planning Area 3.

An activity hub is envisioned in the southern part of the planning area due to the area's proximity to the school, the park and retail/commercial lots.





Future Land Use Map Calculations (current page 123)

Consisting of the largest amount of land, around 37 percent of the future land uses is Low Density Residential. Lake Lewisville and floodplains constitute a large percentage of land. The next largest land use category is Retail/Commercial comprising of about 5 percent of the total land uses.

Land Use	Acres in Town Limits (TL)	Percentage (TL only)	Acres in ETJ	Total	Percentage (TL + ETJ)
Estate Residential	225	2%	10	235	1%
Ranchette	4	<1%	217	221	1%
Low Density Residential	4,683	32%	1,763	6,446	37%
Medium Density Residential	186	1%	0	186	1%
High Density Residential	243	2%	15	258	1%
Retail/Commercial	864	6%	43	907	5%
Lakefront District	198	1%	0	198	1%
Mixed Residential	69	<1%	0	0	0
Neighborhood	85	<1%			
Special Planning Area 1	73	1%	188	261	2%
Special Planning Area 2	73	<1%	0	73	<1%
Special Planning Area 3	125	1%	0	125	1%
Public/Semi-Public	559	4%	53	612	4%
Parks and Open Space	469	3%	25	494	3%
Floodplain/Corp Properties*	2,363	16%	670	3,033	17%
Lake Lewisville	4,174	29%	14	4,188	24%
Total	14,498	100	2,997	17,495	100

Projected Population & Capacity (current page 175)

