



VG-373-2019-72338

Denton County
Juli Luke
County Clerk

Instrument Number: 72338

Real Property Recordings

ORDINANCE

Recorded On: June 19, 2019 04:17 PM

Number of Pages: 46

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***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 72338
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User: Carmen R
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Record and Return To:

TOWN OF HICKORY CREEK
1075 RONALD REAGAN AVE
HICKORY CREEK TX 75065



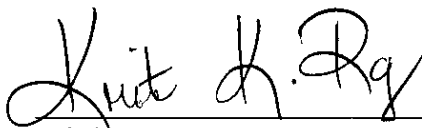
STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

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

SIGNED AND SEALED ON JUNE 18, 2019.



Kristi Rogers, Town Secretary
Town of Hickory Creek, Texas



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



**TOWN OF HICKORY CREEK, TEXAS
ORDINANCE NO. 2019-06-0821**

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

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

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

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

WHEREAS, on April; 16, 2019, the Town Council of the Town adopted a resolution accepting the Petition and calling a public hearing on the creation of the District to be held on May 21, 2019; and

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

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

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

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

WHEREAS, the Town, pursuant to Section 372.016(b) of the Act, published notice of a public hearing in a newspaper of general circulation in the Town where the proposed improvements are to be undertaken to consider the proposed "Assessment Roll" and the "Service and Assessment Plan" and the levy of the "Assessments" on property in the District; and

WHEREAS, the Town, pursuant to Section 372.016(c) of the Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the Town Council convened the public hearing on June 18, 2019 at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments (as defined in the Service and Assessment Plan), and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of costs of the Authorized Improvements (as defined in the Service and Assessment Plan), the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Assessments; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED, APPROVED AND ADOPTED on JUNE 18, 2019.



Lynn Clark; Mayor

ATTEST:

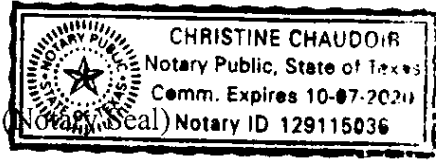


Kristi Rogers; Town Secretary



STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the 18th day of June, 2019 by Lynn Clark and Kristi Rogers, the Mayor and Town Secretary, respectively, of the Town of Hickory Creek, Texas on behalf of said Town.



Christine Chaudoir

Notary Public, State of Texas

Record and Return to:
Town of Hickory Creek
Attention: Kristi K. Rogers, Town Secretary
1075 Ronald Reagan Avenue
Hickory Creek, Texas 75065

EXHIBIT A

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

Hickory Farms Public Improvement District

SERVICE AND ASSESSMENT PLAN
JUNE 18, 2019



AUSTIN, TX | KELLER, TX

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INTRODUCTION

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

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

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

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

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

SECTION I: DEFINITIONS

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

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

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

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

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

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the creation and operation of the District, the issuance and sale of PID Bonds, and the administration, operation, and maintenance of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the Town; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to the Assessment Roll and Annual Service Plan Updates; (5) issuing, paying, and

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

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

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

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

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

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

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

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

“Authorized Improvements” mean improvements authorized by Section 372.003 of the Act, including Public Improvements and District Formation and Bond Issuance Costs.

“County” means Denton County, Texas.

“Development Agreement” means that certain “Hickory Farms Development Agreement” between the Town and Centurion American Acquisitions, LLC, a Texas limited liability company, effective April 1, 2019, and as the same may be amended from time to time.

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

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

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

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

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

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

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

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

“Maximum Assessment” means (1) For Lot Type 1 Lots, \$32,103.09, and (2) For Lot Type 2 Lots, \$32,931.55, as reduced by the principal portion of any Annual Installment. The calculation of the Maximum Assessment is shown on **Exhibit K**.

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

“Owner” means MM Hickory Creek 24, LLC.

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

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

“Prepayment” means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of Assessment are not to be considered a Prepayment, reasonably expected to be incurred by or imposed upon the County as a result of any Prepayment.

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

“Private Improvements” means improvements required to be constructed by the Owner that are not Public Improvements.

“Public Improvements” mean those Authorized Improvements specifically described in **Section III. A.** and depicted on **Exhibit H**.

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

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

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

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

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

SECTION II: THE DISTRICT

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

SECTION III: AUTHORIZED IMPROVEMENTS

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

A. Public Improvements

- *Street*

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

- *Water*

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

- *Sanitary Sewer*

Improvements consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance the Town, LCMUA and TCEQ standards and specifications and will be owned and operated by LCMUA.

- *Storm Drainage*

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

- *Soft Costs and Contingency*

Costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, Town fees, engineering, soil testing, survey and construction management, and a 10% contingency.

B. District Formation and Bond Issuance Costs

- *Debt Service Reserve Fund*

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

- *Capitalized Interest*

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

- *Underwriter's Discount*

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

- *Cost of Issuance*

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

- *District Formation*

Includes 1st year Annual Collection Costs and, costs and expenses directly associated with forming the District.

