



**LAKEWOOD VILLAGE TOWN HALL
100 HIGHRIDGE DRIVE
LAKEWOOD VILLAGE, TEXAS
TOWN COUNCIL MEETING
MARCH 10, 2022 7:00 P.M.**

REGULAR SESSION – AGENDA

Call to Order and Announce a Quorum is Present

A. PLEDGE TO THE FLAG:

B. VISITOR/CITIZENS FORUM: Pursuant to Texas Government code 551.007 (adopted in 2019): A governmental body shall allow each member of the public who desires to address the body regarding an item on an agenda for an open meeting of the body to address the body regarding the item at the meeting before or during the body's consideration of the item. A person who addresses the Council concerning an agenda item, including a Public Hearing, must limit his/her remarks to the specific subject matter being considered by the Council under that agenda item.

C. PUBLIC HEARING: A public hearing is scheduled to provide an opportunity for citizen comment on the proposed animal control ordinance.

D. CONSENT AGENDA: All the items on the Consent Agenda are considered to be self-explanatory and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member requests an item be removed from the Consent Agenda.

1. Minutes of February 10, 2022 Council Meeting (Ruth)
2. Ratification of engineering contract with Enprotec Hibbs Todd (Ruth)
3. Ratification of appraisal contract with Peyco Southwest Realty Inc. (Ruth)
4. Receipt and Acceptance of Certificate of Unopposed Candidates (Ruth)
5. Ordinance Cancelling General Election and Declaring Winners (Ruth)
6. Ordinance Adopting a new official map of the Town of Lakewood Village Municipal Limits and Extraterritorial Jurisdiction (Ruth)
7. Contract with P3Works for administration of the Operations and Maintenance Public Improvement District (Ruth)
8. Contract with P3Works for administration of the Capital Public Improvement District (Ruth)
9. Resolution accepting a petition seeking the dissolution of the existing Lakewood Village Public Improvement District No. 1, and calling for a public hearing for the Town Council's April 14, 2022 meeting (Ruth)
10. Resolution accepting a petition seeking the creation of the Lakewood Village Public Improvement District No. 1 within the extraterritorial jurisdiction of the Town and calling for a public hearing for the Town Council's April 14, 2022 meeting (Ruth)
11. Resolution of the Town of Lakewood Village, Texas, accepting a petition seeking the dissolution of the existing Lakewood Village Operation and Maintenance Public Improvement District No. 1, and calling for a public hearing for the Town Council's April 14, 2022 meeting (Ruth)
12. Resolution of the Town of Lakewood Village, Texas, accepting a petition seeking the creation of the Lakewood Village Operation and Maintenance Public Improvement District No. 1 within the extraterritorial jurisdiction of the Town and calling for a public hearing for the Town Council's April 14, 2022 meeting. (Ruth)

**LAKEWOOD VILLAGE TOWN COUNCIL
REGULAR AGENDA
MARCH 10, 2022**

Page 2 of 2

E. REGULAR AGENDA:

1. Discussion and consideration of all matters incident and related to the issuance and sale of the Town of Lakewood Village, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022, including the adoption of an ordinance authorizing the issuance of such certificates (Vargus)
2. Consideration of Animal Control Ordinance (Lepley)
3. Discussion of Extended Water Emergency Ordinance (Vargus)
4. Consideration of Resolution Accepting Annexation Petition for 4.553 acres (Ruth)
5. Consideration of Resolution Accepting Annexation Petition for 0.1745 acres (Ruth)

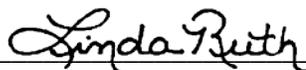
F. EXECUTIVE SESSION: – In accordance with Texas Government Code, Section 551.001, et seq., the Town Council will recess into Executive Session (closed meeting) to discuss the following:

1. § 551.071(2), Texas Government Code to wit: consultation with Town Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter to receive legal advice re: Development agreements, development and zoning standards; and
2. § 551.087 Texas Government Code to wit: Economic Development Negotiations regarding First Texas Homes, Taylor Morrison-South Oak, Project Lakewood Village Partners, Project Slade Rock, Project Lightning Bolt; and
3. § 551.072 Texas Government Code to wit: deliberations about real property regarding First Texas Homes, Taylor Morrison-South Oak, Project Lakewood Village Partners, Project Slade Rock, and Project Lightning Bolt.

G. RECONVENE: Reconvene into regular session and consideration of action, if any, on items discussed in executive session.

H. ADJOURNMENT

I do hereby certify that the above notice of meeting was posted on the designated place for official notice at 4:30 p.m. on Thursday, March 3, 2022.



Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary



The Town Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development), 418.183 (Homeland Security)

This facility is wheelchair accessible and accessible parking spaces are available. Please contact the Town Secretary's office at 972-294-5555 or FAX 972-292-0812 for further information.

One or more board members of the LAKEWOOD VILLAGE MUNICIPAL DEVELOPMENT DISTRICT may attend this meeting. No action will be taken by the MDD board.