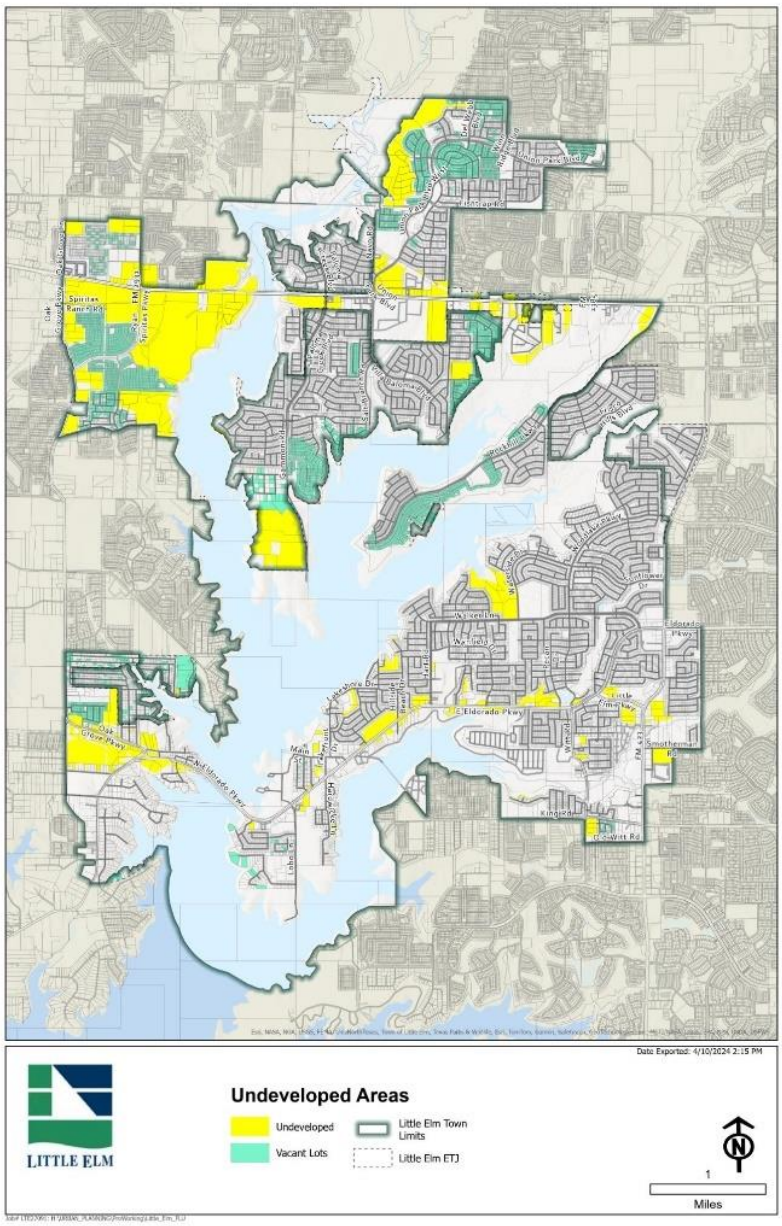


Figure 2 : Current Undeveloped Areas in Town Limits and ETJ

It is important to know how many people will ultimately live in Little Elm. To plan for the community effectively, the Town needs to understand the future demands that citizens will ultimately place on municipal services. For instance, if the Town were planning to expand the public library facility, it would be important to know how many citizens may ultimately use the library. This size of the Town's ultimate population projection could influence the size of the library facility and types of services available.

In addition, it is also important to know how fast the population of Little Elm will grow. Projecting population growth is crucial to determine the need and timing of capital improvements to serve future development. Municipalities across Texas have adopted growth projections to base when future capital projects and other service needs are required.

For the purposes of this discussion, it is necessary to define the area in which the future population of Little Elm will live. The defined area is the Town limits and extraterritorial jurisdiction (ETJ).

Updates to 2017 Map by FLUP Category (new page)