SECTION IV: SERVICE PLAN

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

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

SECTION V: ASSESSMENT PLAN

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

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

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

A. Assessment Methodology

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

B. Assessments

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

C. Findings of Special Benefit

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

1. The costs of the Authorized Improvements equal \$4,515,580 as shown on **Exhibit C**; and
2. The Assessed Property receives special benefit from the Authorized Improvements equal to or greater than the Actual Costs of the Authorized Improvements; and
3. The Assessed Property will be allocated 100% of the Assessments levied for the Authorized Improvements, which equal \$4,185,000. as shown on the Assessment Roll, attached as **Exhibit F**; and
4. The special benefit (\geq \$4,515,580) received by the Assessed Property from the Authorized Improvements is greater than the amount of Assessments (\$4,185,000) levied on the Assessed Property.
5. At the time the Town Council approved the Service and Assessment Plan, the Owner owned 100% of the Initial Parcel. The Owner acknowledged that the Authorized Improvements confer a special benefit on the Initial Parcel and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the Town Council as to the special benefits described herein and the Assessment Ordinance; (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of Assessments on the Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property. The Annual

Collection Costs shall be collected as part of an in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised in Annual Service Plan Updates.

E. Additional Interest

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

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

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

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

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

E = the number of Lots with same Lot Type

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

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

3. Upon Consolidation

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

B. Mandatory Prepayment of Assessments if Maximum Assessment Exceeded

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

C. Mandatory Prepayment of Assessments if Transferred to Exempt Entity

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

D. Reduction of Assessments

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

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

E. Prepayment of Assessments

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

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

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

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

F. Payment of Assessment in Annual Installments

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

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

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

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

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

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following Town Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the Town Council and the owner within 30 days of such referral. The Town Council shall consider the owner's notice of error and the Administrator's response at a meeting of the Town Council, and within 30 days after such meeting, the Town Council shall make a final determination as to whether an error has been made. If the Town Council determines that an error has been made, the Town Council may take such corrective action as is authorized by the Act, this Service and Assessment Plan, the Assessment Ordinance, or the Indenture, or is otherwise authorized by the discretionary power of the Town Council. The determination by the Town Council as to whether an error has been made, and any corrective action taken by the Town Council, shall be final and binding on the owner and the Administrator.

B. Amendments

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

C. Administration and Interpretation

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

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

D. Severability

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

LIST OF EXHIBITS

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

EXHIBIT A – DISTRICT LEGAL DESCRIPTION

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

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

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

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

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

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

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

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

NOTES:

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

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

EXHIBIT C – ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS AND PRIVATE IMPROVEMENTS

	Total Costs	Authorized Improvements %	Authorized Improvements Cost
Public Improvements			
Street ¹	\$ 1,302,039	100.00%	\$ 1,302,039
Water	735,850	100.00%	735,850
Sanitary Sewer	351,972	100.00%	351,972
Storm Drainage	493,221	100.00%	493,221
Soft Costs and Contingency	606,103	100.00%	606,103
	<u>\$ 3,489,185</u>		<u>\$ 3,489,185</u>
Private Improvements			
Private Improvements	\$ 579,227	0.00%	\$ -
	<u>\$ 579,227</u>		<u>\$ -</u>
District Formation and Bond Issuance Costs			
Debt Service Reserve Fund	\$ 273,250		\$ 273,250
Capitalized Interest	406,595		406,595
Underwriter Discount	125,550		125,550
Cost of Issuance ²	221,000		221,000
	<u>\$ 1,026,395</u>		<u>\$ 1,026,395</u>
Total	<u>\$ 5,094,807</u>		<u>\$ 4,515,580</u>

Notes:

- 1) Includes landscaping along streets.
- 2) Includes District formation expenses and 1st year Annual Collections Costs.

EXHIBIT D – SERVICE PLAN

	1/31/2020	1/31/2021	1/31/2022	1/31/2023	1/31/2024
Installments Due					
Principal	\$ -	\$ -	\$ 80,000	\$ 85,000	\$ 90,000
Interest	189,850	189,850	189,850	186,650	183,250
Capitalized Interest	(189,850)	(189,850)	-	-	-
(1)	\$ -	\$ -	\$ 269,850	\$ 271,650	\$ 273,250
Annual Collection Costs	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122
Additional Interest	\$ 20,925	\$ 20,925	\$ 20,925	\$ 20,525	\$ 20,100
Annual Installment	\$ 51,525	\$ 52,137	\$ 322,611	\$ 324,648	\$ 326,472
(4) = (1) + (2) + (3)	\$	\$	\$	\$	\$

EXHIBIT E – SOURCES AND USES

Sources of Funds	
PID Bond Par	\$ 4,185,000
Original Issue Discount	(8,857)
Owner Contribution	339,438
Owner Contribution - Private Improvements (a)	579,227
Total Sources	\$ 5,094,807

Uses of Funds	
Public Improvements	\$ 3,489,185
Private Improvements	579,227
	\$ 4,068,412

District Formation and Bond Issuance Costs

Debt Service Reserve Fund	\$ 273,250
Capitalized Interest	406,595
Underwriter Discount	125,550
Cost of Issuance (b)	221,000
	\$ 1,026,395

Total Uses	\$ 5,094,807
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Notes:

(a) Owner Contribution for Private Improvements is non-reimbursable, and the Owner will not deposit cash with the City for private costs.