LAKEWOOD VILLAGE TOWN COUNCIL

COUNCIL MEETING

FEBRUARY 10, 2022

Council Members:

Dr. Mark Vargus, Mayor
Darrell West – Mayor Pro-Tem
Clint Bushong
Serena Lepley
Matt Bissonnette
Eric Farage

Town Staff:

Linda Asbell, TRMC, CMC – Town Secretary

REGULAR SESSION - 7:00 P.M.

With a quorum of the Council Members present, Mayor Vargus called the Regular Meeting of the Town Council to order at 7:00 p.m. on Thursday, February 10, 2022 in the Council Chambers of the Lakewood Village Town Hall, 100 Highridge Drive, Lakewood Village, Texas.

PLEDGE TO THE FLAG:

(Agenda Item A)

Mayor Vargus led the Pledge of Allegiance.

VISITOR/CITIZENS FORUM:

(Agenda Item B)

No one requested to speak

CONSENT AGENDA:

(Agenda Item C)

1. Minutes of January 13, 2022 Council Meeting (Ruth)
2. Engagement of Boyle & Lowry, Public Improvement District Attorneys (Ruth)
3. Resolution regarding Opioid Abatement adding Endo/Par (Ruth)
4. Ordinance Calling General Election for May 7, 2022 (Ruth)

Eric Hancock, 2340 W. Sherman Drive, Aubrey, TX, spoke regarding the ordinance calling for a general election. Mr. Hancock requested council not designate Town Hall as the polling location for town elections.

MOTION: Upon a motion made by Mayor Pro-Tem West and seconded by Councilman Farage, council voted five (5) “ayes”, no (0) “nays” to approve consent agenda items as presented. *The motion carried.*

REGULAR AGENDA:

(Agenda Item D)

Consideration and action regarding an ordinance authorizing Certificates of Obligation and other matters related thereto (Vargus)

(Agenda Item D.1)

Mayor Vargus reported this item would be considered at the March council meeting.

Discussion of Little Elm Independent School District New Schools (Vargus)

(Agenda Item D.2)

Mayor Vargus reported on a meeting he had with Little Elm Independent School District officials. The school district will be holding a bond election in May. If the bond election is successful, building an elementary school in Lakewood Village will be the top priority. Mayor Vargus reported the school district is interested in partnering with Lakewood Village for architectural input and has already expressed an interest in installing solar panels. The school district is not required to pay impact fees and officials have indicated they will not agree to pay impact fees. They will, however, pay for the cost of a traffic light.

Consideration of Preliminary Plat for North Shore (Vargus)

(Agenda Item D.3)

Mayor Vargus reviewed the town engineer’s recommendation that the Northshore preliminary plat be approved. There was some discussion.

MOTION: Upon a motion made by Mayor Pro-Tem West and seconded by Councilman Bissonnette, council voted five (5) “ayes”, no (0) “nays” to approve the preliminary plat based on the Town Engineers recommendations and conditions. *The motion carried.*

**Consideration of Northshore Development
Agreement (Vargus)**

(Agenda Item D.4)

Mayor Vargus reviewed the terms of the development agreement.

MOTION: Upon a motion made by Mayor Pro-Tem West and seconded by Councilwoman Lepley, council voted five (5) “ayes”, no (0) “nays” to approve the Northshore development agreement and authorize the Mayor to execute same, subject to final review by the Mayor. *The motion carried.*

**Discussion of Animal Control Ordinance
(Lepley)**

(Agenda Item D.5)

Councilwoman Lepley distributed a chart showing surrounding cities’ regulations of backyard chickens. There was some discussion about requiring an annual inspection and an annual inspection fee. There was some discussion about setback requirements and the process for responding to complaints. Councilwoman Lepley will provide a proposed ordinance for council consideration at future meeting.

EXECUTIVE SESSION:

(Agenda Item E)

At 7:27 p.m. Mayor Vargus recessed into executive session in accordance with

1. § 551.071(2), Texas Government Code to wit: consultation with Town Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter to receive legal advice re: Development agreements, development and zoning standards; and
2. § 551.087 Texas Government Code to wit: Economic Development Negotiations regarding First Texas Homes, Sanctuary at Sunset Cove, Project Lakewood Village Partners; and
3. § 551.072 Texas Government Code to wit: deliberations about real property regarding First Texas Homes, Sanctuary at Sunset Cove, and Project Lakewood Village Partners.

RECONVENE:

(Agenda Item F)

Mayor Vargus reconvened the regular session at 8:36 p.m. No action was taken.

**LAKWOOD VILLAGE TOWN COUNCIL
REGULAR SESSION
FEBRUARY 10, 2022**

Page 4

ADJOURNMENT

(Agenda Item I)

MOTION: Upon a motion made by Councilwoman Lepley and seconded by Mayor Pro-Tem West council voted five (5) “ayes” and no (0) “nays” to adjourn the Regular Meeting of the Lakewood Village Town Council at 8:36 p.m. on Thursday February 10, 2022. The motion carried.

These minutes approved by the Lakewood Village Town Council on the 10th day of March 2022.

APPROVED:

Darrell West
MAYOR PRO-TEM

ATTEST:

Linda Ruth, TRMC, CMC
TOWN SECRETARY



ENGINEERING SERVICES AGREEMENT

This agreement, effective the 2nd day of **March, 2022**, between the **Town of Lakewood Village**, (hereinafter referred to as "Owner") and **ENPROTEC / HIBBS & TODD, INC.**, (hereinafter referred to as "Engineer").