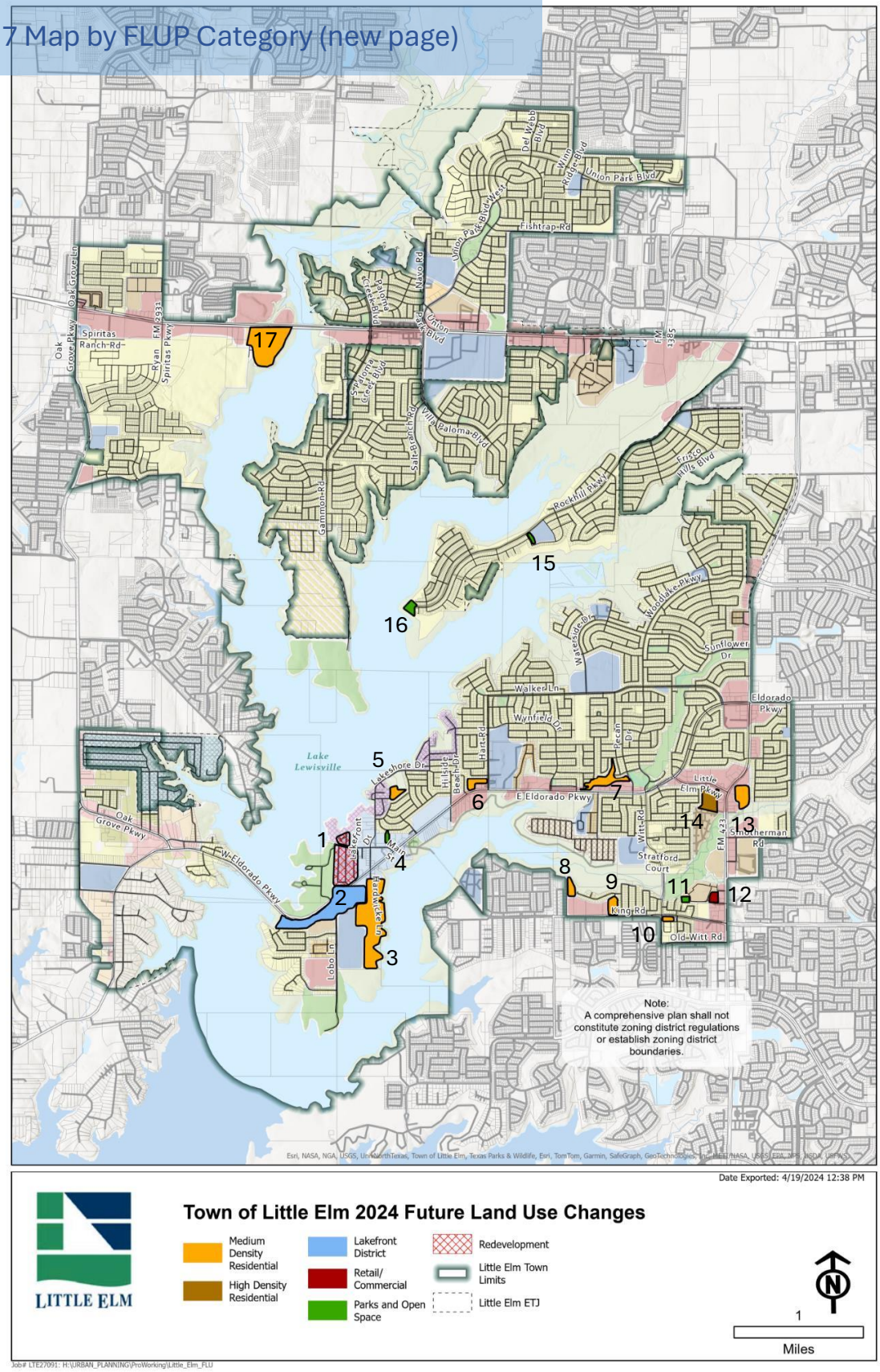


Figure 3: Future Land Use Changes by Area

Summary of Land Use Map Changes (new page)

Table 1: Areas of Change from 2017 FLUM

Change Reference (previous page)	Former LU Category	New LU Category	Area of Change (acre)
1	Redevelopment	Redevelopment	38.0
2	Retail/ Commercial and SPA 3	Lakefront	63.1*
3	Low-Density Res.	Medium-Density Res.	63.0
4	Lakefront	Parks and Open Space	1.7
5	Parks and Open Space	Medium-Density Res.	4.6
6	Retail/ Commercial	Medium-Density Res.	5.4
7	Parks and Open Space	Medium-Density Res.	14.4
8	Retail/ Commercial	Medium-Density Res.	4.2
9	Retail/ Commercial	Medium-Density Res.	6.1
10	Low-Density Res.	Medium-Density Res.	2.0
11	High-Density Res.	Parks and Open Space	1.7
12	High-Density Res.	Retail/ Commercial	3.2
13	Retail/ Commercial	Medium-Density Res.	10.6
14	Retail/ Commercial	High-Density Res.	11.8
15	Low-Density Res.	Parks and Open Space	1.5
16	Low-Density Res.	Parks and Open Space	4.1
17	Retail/ Commercial	Medium-Density Res.	45.2
TOTAL AREA OF CHANGE (ACRE)*			268.6

*includes 12 acres of future redevelopment within Lakefront District

Existing Vacant Area by FLUP Category (Current page 176)