(b) Includes District formation costs and 1st year Annual Collection Costs.

EXHIBIT F – ASSESSMENT ROLL

Parcel ID	Outstanding Assessment	Annual Installment Due 1/31/2020 ¹
62282	\$ 4,185,000.00	\$ 51,525.00
Total	\$ 4,185,000.00	\$ 51,525.00

Notes:

1) Net of Capitalized Interest.

EXHIBIT G – ANNUAL INSTALLMENTS

Annual Installment Due 1/31	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019	\$ -	\$ 26,895	\$ -	\$ -	\$ (26,895)	\$ -	\$ -
2020	\$ -	\$ 189,850	\$ 30,600	\$ 20,925	\$ (189,850)	\$ -	\$ 51,525
2021	\$ -	\$ 189,850	\$ 31,212	\$ 20,925	\$ (189,850)	\$ -	\$ 52,137
2022	\$ 80,000	\$ 189,850	\$ 31,836	\$ 20,925	\$ -	\$ -	\$ 322,611
2023	\$ 85,000	\$ 186,650	\$ 32,473	\$ 20,525	\$ -	\$ -	\$ 324,648
2024	\$ 90,000	\$ 183,250	\$ 33,122	\$ 20,100	\$ -	\$ -	\$ 326,472
2025	\$ 90,000	\$ 179,650	\$ 33,785	\$ 19,650	\$ -	\$ -	\$ 323,085
2026	\$ 95,000	\$ 176,050	\$ 34,461	\$ 19,200	\$ -	\$ -	\$ 324,711
2027	\$ 100,000	\$ 172,250	\$ 35,150	\$ 18,725	\$ -	\$ -	\$ 326,125
2028	\$ 100,000	\$ 168,250	\$ 35,853	\$ 18,225	\$ -	\$ -	\$ 322,328
2029	\$ 105,000	\$ 164,250	\$ 36,570	\$ 17,725	\$ -	\$ -	\$ 323,545
2030	\$ 110,000	\$ 160,050	\$ 37,301	\$ 17,200	\$ -	\$ -	\$ 324,551
2031	\$ 115,000	\$ 155,100	\$ 38,047	\$ 16,650	\$ -	\$ -	\$ 324,797
2032	\$ 120,000	\$ 149,925	\$ 38,808	\$ 16,075	\$ -	\$ -	\$ 324,808
2033	\$ 125,000	\$ 144,525	\$ 39,584	\$ 15,475	\$ -	\$ -	\$ 324,584
2034	\$ 130,000	\$ 138,900	\$ 40,376	\$ 14,850	\$ -	\$ -	\$ 324,126
2035	\$ 135,000	\$ 133,050	\$ 41,184	\$ 14,200	\$ -	\$ -	\$ 323,434
2036	\$ 140,000	\$ 126,975	\$ 42,007	\$ 13,525	\$ -	\$ -	\$ 322,507
2037	\$ 150,000	\$ 120,675	\$ 42,847	\$ 12,825	\$ -	\$ -	\$ 326,347
2038	\$ 155,000	\$ 113,925	\$ 43,704	\$ 12,075	\$ -	\$ -	\$ 324,704
2039	\$ 160,000	\$ 106,950	\$ 44,578	\$ 11,300	\$ -	\$ -	\$ 322,828
2040	\$ 170,000	\$ 99,750	\$ 45,470	\$ 10,500	\$ -	\$ -	\$ 325,720
2041	\$ 175,000	\$ 91,675	\$ 46,379	\$ 9,650	\$ -	\$ -	\$ 322,704
2042	\$ 185,000	\$ 83,363	\$ 47,307	\$ 8,775	\$ -	\$ -	\$ 324,444
2043	\$ 195,000	\$ 74,575	\$ 48,253	\$ 7,850	\$ -	\$ -	\$ 325,678
2044	\$ 205,000	\$ 65,313	\$ 49,218	\$ 6,875	\$ -	\$ -	\$ 326,406
2045	\$ 210,000	\$ 55,575	\$ 50,203	\$ 5,850	\$ -	\$ -	\$ 321,628
2046	\$ 225,000	\$ 45,600	\$ 51,207	\$ 4,800	\$ -	\$ -	\$ 326,607
2047	\$ 235,000	\$ 34,913	\$ 52,231	\$ 3,675	\$ -	\$ -	\$ 325,818
2048	\$ 245,000	\$ 23,750	\$ 53,275	\$ 2,500	\$ -	\$ -	\$ 324,525
2049	\$ 255,000	\$ 12,113	\$ 54,341	\$ 1,275	\$ -	\$ (273,250)	\$ 49,478
Total	\$ 4,185,000	\$ 3,763,495	\$ 1,241,383	\$ 402,850	\$ (406,595)	\$ (273,250)	\$ 8,912,883

(a) Interest is calculated at the interest rate of the PID Bonds.