SECTION 1. SERVICES

1.1 Engineer agrees to perform for Owner engineering services for the **Wastewater Treatment Plant 0.2 MGD Expansion** as outlined in the written Scope of Services attached hereto as Exhibit A and incorporated herein by reference ("the Scope of Services").

1.2 The services to be performed shall not be modified from those detailed in the Scope of Services unless such modifications are approved in advance in writing and signed by authorized representatives of both Owner and Engineer.

SECTION 2. RECOGNITION OF RISK

Owner recognizes that environmental, geo-technical and surveying conditions can vary from those encountered at the time and locations where data are obtained by Engineer, and that the limitation on available data may result in some level of uncertainty with respect to the investigation of these conditions, despite the use of due professional care.

If Engineer's services include assessment, identification, or testing services the number of investigations Engineer makes, the number of samples Engineer collects, or the number of tests it performs are necessarily limited by budgetary and time constraints, and observations and samples because they are obtained from a specific geographic location may not exactly represent similar samples or observations in the immediate vicinity. Owner agrees to the amount or level of testing performed and the associated risk. **Engineer does not guarantee that all**

sources of possible environmental condition will be identified, that all contaminants or environmental conditions will be detected/identified, or that requirements, standards, or conditions will not change over time. Any report issued by Engineer will set forth its findings and conclusions based on the limited information available from the observations, investigations, sampling and/or testing conducted under this Agreement. In preparing its report, Engineer may review and interpret information provided by the Owner, third parties, and regulatory agencies and will be entitled to rely on the accuracy of such information, including laboratory results, without performing an independent verification. Engineer may include in its report a Statement of Limitations describing the limits of its investigations and findings and a statement that the report is for the Owner's use only and will not be relied on by any third party, except as expressly agreed in writing by Engineer, and then only at such third party's own risk.

SECTION 3. LIABILITY

3.1 Engineer represents that the services shall be performed, within the limits described in the Scope of Services, in a manner consistent with the level of care and skill ordinarily exercised by other engineering consultants under similar circumstances.

3.2 No other representations to Owner, expressed or implied, and no warranty or guarantee is included or intended in this agreement or in any report, opinion, or any other document generated by Engineer in the performance of services contracted herein.

3.3 Engineer's liability shall be limited to injury or loss caused by the negligence of Engineer, its subcontractors and/or agents hereunder. Any claims by the Owner shall be initiated within twelve (12) months from the date of the Engineer's final invoice to the Owner under this Agreement.

SECTION 4. INFORMATION FROM OWNER

4.1 Prior to the commencement of services, and continuing thereafter, Owner shall notify Engineer of any possible health or safety hazard existing on or near the site where services are to be or are being performed by the Engineer or its subcontractors.

4.2 Owner shall provide Engineer with all relevant data and information in its possession relating to the Scope of Work, to the site and to the environmental, topographical, and geo-technical conditions of the site and surrounding area. Owner shall correctly show, on plans to be furnished to Engineer, the locations of surface and subsurface structures, such as pipes, tanks, cables and utilities. Owner shall provide Engineer, in writing, all criteria, design and construction standards, and all other information relating to Owner's requirements for the project. Owner shall give Engineer prompt written notice of any suspected defect in Engineer's services.

SECTION 5. TERMS OF PAYMENT

5.1 Owner shall compensate Engineer for its services in the amount and manner as described in attached Exhibit A.

5.2 Unless otherwise stated or agreed to in writing by both parties, Engineer shall invoice Owner at the end of each month for all services performed under the Scope of Services during that month.

5.3 Terms of payment shall be net thirty (30) days after invoice date of a properly prepared and correct invoice by Engineer. Payment shall be considered made when payment checks are received by the Engineer. Engineer's invoice shall be accompanied by such records or other written proof as Owner deems adequate to verify the billings appearing therein and shall be in a form as may be prescribed by Owner.

SECTION 6. TAXES

Engineer assumes full responsibility for payment of all other federal and state taxes of whatever sort, social security and unemployment compensation taxes, withholding taxes, and all other taxes or charges applicable to Engineer's actions, employees, facilities and materials for performing services hereunder or applicable to Engineer's income hereunder.

SECTION 7. SITE AND LOCAL CONDITIONS

7.1 Engineer has the right to examine the site in order to become acquainted with local conditions and accepts conditions at the site unless otherwise noted in writing to Owner. Any coordination or scheduling of work by Owner shall not relieve Engineer from its responsibilities specified hereunder.

7.2 Necessary arrangement for access to any site by Engineer's employees will be made with Owner. Owner reserves the right to withhold, or to withdraw approval for, access to its premises of any person for any reason considered sufficient by Owner. Owner shall promptly notify Engineer in the event access is denied, shall give Engineer a reason for the access denial, and shall make every effort to assist the Engineer in resolution of the concern which prompted the access denial. Unreasonable continued denial of access by the Owner shall result in a breach of this agreement.