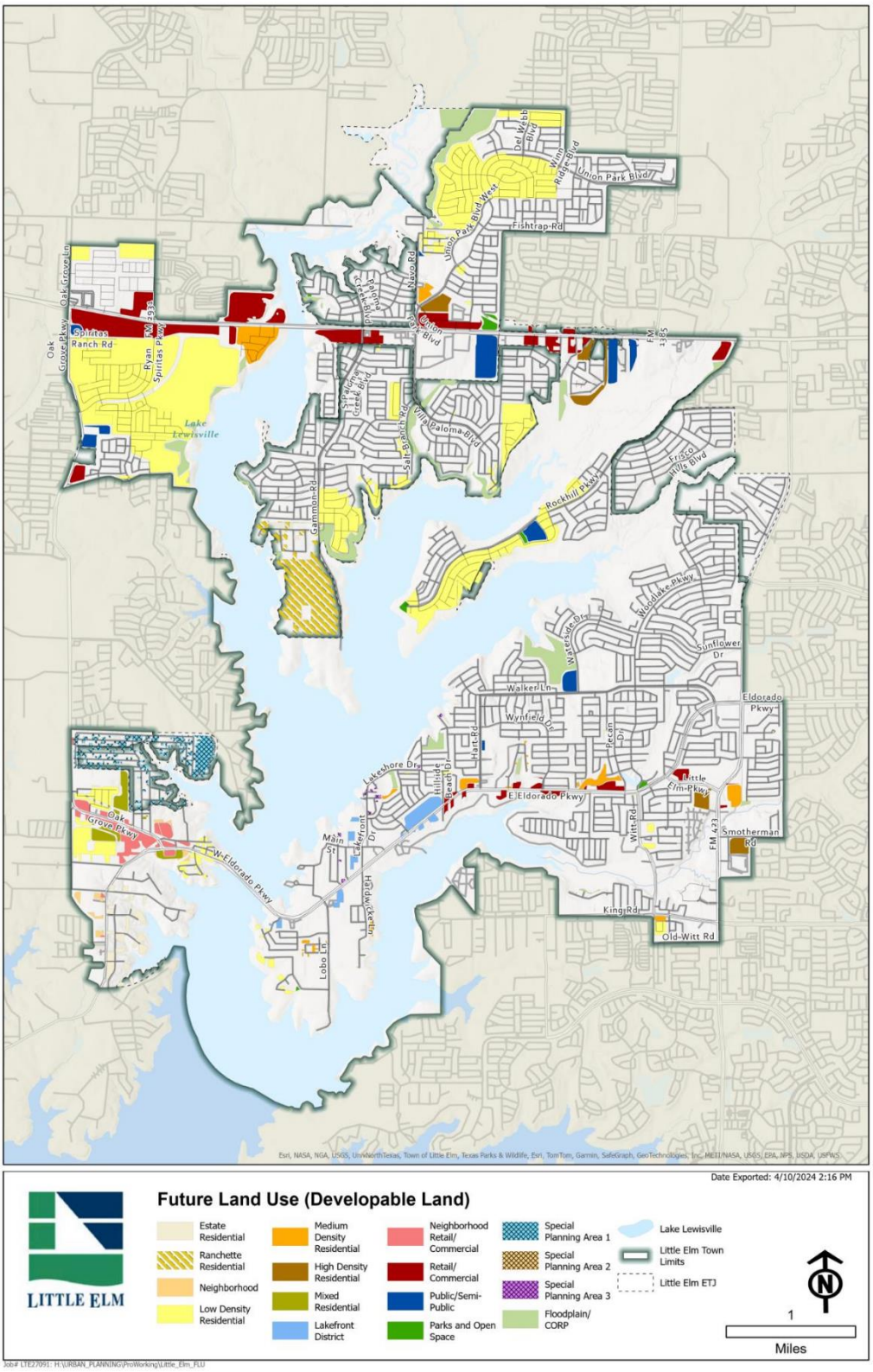


Figure 4: Future Land Use Map (Developable Land/Vacant Lots Only)

Ultimate Capacity (current page 177-178)

The ultimate capacity, or build out, of the Future Land Use Map refers to the number of people that could potentially live within the planning area if the Town were to develop exactly as it is portrayed. The reality is that many changes will likely occur to the Future Land Use Map over time and the planning area encompasses a large amount of vacant land that will take generations to develop. The ultimate capacity, therefore, is primarily used for planning purposes and helps to put some numbers behind the colors in terms of how many people could live within the town. The ultimate planning area is town limits and the ETJ minus the Aubrey agreement area.

The ultimate capacity in **Table 2** is calculated by taking the vacant residential areas and multiplying by the approximated dwelling units per acre, persons per household and occupancy rates to calculate how many new residents the FLUP can accommodate. New residents are added to the existing population to reach the ultimate capacity.

Table 2: Calculating Ultimate Capacity

Vacant	Vacant Area/Lots	ROW Reduction	DUA	Occu-Rate[1]	PPH	Housing Units[2]	Total Households[3]	Total Population[4]
Estate	0	0.1	1	0.94	3.2	0	0	0
Ranchette	111.0	0.1	2	0.94	3.2	200	188	601
Low Density Residential	494.0	0.2	5	0.94	3.2	1,976	1,857	5,944
Medium Density Residential[5]	114.0	0.15	10	0.94	3.2	646	607	2,915
High Density Residential	53.0	0.3	25	0.94	1.7	928	872	1,482
Mixed Residential	31.0	0.15	8	0.94	3.2	211	198	634
Neighborhood	3.0	0.2	4	0.94	3.2	10	9	29
Lakefront[6]	49.0	0.3	32	0.94	1.7	1,098	1,032	1,754
Special Planning Area 2	0.0	0.3	7	0.94	3.2	0	0	0
Special Planning Area 3	1.0	0.3	7	0.94	3.2	5	5	15
Vacant Area Subtotal						5,072	4,768	13,373
Total Vacant Lots	4,648			0.94	3.2	4,648	4,369	13,981
Added Residents Total								**27,355**
Current Population in ETJ	8,333 (lots)	0.1	n/a	0.94	3.2	8,333	7,833	**25,066**
Current Population in Town Limits (January 1, 2023), NCTCOG								**54,866**
Ultimate Capacity (Current pop in Town Limits + Current pop in ETJ + Vacant area future pop) *1: Occupancy rate increased from 92% in 2010 to 94% in 2020 – 2: Adjusted Area times DUA – 3: Units times Occupancy Rate* *4: Households times Persons Per Household – 5: Includes 38 acres of future redevelopment - 6: Includes 12 acres of future redevelopment*								***107,286***