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

EXHIBIT G-1 – LOT TYPE 1 ANNUAL INSTALLMENTS

Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019	\$ -	\$ 206	\$ -	\$ -	\$ (206)	\$ -	\$ -
2020	\$ -	\$ 1,456	\$ 235	\$ 161	\$ (1,456)	\$ -	\$ 395
2021	\$ -	\$ 1,456	\$ 239	\$ 161	\$ (1,456)	\$ -	\$ 400
2022	\$ 614	\$ 1,456	\$ 244	\$ 161	\$ -	\$ -	\$ 2,475
2023	\$ 652	\$ 1,432	\$ 249	\$ 157	\$ -	\$ -	\$ 2,490
2024	\$ 690	\$ 1,406	\$ 254	\$ 154	\$ -	\$ -	\$ 2,504
2025	\$ 690	\$ 1,378	\$ 259	\$ 151	\$ -	\$ -	\$ 2,478
2026	\$ 729	\$ 1,350	\$ 264	\$ 147	\$ -	\$ -	\$ 2,491
2027	\$ 767	\$ 1,321	\$ 270	\$ 144	\$ -	\$ -	\$ 2,502
2028	\$ 767	\$ 1,291	\$ 275	\$ 140	\$ -	\$ -	\$ 2,473
2029	\$ 805	\$ 1,260	\$ 281	\$ 136	\$ -	\$ -	\$ 2,482
2030	\$ 844	\$ 1,228	\$ 286	\$ 132	\$ -	\$ -	\$ 2,490
2031	\$ 882	\$ 1,190	\$ 292	\$ 128	\$ -	\$ -	\$ 2,492
2032	\$ 921	\$ 1,150	\$ 298	\$ 123	\$ -	\$ -	\$ 2,492
2033	\$ 959	\$ 1,109	\$ 304	\$ 119	\$ -	\$ -	\$ 2,490
2034	\$ 997	\$ 1,066	\$ 310	\$ 114	\$ -	\$ -	\$ 2,486
2035	\$ 1,036	\$ 1,021	\$ 316	\$ 109	\$ -	\$ -	\$ 2,481
2036	\$ 1,074	\$ 974	\$ 322	\$ 104	\$ -	\$ -	\$ 2,474
2037	\$ 1,151	\$ 926	\$ 329	\$ 98	\$ -	\$ -	\$ 2,503
2038	\$ 1,189	\$ 874	\$ 335	\$ 93	\$ -	\$ -	\$ 2,491
2039	\$ 1,227	\$ 820	\$ 342	\$ 87	\$ -	\$ -	\$ 2,476
2040	\$ 1,304	\$ 765	\$ 349	\$ 81	\$ -	\$ -	\$ 2,499
2041	\$ 1,342	\$ 703	\$ 356	\$ 74	\$ -	\$ -	\$ 2,475
2042	\$ 1,419	\$ 639	\$ 363	\$ 67	\$ -	\$ -	\$ 2,489
2043	\$ 1,496	\$ 572	\$ 370	\$ 60	\$ -	\$ -	\$ 2,498
2044	\$ 1,573	\$ 501	\$ 378	\$ 53	\$ -	\$ -	\$ 2,504
2045	\$ 1,611	\$ 426	\$ 385	\$ 45	\$ -	\$ -	\$ 2,467
2046	\$ 1,726	\$ 350	\$ 393	\$ 37	\$ -	\$ -	\$ 2,505
2047	\$ 1,803	\$ 268	\$ 401	\$ 28	\$ -	\$ -	\$ 2,499
2048	\$ 1,879	\$ 182	\$ 409	\$ 19	\$ -	\$ -	\$ 2,489
2049	\$ 1,956	\$ 93	\$ 417	\$ 10	\$ -	\$ (2,096)	\$ 380
Total	\$ 32,103	\$ 28,870	\$ 9,523	\$ 3,090	\$ (3,119)	\$ (2,096)	\$ 68,371

(a) Interest is calculated at the interest rate of the PID Bonds.