SECTION 8. INSURANCE

8.1 Engineer shall carry and maintain in force at all times relevant hereto, at Engineer's expense, insurance of the type and of minimum coverage limits as follows:

1. Workers Compensation - Statutory Employer's Liability - Limits as required by the State of Texas.

2. Comprehensive General Liability, Bodily Injury and Property Damage including contractual liability in a combined single limit - \$1,000,000 per occurrence.

3. Comprehensive Automotive Liability, Bodily Injury and Property Damage in a combined single limit - \$1,000,000 per accident.

8.2 Certificates of insurance in a form acceptable to Owner, evidencing the coverage required above, shall be made available to Owner upon request. In the event any subcontractor is employed, with or without Owner consent, for the services covered in this Agreement, Engineer assumes full responsibility to ensure that the subcontractor's services are covered by the same insurance limits as set forth herein.

SECTION 9. ASSIGNMENT AND SUB-CONTRACTING/THIRD PARTY RIGHTS

The rights and obligations covered herein are personal to each party hereto and not to any third party and for this reason neither this Agreement nor any contract hereunder shall be assignable by either party in whole or in part.

SECTION 10. NONDISCLOSURE

If so requested by Owner in writing, Engineer agrees not to disclose to others (a) the fact that Owner purchased or plans to purchase services from Engineer or (b) the results of services performed herein except when such disclosure is necessary to perform services required under this Agreement or as required by law.

SECTION 11. INDEPENDENT CONTRACTOR

It is understood that all employees engaged under this Agreement are and shall be considered to be the employees of Engineer, and that none of said persons engaged under the Agreement shall be regarded as employees of Owner in any instance. Further, Engineer alone is responsible for the

employment, control, and conduct of its employees. Engineer's relationship to Owner under this Agreement shall be that of an independent contractor and nothing in this Agreement shall be construed to constitute Engineer, or any of its employees, as an agent, associate, joint venturer or partner of Owner.

SECTION 12. DELAYS

Neither party shall hold the other responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond the control of either party which could not have been reasonably foreseen or prevented. For this purpose, such acts or events shall include unusual weather affecting performance of services, floods, epidemics, war, riots, strikes, lockouts or other disturbances, protest demonstrations, unanticipated site conditions and instability, which prevent Engineer's ability, after reasonable diligence, to supply personnel, equipment or materials to the work site. Should such acts or events occur, both parties shall use their best efforts to overcome the difficulties arising and to resume, as soon as is reasonably possible, the normal pursuit of the services under the Agreement. Delays within the scope of this article which cumulatively exceed forty-five days shall, at the option of either party, make the Agreement subject to termination or renegotiation.

SECTION 13. AUTHORITY

The parties hereby represent that they have full power and authority to enter into and perform this Agreement and the parties know of no agreements, contracts, promises or undertakings which would prevent the full execution and performance of this Agreement.

SECTION 14. RESERVATION OF RIGHTS

Owner's or Engineer's waiver of any of its remedies afforded hereunder or by law is without prejudice and shall not operate to waive any other remedies which such party shall have available to

it, nor shall such waiver operate to waive such party's rights to any remedies due to a future breach, whether of a like or different character.

SECTION 15. ACTIONS

15.1 All legal actions by either party shall be brought only in the courts of the State of Texas, sitting in Taylor **County**, Texas.

15.2 The prevailing party in any such action shall be entitled to recover reasonable attorney's fees.

SECTION 16. SEVERABILITY

In the event that any provision of this Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provisions of this Agreement either void or unenforceable. All provisions which are void or unenforceable shall not substantially affect the rights or obligations granted to or undertaken by either party.

SECTION 17. TERMINATION

17.1 The obligation to provide further services under this Agreement may be terminated by either party upon thirty days written notice in the event of failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

17.2 The Engineer, upon termination, shall be paid for all services rendered through the date of termination together with additional expense and reimbursable expense then due. Termination expenses are in addition to compensation for services and include expenses which are directly

attributable to termination. Payment shall be made in full at time of termination.

SECTION 18. NOTICE

Any notice required under this Agreement will be in writing and given either personally, by registered or certified mail, return receipt requested, or by a nationally recognized overnight courier service, addressed to the parties as follows:

If to Owner: Town of Lakewood Village
100 Highridge Dr.
Lakewood Village, TX 75068
Tel (972) 294-5555

If to Engineer: Enprotec / Hibbs & Todd, Inc.
402 Cedar Street
Abilene, Texas 79604
Tel (325) 698-5560

All notices shall be effective upon the date of receipt.

SECTION 19. ENTIRE AGREEMENT

This Agreement and the exhibits hereto represent the entire agreement between Owner and Engineer with respect to the subject matter hereof and the services described therein, and supersedes all prior or contemporaneous representations, communications, agreements or understandings, whether oral or written. No changes or modifications shall be made to this Agreement or any exhibit unless reduced to writing which clearly states that it is an amendment or change to this Agreement or the respective agreement, signed by both of the parties hereto.

EXHIBIT A
SCOPE OF SERVICES
FOR
0.2 MGD WASTEWATER TREATMENT PLANT EXPANSION
March 2, 2022

This Exhibit A is part of the Agreement between Enprotec / Hibbs & Todd, Inc. (Engineer) and the Town of Lakewood Village (Owner) for a project generally described as:

Expansion of the existing 0.1 million gallons per day (MGD) Lakewood Village Wastewater Treatment Plant (WWTP) up to 0.3 MGD at the Owner's existing WWTP site.