Based on the calculation, Little Elm can expect a population of more than 107,000 when it is completely built-out. The number may change based on upcoming shifts in housing trends or redevelopment. Compared to the 2017 Plan, this represents a build-out increase of approximately 14,000 residents. A significant portion of this increase is explained by an increase in ETJ population. Whereas the 2017 Plan predicted 15,000 new residents in the ETJ, the current population is over 25,000 with an additional 4,100 residents still expected in the future (**Table 6**).

When considering only residents within the Town Limits, the increase from 2017 is mainly due to existing vacant platted lots, which increased from just over 1,000 in 2017 to more than 4,600 in 2024 (each lot is assumed to produce a household with 3.2 persons), and expected increases owing to Future Land Use Map changes and density changes, along with redevelopment of portions of the Lakefront, as described in **Figure 3** and detailed in **Table 2** and **Table 5**.

An important consideration associated with the ultimate capacity is the timeline. It is important to gather an understanding of when the Town will become built-out based on the projected growth rate. It helps the Town to determine an anticipated growth rate and types of development that the Town envisions for the next few decades. **Table 7** takes several Compound Annual Growth Rate (CAGR) figures into account for this purpose.

10-year forecast (current page 179)

Projecting what Little Elm's population will be in the next 10 or 20 years is challenging due to the fact that there are so many variables that may affect the rate of population growth. However, it is important to provide an analysis of what is most likely to occur. The best method to predict the Town's growth is to consider the vacant area within the current Town limits and then add the population from the ETJ. What has been determined to be "most likely" is based on three factors – the population growth of other cities in Little Elm's region, the rate at which the Town has been growing in the past few years and known residential developments that are anticipated to be built in the next ten years within the Town limits.

Past Growth Rate (current page 179)

A Town's past growth rates are often the best indicator of future growth rates. **Table 3** and **Table 4** show Little Elm's population, numerical change, and compound annual growth rate of recent years and by decade.

From 2017 to 2023, Little Elm grew consistently. The Compound Annual Growth Rate (CAGR) was 6.9% 6.2% from 2017 to 2023, down slightly from 6.9% from 2010 to 2017.

Table 3: Population Data in Recent Years

Year	Population	Population Change	Percent Change	CAGR
2017	38,250			
2018	42,040	3,790	9.9%	
2019	44,530	2,490	5.9%	
2020	46,453	1,923	4.3%	6.2%
2021	48,198	1,745	3.8%	
2022	51,635	3,437	7.1%	
2023	54,866	3,231	6.3%	

Source: NCTCOG Population Estimate; US Census Bureau

From 1970 to 2020 Little Elm experienced periods of phenomenal growth. Between the years of 2000 and 2010, Little Elm grew over 500 percent, and again more than doubled its population between 2010 and 2020. The 40-year CAGR was 10.28% (**Table 4**).

Table 4: Population Data by Decade

Year	Population	Population Change	Percent Change	CAGR
1980	926			
1990	1,255	329	35%	
2000	3,646	2,391	190.5%	10.28%
2010	22,200	18,554	508.9%	
2020	46,453	24,253	109.2%	

Source: US Census Bureau

New Residents (current pages 182 and 183)

This section analyzes how much population can be added to the Town's boundary and in the extra-territorial jurisdiction.