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

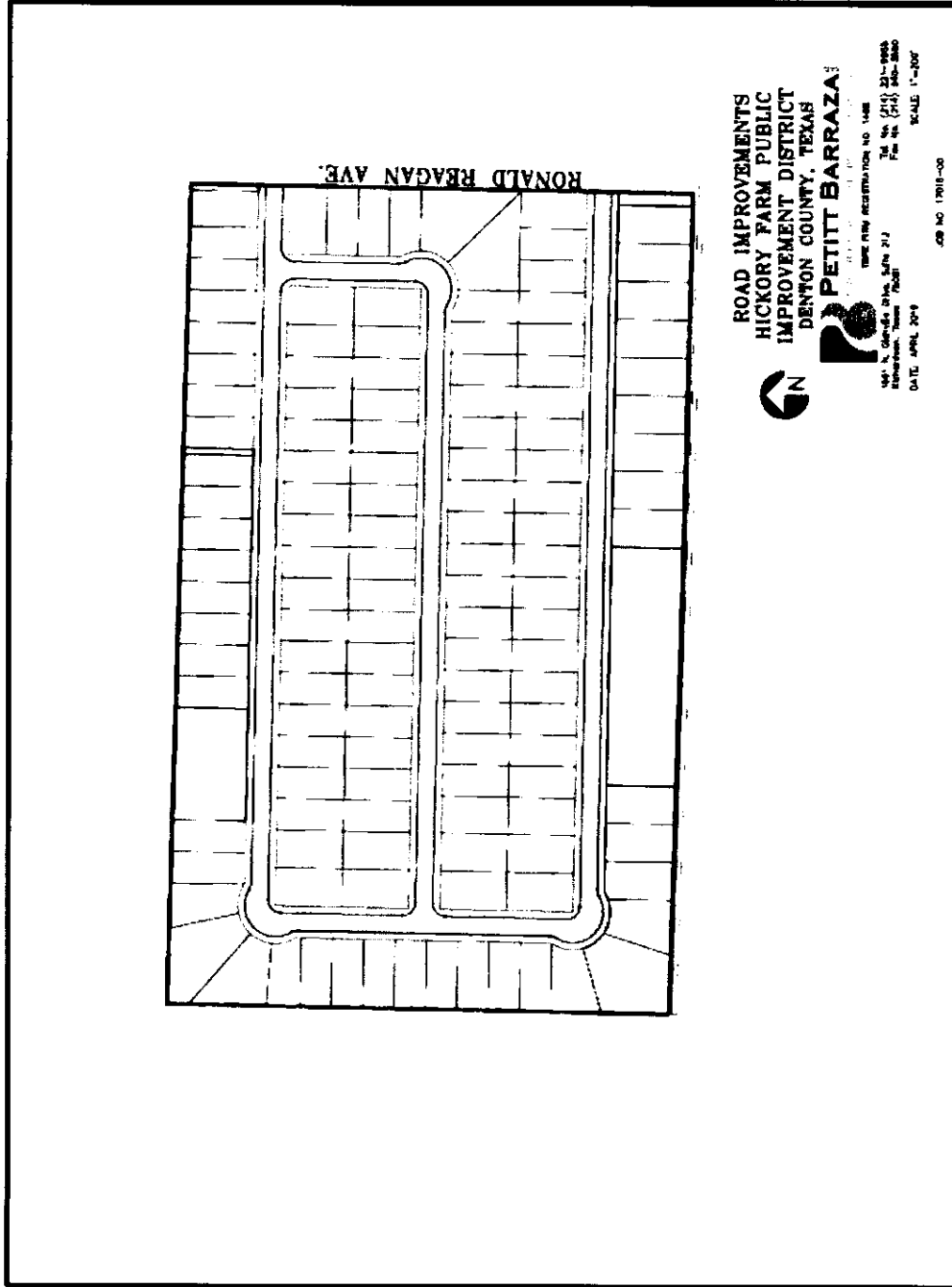
EXHIBIT G-2 – LOT TYPE 2 ANNUAL INSTALLMENTS

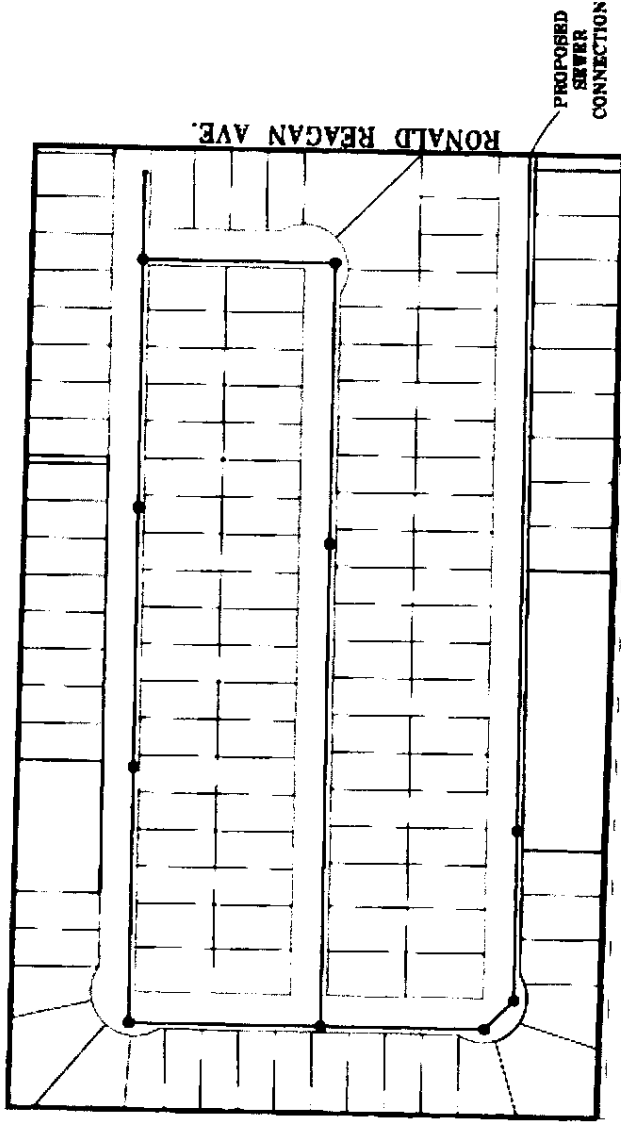
Annual Installment Due January 31,	Principal	Interest (a)	Annual Collection Costs	Additional Interest	Capitalized Interest	Reserve Fund	Total Annual Installment
2019	\$ -	\$ 212	\$ -	\$ -	\$ (212)	\$ -	\$ -
2020	\$ -	\$ 1,494	\$ 241	\$ 165	\$ (1,494)	\$ -	\$ 405
2021	\$ -	\$ 1,494	\$ 246	\$ 165	\$ (1,494)	\$ -	\$ 410
2022	\$ 630	\$ 1,494	\$ 251	\$ 165	\$ -	\$ -	\$ 2,539
2023	\$ 669	\$ 1,469	\$ 256	\$ 162	\$ -	\$ -	\$ 2,555
2024	\$ 708	\$ 1,442	\$ 261	\$ 158	\$ -	\$ -	\$ 2,569
2025	\$ 708	\$ 1,414	\$ 266	\$ 155	\$ -	\$ -	\$ 2,542
2026	\$ 748	\$ 1,385	\$ 271	\$ 151	\$ -	\$ -	\$ 2,555
2027	\$ 787	\$ 1,355	\$ 277	\$ 147	\$ -	\$ -	\$ 2,566
2028	\$ 826	\$ 1,324	\$ 282	\$ 143	\$ -	\$ -	\$ 2,536
2029	\$ 866	\$ 1,292	\$ 288	\$ 139	\$ -	\$ -	\$ 2,546
2030	\$ 905	\$ 1,259	\$ 294	\$ 135	\$ -	\$ -	\$ 2,554
2031	\$ 944	\$ 1,220	\$ 299	\$ 131	\$ -	\$ -	\$ 2,556
2032	\$ 984	\$ 1,180	\$ 305	\$ 126	\$ -	\$ -	\$ 2,556