SCOPE OF SERVICES

The Engineer agrees to furnish the Owner with the following specific services:

BASIC ENGINEERING SERVICES

TASK 1 BASIS OF DESIGN PHASE

- 1.1 Conduct a Project Kickoff Meeting. Meeting shall include key members of the Engineer's and the Owner's Project Team. The meeting will focus on the scope of work, schedule, deliverables, protocols for communication throughout the project, and coordination of initial data collection activities.

- 1.2 Establish treatment design criteria based on treatment processes agreed upon by the Owner and Engineer in order to prepare a Basis of Design Memo (BODM) document.
 - 1.2.1 Provide necessary field surveys and topographic and utility mapping for planning purposes. Utility mapping will be based upon information obtained from utility owners.

 - 1.2.2 The Basis of Design Memo is the means to communicate scope, objectives, and details of the project to the Owner, regulatory agencies, and the design team. Information in the Basis of Design Memo includes:
 - General project scope and background references.
 - Design criteria, including:
 - o Flow rates - initial and future.
 - o Water quality - physical, chemical and biological.
 - o Design objectives, including treated water quality.
 - Sludge quantities and types.

- Applicable codes and standards.
- Local building, planning, and zoning department requirements including code review and approval process.
- Site considerations, including subsurface conditions, flood elevations, drainage requirements, etc.
- Primary systems Process and Instrumentation Diagrams (P&IDs), and Process Flow Diagrams.
- Conceptual site plan layout.
- Conceptual hydraulic profile of treatment facilities.
- Process and hydraulic systems.
- Sludge processing systems and handling.
- Chemical feed and storage.
- Operational monitoring and control systems.
- Electrical design criteria.
- Structural design criteria.
- Security systems and design criteria.
- Utility requirements.

1.3 Project Management and Quality Assurance / Quality Control (QC) Review:

- 1.3.1 Conduct monthly project update meetings with the Owner, as necessary.
- 1.3.2 Provide project management activities to properly plan the work, sequence, manage, coordinate, schedule, and monitor the scope tasks and completion of the tasks.
- 1.3.3 Conduct internal team coordination meetings as required to accomplish the work.
- 1.3.4 Coordinate, prepare, and review monthly invoices for payment.
- 1.3.5 Maintain and update on a monthly basis, an action item log, a decision log, and project change log.
- 1.3.6 Submit to the Owner, at identified project milestones established below, an Opinion of Probable Construction Cost which indicates the cost of each category of work involved in construction of the Project. In providing opinions of cost, financial analysis, economic feasibility projections, and schedules for the Project, the Engineer has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate Project cost or schedule. Therefore, the Engineer makes no warranty that the Owner's actual Project cost, financial aspects, economic feasibility, or schedules will not vary from the Engineer's opinions, analyses,

projections, or estimates.

Engineer's services under the Basis of Design Phase will be considered complete on the date when the revised Basis of Design Memo document, Opinion of Probable Construction Cost, and any other basis of design phase deliverables have been delivered to the Owner.

TASK 2 PRELIMINARY DESIGN PHASE

2.1 Prepare Preliminary Design Phase drawings for the Project.

a. Preliminary Design – Schematic Phase – 30% Design

1) Produce these deliverables:

- Process loads and flows.
- Process design parameters list.
- Major process equipment control table.
- Equipment tagging conventions.
- Geotechnical investigation plan.
- Preliminary process schematics.
- Preliminary control systems block diagrams.
- Preliminary major process P&IDs.

b. Preliminary Design - Spatial Design Phase – 30% Design

1) Spatial design shall proceed after submission of schematic phase deliverables to the Owner. Produce these deliverables:

- Equipment list.
- Site utility analysis.
- Preliminary Items
 - o Initial geotechnical investigation.
 - o Process equipment information and data.
 - o Site layout.
 - o Process structure layouts including main piping and valves.
 - o Civil/site and process/civil sections of Basis of Design Memorandum.
 - o Sketch sections through major process facilities.

2.2 Prepare Preliminary Design Phase specifications for the Project.

2.3 Submit to the Owner an Opinion of Probable Construction Cost which indicates the cost of each category of work involved in construction of the Project. In providing opinions of cost,

financial analysis, economic feasibility projections, and schedules for the Project, the Engineer has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate Project cost or schedule. Therefore, the Engineer makes no warranty that the Owner's actual Project cost, financial aspects, economic feasibility, or schedules will not vary from the Engineer's opinions, analyses, projections, or estimates.

2.4 Project Management and Quality Assurance / Quality Control (QC) Review:

2.4.1 Conduct monthly project update meetings with the Owner, as necessary.

2.4.2 Provide project management activities to properly plan the work, sequence, manage, coordinate, schedule, and monitor the scope tasks and completion of the tasks.