Town Limits

Table 5: New Residents in Town Limits

Vacant	Total Area/Lots	ROW Reduction	DUA	Occu-Rate[1]	PPH	Housing Units[2]	Total Households[3]	Total Population[4]
Estate	0	0.1	1	0.94	3.2	0	0	0
Ranchette	0	0.1	2	0.94	3.2	0	0	0
Low Density Residential	477.0	0.2	5	0.94	3.2	1,908	1,794	5,739
Medium Density Residential[5]	114.0	0.15	10	0.94	3.2	646	607	2,915
High Density Residential	49.0	0.3	25	0.94	1.7	858	806	1,370
Mixed Residential	31.0	0.15	8	0.94	3.2	0	0	634
Neighborhood	3.0	0.2	4	0.94	3.2	0	0	29
Lakefront[6]	49.0	0.3	32	0.94	1.7	829	779	1,754
Special Planning Area 1	0	0.3	0	0.94	3.2	0	0	0
Special Planning Area 2	0	0.3	7	0.94	3.2	0	0	0
Special Planning Area 3	1.0	0.3	7	0.94		5	5	15
Vacant Area Subtotal						4,245	3,990	12,456
Total Vacant Lots	3,579			0.94	3.2	3,579	3,364	10,766
Added Capacity								**23,222**

1: Occupancy rate increased from 92% in 2010 to 94% in 2020
2: Adjusted Area times DUA
3: Units times Occupancy Rate
4: Households times Persons Per Household
5: Includes 38 acres of future redevelopment
6: Includes 12 acres of future redevelopment

Extra-Territorial Jurisdiction

Table 6: New Residents in the ETJ

Vacant	Total Area/Lots	ROW Reduction	DUA	Occu-Rate[1]	PPH	Housing Units[2]	Total Households[3]	Total Population[4]
Estate	0	0.1	1	0.94	3.2	0	0	0
Ranchette	111.0	0.1	2	0.94	3.2	200	188	601
Low Density Residential	17.0	0.2	5	0.94	3.2	68	64	205
Medium Density Residential	0	0.15	10	0.94	3.2	0	0	0
High Density Residential	4.0	0.3	25	0.94	1.7	70	66	112
Mixed Residential	0	0.15	8	0.94	3.2	0	0	0
Neighborhood	0	0.2	4	0.94	3.2	0	0	0
Lakefront	0	0.3	32	0.94	1.7	0	0	0
Special Planning Area 1	21.0	0.3	0	0.94	3.2	0	0	0
Special Planning Area 2	0	0.3	7	0.94	3.2	0	0	0
Special Planning Area 3	0	0.3	7	0.94	3.2	0	0	0
Vacant Area Subtotal						338	318	917
Total Vacant Lots	1,069	n/a	n/a	0.94	3.2	1,069	1,005	3,216
Added Capacity								**4,133**

1: Occupancy rate increased from 92% in 2010 to 94% in 2020
2: Adjusted Area times DUA
3: Units times Occupancy Rate
4: Households times Persons Per Household

Growth Rate Scenarios (current page 184)

The NCTCOG population estimate for January 1, 2023 is 54,866.

The 2017 plan used a compound annual growth rate of 5 percent as the "most likely" growth rate Little Elm will experience over the next ten years. 2023 population was predicted in the 2017 Plan at 51,259, which turned out to be very similar to the NCTCOG population estimate of 54,866 on January 1, 2023. **Since growth over the past seven years followed a similar CAGR to the growth predicted (5.29%), a future ten-year rate of 5.0% CAGR remains the most likely scenario.** With this growth rate, Little Elm's population is projected to be around 90,000 in the next ten years.

Table 7: Growth Rate Scenarios

1.50%		2.5%		5.0%		10.0%	
Year	Population	Year	Population	**Year**	**Population**	Year	Population
2023	54,866	2023	54,866	**2023**	**54,866**	2023	54,866
2024	55,689	2024	56,238	**2024**	**57,609**	2024	60,353
2025	56,524	2025	57,644	**2025**	**60,490**	2025	66,388
2026	57,372	2026	59,085	**2026**	**63,514**	2026	73,027
2027	58,233	2027	60,562	**2027**	**66,690**	2027	80,329
2028	59,106	2028	62,076	**2028**	**70,024**	2028	88,362
2029	59,993	2029	63,628	**2029**	**73,526**	2029	97,198
2030	60,893	2030	65,218	**2030**	**77,202**	2030	***Buildout***
2031	61,806	2031	66,*849*	**2031**	**81,062**		
2032	62,733	2032	68,520	**2032**	**85,115**		
2033	63,674	2033	70,233	**2033**	**89,371**		