2033	\$ 1,023	\$ 1,137	\$ 311	\$ 122	\$ -	\$ -	\$ 2,554
2034	\$ 1,062	\$ 1,093	\$ 318	\$ 117	\$ -	\$ -	\$ 2,551
2035	\$ 1,102	\$ 1,047	\$ 324	\$ 112	\$ -	\$ -	\$ 2,545
2036	\$ 1,180	\$ 999	\$ 331	\$ 106	\$ -	\$ -	\$ 2,538
2037	\$ 1,220	\$ 950	\$ 337	\$ 101	\$ -	\$ -	\$ 2,568
2038	\$ 1,259	\$ 896	\$ 344	\$ 95	\$ -	\$ -	\$ 2,555
2039	\$ 1,338	\$ 842	\$ 351	\$ 89	\$ -	\$ -	\$ 2,540
2040	\$ 1,377	\$ 785	\$ 358	\$ 83	\$ -	\$ -	\$ 2,563
2041	\$ 1,456	\$ 721	\$ 365	\$ 76	\$ -	\$ -	\$ 2,539
2042	\$ 1,534	\$ 656	\$ 372	\$ 69	\$ -	\$ -	\$ 2,553
2043	\$ 1,613	\$ 587	\$ 380	\$ 62	\$ -	\$ -	\$ 2,563
2044	\$ 1,652	\$ 514	\$ 387	\$ 54	\$ -	\$ -	\$ 2,568
2045	\$ 1,771	\$ 437	\$ 395	\$ 46	\$ -	\$ -	\$ 2,531
2046	\$ 1,849	\$ 359	\$ 403	\$ 38	\$ -	\$ -	\$ 2,570
2047	\$ 1,928	\$ 275	\$ 411	\$ 29	\$ -	\$ -	\$ 2,564
2048	\$ 2,007	\$ 187	\$ 419	\$ 20	\$ -	\$ -	\$ 2,554
2049	\$ 32,932	\$ 95	\$ 428	\$ 10	\$ -	\$ (2,150)	\$ 389
Total	\$ 32,932	\$ 29,615	\$ 9,768	\$ 3,170	\$ (3,199)	\$ (2,150)	\$ 70,135

(a) Interest is calculated at the interest rate of the PID Bonds.