2.4.3 Conduct internal team coordination meetings as required to accomplish the work.

2.4.4 Coordinate, prepare, and review monthly invoices for payment.

2.4.5 Maintain and update on a monthly basis, an action item log, a decision log, and project change log.

Engineer's services under the Preliminary Design Phase will be considered complete on the date when the revised preliminary design phase documents, Opinion of Probable Construction Cost, and any other preliminary design phase deliverables have been delivered to the Owner.

TASK 3 FINAL DESIGN PHASE

3.1 Prepare 60% design (Level 1) Drawings indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

3.1.1 Detailed Design – Construction Contract Documents Level 1 (60% Design)

a. Construction documents will be prepared for the purposes of procuring a qualified contractor to perform the work. The Level 1 deliverables are as follows:

- Secondary systems P&ID drawings.
- Equipment control descriptions.
- Chemical feed systems P&ID drawings.
- Site plan.

- Grading plan.
- General site arrangements and yard piping drawings.
- Instrumentation input and output lists.
- Instrumentation device schedules.
- Major facility plans and sections showing equipment and piping.
- Preliminary structural design.
- Process equipment specifications and data sheets.
- Valve list.
- Opinion of Probable Construction Cost update.
- Project schedule update.
- Project trend register update identifying changes to scope affecting cost or schedule.

3.2 Prepare 60% design (Level 1) Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor. If appropriate, Specifications shall conform to the 16-division format of the Construction Specifications Institute.

3.3 Prepare 90% design (Level 2) Drawings indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

3.3.1 Detailed Design - Construction Documents Level 2

a. Level 2 design shall commence after Level 1 deliverables have been submitted to the Owner. Level 2 deliverables are as follows:

- Sections and details showing major process and sub-process equipment.
- Structural foundation recommendations.
- Power and lighting plans.
- Duct bank and roadway lighting arrangements.
- Plumbing schedules.
- Underground utility drawings.
- Erosion control plan.
- Opinion of Probable Construction Cost update.
- Project schedule update.
- Project trend register update identifying changes to scope affecting cost or schedule.

3.4 Prepare 90% design (Level 2) Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor. If appropriate, Specifications shall conform to the 16-division format of the Construction Specifications Institute.

3.5 Prepare Final (100%) design (Level 2) Drawings indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

3.5.1 Detailed Design - Construction Documents Level 3

a. Level 3 design shall commence after Level 2 deliverables have been submitted to the Owner. Level 3 deliverables are as follows:

- Final review set of drawings.
- Final review set of specifications and construction contract documents.
- Opinion of Probable Construction Cost update.
- Constructability review.
- Project schedule update.
- Project trend register update identifying changes to scope affecting cost or schedule.

3.6 Prepare Final (100%) design (Level 3) Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor. If appropriate, Specifications shall conform to the 16-division format of the Construction Specifications Institute.

3.7 Equipment Preselection/Procurement Support

If the Owner selects treatment technologies that must be pre-purchased prior to completion of plant design, Engineer will assist in equipment procurement. Equipment will be bid, and a contract awarded by the Owner. Notice to Proceed to the equipment supplier will be given during the Level 3 design phase, and Engineer will perform submittal reviews to allow fabrication during that phase. The contract will be later assigned to the Construction Contractor for delivery, installation, start-up, and warranty.

3.7.1 Develop Equipment Procurement Solicitation Documents including equipment specifications, terms, and conditions. Review with Owner's operational and legal personnel in an Equipment Procurement Meeting.

3.7.2 Assist Owner with extending invitations to bid equipment procurement solicitation.

3.7.3 Receive inquiries from equipment manufacturers during bidding period and respond as required.

3.7.4 Review bids after receipt by Owner and develop a recommendation for award. Assist Owner in interpretation of procurement solicitation and in making contract award.

3.8 Project Management and QA/QC Control:

3.8.1 Conduct monthly project update meetings with the Owner, as necessary.

- 3.8.2 Provide project management activities to properly plan the work, sequence, manage, coordinate, schedule, and monitor the scope tasks and completion of the tasks.
- 3.8.3 Conduct internal team coordination meetings as required to accomplish the work.
- 3.8.4 Coordinate, prepare, and review monthly invoices for payment.
- 3.8.5 Maintain and update on a monthly basis, an action item log, a decision log, and project change log.

Engineer's services under the Final Design Phase will be considered complete on the date when the revised final design phase documents, Opinion of Probable Construction Cost, and any other final design phase deliverables have been delivered to the Owner.

TASK 4 BIDDING OR NEGOTIATING (CONTRACTOR PROCUREMENT) PHASE

- 4.1 For traditional bidding of projects after acceptance by Owner of the Bidding Documents and the most recent Opinion of Probable Construction Cost as determined in the Final Design Phase, Engineer shall:
 - 4.1.1 Issue Addenda as appropriate to clarify, correct, or change the Bidding Documents.
 - 4.1.2 Provide information or assistance needed by Owner in the course of any negotiations with prospective contractors.
 - 4.1.3 Consult with Owner as to the acceptability of subcontractors, suppliers, and other individuals and entities proposed by prospective contractors for those portions of the Work as to which such acceptability is required by the Bidding Documents.
 - 4.1.4 Attend the Bid opening, prepare Bid tabulation sheets, and assist Owner in evaluating Bids or proposals and in assembling and awarding contracts for the Work.
- 4.2 For alternative delivery methods: Title 10, Subtitle F, Chapter 2269 of the Texas Government Code establishes contracting and delivery procedures for construction projects. Upon notification to the Engineer by the Owner to proceed with procurement using an alternative delivery method under applicable State law, Engineer will:
 - 4.2.1 Conduct a one-day workshop with the Owner to develop criteria to be used in the selecting of a Contractor using alternative delivery methods in accordance with State law. Support Owner at Council Meeting(s) for Council action necessary to use an alternative delivery method.
 - 4.2.2 Based on the results from the workshop, prepare documents as applicable to the

alternative delivery method to be utilized.

- 4.2.3 Engineer's Technical Director and Project Manager will serve on any Selection Committee established as a part of the alternative delivery method selection process as non-voting members. The other members of the Selection Committee will be appointed by the Mayor. As members of the Selection Committee, Engineer's personnel will:
- a. Review submittals that are received by the Owner in response to the Owner's solicitation.
 - b. Provide the Selection Committee with an independent and experience-based assessment of each submittal, including the identification of items or issues which may impact a selection process.
 - c. Provide an independent opinion as to how the submittal represents the interests of the Owner and which respondents should be asked to interview with the Owner, if applicable.
 - d. Advise and assist the Selection Committee in the preparation of short-listed firm interview questions, if applicable.
 - e. Provide an independent opinion of each short-listed firm's interview information, including project understanding, project approach, responses to questions, and each demonstrated aptitude and attitude toward assuring the interests of the Owner are met.

4.3 Project Management:

- 4.3.1 Conduct monthly project update meetings with the Owner, as necessary.
- 4.3.2 Provide project management activities to properly manage, coordinate, schedule, and monitor the scope tasks and completion of the tasks.
- 4.3.3 Conduct internal team coordination meetings as required to accomplish the work.
- 4.3.4 Coordinate, prepare, and review monthly invoices for payment.
- 4.3.5 Maintain and update on a monthly basis, an action item log, a decision log, and project change log.

The Bidding or Negotiating Phase will be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective contractors.

TASK 5 CONSTRUCTION PHASE

Upon successful completion of the Bidding and Negotiating Phase, Engineer shall:

- 5.1 *General Administration of Construction Contract.* Consult with Owner and act as Owner's representative as provided in the General Conditions of the Construction Documents. The extent and limitations of the duties, responsibilities, and authority of Engineer as assigned in the General Conditions shall not be modified, except as Engineer may otherwise agree in writing. All of Owner's instructions to Contractor will be issued through Engineer, which shall have authority to act on behalf of Owner in dealings with Contractor to the extent provided in this Agreement and the General Conditions except as otherwise provided in writing.
- 5.1.1 *Selecting Independent Testing Laboratory.* Assist Owner in the selection of an independent testing laboratory to perform construction materials testing services.
- 5.1.2 *Pre-Construction Conference.* Participate in a Pre-Construction Conference prior to commencement of Work at the Site.
- 5.1.3 *Schedules.* Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.
- 5.1.4 *Baselines and Benchmarks.* As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.
- 5.1.5 *Disagreements between Owner and Contractor.* Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor's Work; review each duly submitted Claim by Owner or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if Engineer in its discretion concludes that to do so would be inappropriate. In rendering such decisions, Engineer shall be fair and not show partiality to Owner or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.
- 5.1.6 *Applications for Payment.* Based on Engineer's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:
- a. Determine the amounts that Engineer recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute Engineer's representation to Owner, based on such observations and review, that, to the best of Engineer's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the quality of such Work is generally in accordance with the Contract Documents (subject to

an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe Contractor's Work. In the case of unit price work, Engineer's recommendations of payment will include final determinations of quantities and classifications of Contractor's Work (subject to any subsequent adjustments allowed by the Contract Documents).

- b. By recommending any payment, Engineer shall not thereby be deemed to have represented that observations made by Engineer to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment including final payment will impose on Engineer responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on Engineer to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to Owner free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between Owner and Contractor that might affect the amount that should be paid.

5.1.7 *Contractor's Completion Documents.* Receive, review, and transmit to Owner maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Contract Documents, certificates of inspection, tests and approvals, Shop Drawings, Samples and other data approved, and the annotated record documents which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment.

5.1.8 *Substantial Completion.* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company of Contractor and on behalf of Owner, conduct an inspection to determine if the Work is substantially complete. If after considering any objections of Owner, Engineer considers the Work substantially complete, Engineer shall deliver a certificate of Substantial Completion to Owner and Contractor.

5.1.9 *Final Notice of Acceptability of the Work.* Conduct a final inspection to determine if

the completed Work of Contractor is acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice in written form that the Work is acceptable to the best of Engineer's knowledge, information, and belief and based on the extent of the services provided by Engineer under this Agreement.

5.2 *Visits to Site and Observation of Construction.* In connection with observations of Contractor's Work while it is in progress:

5.2.1 Make visits to the Site as necessary. Engineer shall also visit the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress and quality of Contractor's executed Work. Such visits and observations by Engineer are not intended to be exhaustive or to extend to every aspect of Contractor's Work in progress or to involve detailed inspections of Contractor's Work in progress beyond the responsibilities specifically assigned to Engineer in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on Engineer's exercise of professional judgment. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Contract Documents, and Engineer shall keep Owner informed of the progress of the Work.