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

EXHIBIT H - MAP OF PUBLIC IMPROVEMENTS





SEWER IMPROVEMENTS
 HICKORY FARM PUBLIC
 IMPROVEMENT DISTRICT
 DENTON COUNTY, TEXAS

PETTIT BARRAZA
 ENGINEERS, ARCHITECTS & PLANNERS

1447 N. Gerde Dr., Suite 212
 Richardson, Texas 75081
 Tel. No. (214) 221-9968
 Fax No. (214) 545-3860

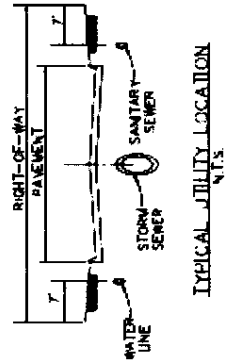
DATE: APRIL 2019
 SCALE: 1"=200'

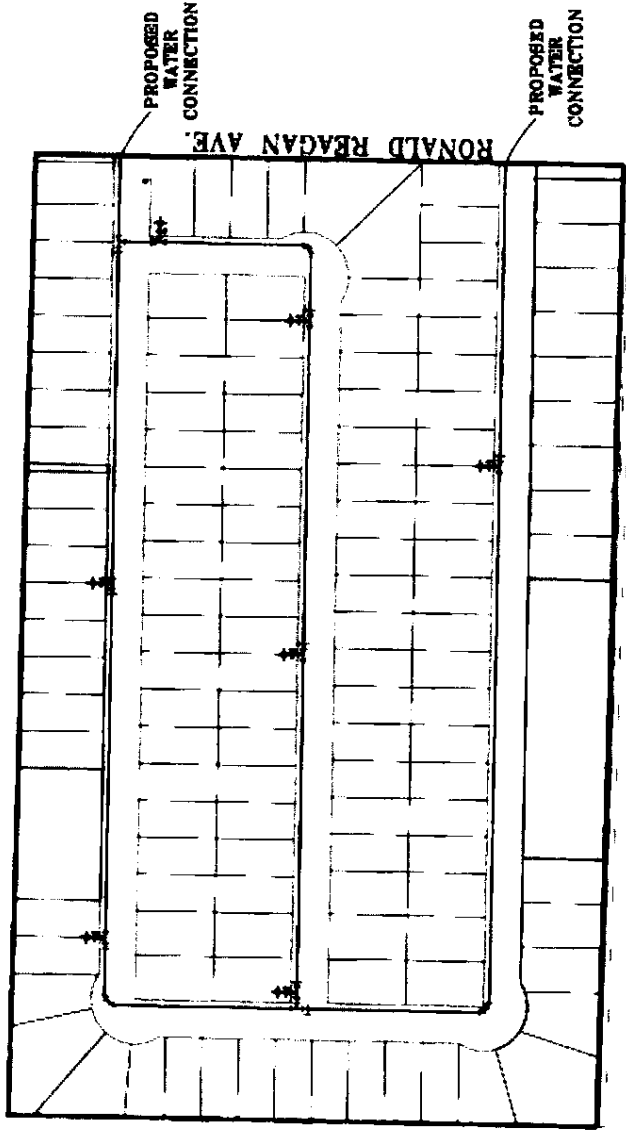
JOB NO. 17015-00



LEGEND

- PROPOSED MANHOLE
- PROPOSED SANITARY SEWER





WATER IMPROVEMENTS
 HICKORY FARM PUBLIC
 IMPROVEMENT DISTRICT
 DENTON COUNTY, TEXAS

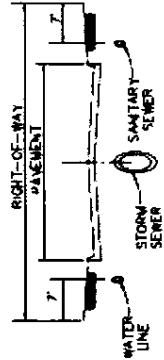


PETTIT BARAZA
 ENGINEERS
 1941 N. Glenda Drive, Suite 212
 Richardson, Texas 75081
 PHONE: (972) 546-3800
 FAX: (972) 546-3800
 DATE: APRIL 2019
 SCALE: 1"=200'

JOB NO. 17015-00

LEGEND

- +— PROPOSED FIRE HYDRANT
- PROPOSED WATER LINE



TYPICAL UTILITY LOCATION
 N.T.S.

EXHIBIT I – NOTICE OF ASSESSMENT TERMINATION



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

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

Re: Town of Hickory Creek Lien Release Documents for Filing

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

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

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

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

Sincerely,
[Signature]

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

AFTER RECORDING RETURN TO:

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

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

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

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the Town of Hickory Creek, Texas, a Texas home rule municipality.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "Town Council") of the Town of Hickory Creek, Texas (hereinafter referred to as the "Town"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the Town; and

WHEREAS, on or about May 21, 2019, the Town Council for the Town, approved Resolution No. 2019-0521-3, creating the Hickory Farms Public Improvement District; and

WHEREAS, the Hickory Farms Public Improvement District consists of approximately 24.277 contiguous acres within the corporate limits of the Town; and

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

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Denton County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Denton County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the property have paid unto the Town the Lien Amount.

RELEASE

NOW THEREFORE, the Town, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Denton County, Texas, in the amount of the Lien Amount against the property releases and discharges, and by these presents does hereby release and discharge, the above-described property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

TOWN OF HICKORY CREEK, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], Town Manager

ATTEST:

[Secretary Name], Town Secretary

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [Manager Name], Town Manager for the Town of Hickory Creek, Texas, a Texas home rule municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT J - CONCEPT PLAN

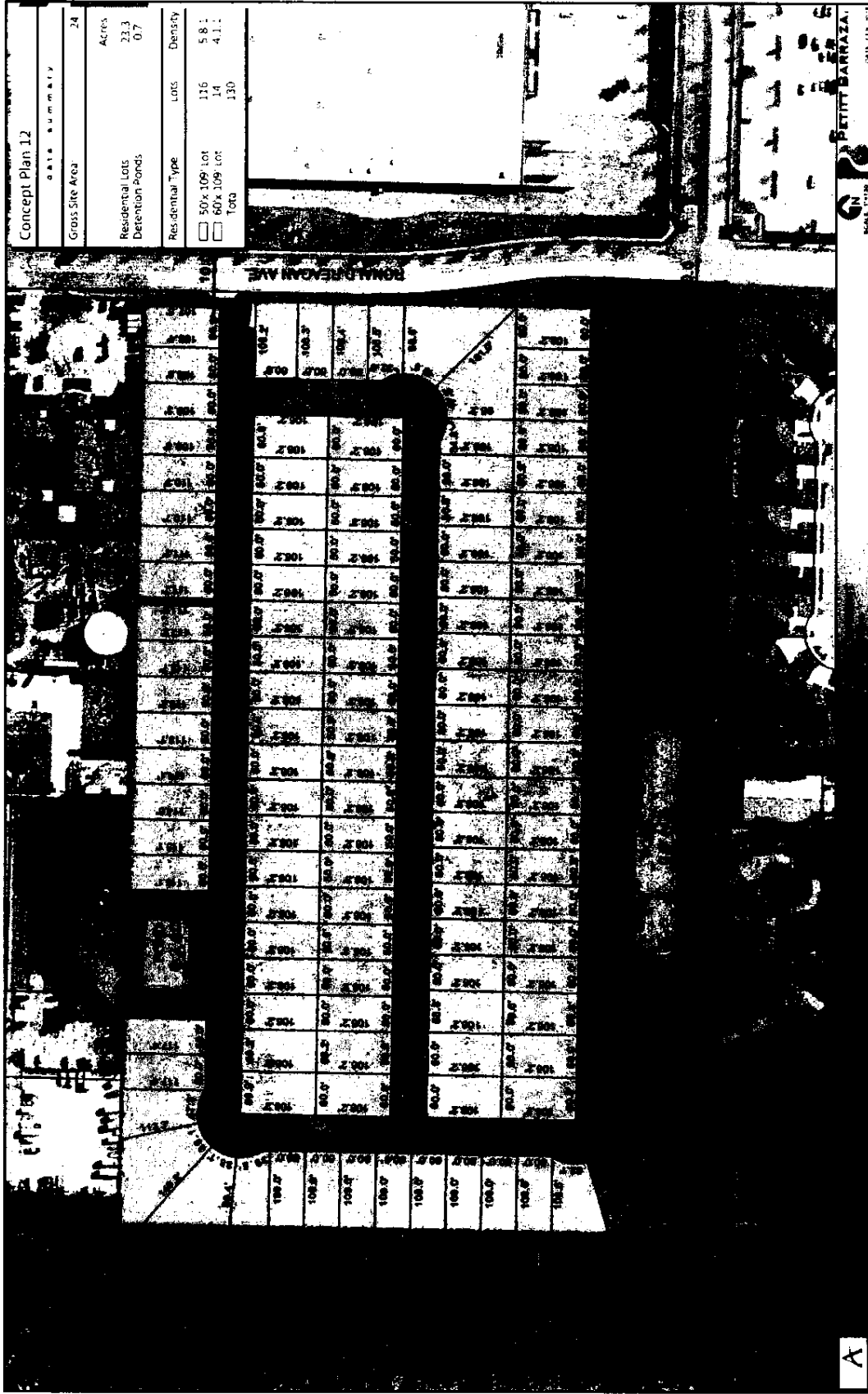


EXHIBIT K – MAXIMUM ASSESSMENT CALCULATION

Lot Type	Units ¹	Estimated AV Per Unit ¹	Total Assessed Value	Allocation of Assessments	Total Assessment	Maximum Assessment Per Unit
Lot Type 1 (50')	116	\$ 348,750	\$ 40,455,000	88.98%	\$ 3,723,958	\$ 32,103.09
Lot Type 2 (60')	14	\$ 357,750	\$ 5,008,500	11.02%	\$ 461,042	\$ 32,931.55
	<u>130</u>		\$ 45,463,500	100.00%	\$ 4,185,000	

Notes:

1) As reported by the Owner.