5.2.2 The purpose of Engineer's visits to the Site will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for Owner a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Engineer shall not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety on the Site, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, Engineer neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the Work in accordance with the Contract Documents.

5.2.3 *Inspections and Tests.* Require such special inspections or tests of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract

Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. Engineer shall be entitled to rely on the results of such tests.

5.2.4 *Defective Work.* Engineer will have the authority to reject Contractor's Work while it is in progress if, on the basis of Engineer's observations, Engineer believes that such Work will not produce a completed Project that conforms generally to the Contract Documents or that it will threaten the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. However, neither Engineer's authority to reject Work nor Engineer's decision to exercise or not exercise such authority shall give rise to a duty or responsibility of the Engineer to Contractors, Subcontractors, material and equipment suppliers, their agents or employees, or any other person(s) or entities performing any of the Work, including but not limited to any duty or responsibility for Contractors' or Subcontractors' safety precautions and programs incident to the Work.

5.2.5 *Clarifications and Interpretations; Field Orders.* Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. Engineer may issue Field Orders *authorizing* minor variations in the Work from the requirements of the Contract Documents.

5.2.6 *Change Orders and Work Change Directives.* Recommend Change Orders and Work Change Directives to Owner, as appropriate, and prepare Change Orders and Work Change Directives as required.

5.3 *Shop Drawings and Samples.* Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design *concept* of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

5.3.1 *Substitutes and "or-equal."* Evaluate and determine the acceptability of substitute or "or-equal" materials and *equipment* proposed by Contractor.

5.4 Project Management:

5.4.1 Conduct construction status meetings with the Owner, as necessary.

5.4.2 Provide project management activities to properly manage, coordinate, schedule, and monitor the scope tasks and completion of the tasks.

- 5.4.3 Conduct internal team coordination meetings as required to accomplish the work.
- 5.4.4 Coordinate, prepare, and review monthly invoices for payment.
- 5.4.5 Maintain and update on a monthly basis, an action item log, a decision log, and project change log.

Duration of Construction Phase. The Construction Phase will commence with the execution of the first construction Contract for the Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors.

Limitation of Responsibilities. Engineer shall not be responsible for the acts or omissions of any Contractor, or of any subcontractors, suppliers, or other individuals or entities performing or furnishing any of the Work. Engineer shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

TASK 6 POST-CONSTRUCTION PHASE

Engineer, during the Post-Construction Phase, shall:

- 6.1 Provide assistance in connection with the adjusting of Project equipment and systems.
 - 6.1.1 Together with Owner, visit the Project to observe any apparent defects in the Work, assist Owner in consultations and discussions with Contractor concerning correction of any such defects, and make recommendations as to replacement or correction of Defective Work, if present.
 - 6.1.2 In company with Owner or Owner's representative, provide an inspection of the Project within one month before the end of the Correction Period to ascertain whether any portion of the Work is subject to correction.
- 6.2 Assist Owner in training Owner's staff to operate and maintain Project equipment and systems.
 - 6.2.1 Assist Owner in developing procedures for control of the operation and maintenance of, and record keeping for Project equipment and systems.
- 6.3 Project Management:
 - 6.3.1 Provide project management activities to properly manage, coordinate, schedule, and monitor the scope tasks and completion of the tasks.
 - 6.3.2 Conduct internal team coordination meetings as required to accomplish the work.

- 6.3.3 Coordinate, prepare, and review monthly invoices for payment.
- 6.3.4 Maintain and update on a monthly basis, an action item log, a decision log, and project change log.

The Post-Construction Phase services may commence during the Construction Phase and, if not otherwise modified in this Exhibit A, will terminate at the end of the Construction Contract's correction period.

TASK 7 SPECIAL SERVICES

The following Special Services are agreed to between the Owner and Engineer as essential components for successful completion of the Project. These Special Services shall be provided by the Engineer as a part of the Basic Engineering Services set forth in this Exhibit A.

7.1 Geotechnical Investigations

- 7.1.1 Perform soil borings at the WWTP site required for design of facility improvements. Perform soil testing and develop foundation design parameters for plant facilities. Provide the results of geotechnical investigations in the bound report, sealed by an engineer licensed to practice in Texas.

7.2 Discharge Permit Modification Application:

- 7.2.1 Engineer will prepare a discharge permit application for the proposed WWTP expansion.
 - a. Participate in a pre-application meeting with TCEQ staff.
 - b. Finalize application forms and attachments that are required to be submitted to the TCEQ for a Texas Pollutant Discharge Elimination System permit. Forms and attachments will be revised, as appropriate, based on comments from the Owner after its review of draft application.
 - c. Prepare copies of the final application for submittal to TCEQ.
 - d. Assist in processing the permit application through the TCEQ. Provide support during the TCEQ administrative review and technical review processes for the development of the draft permit. Prepare responses to the TCEQ review comments. Review draft permit. Identify concerns to provision in the draft permit. Prepare letter for submittal to TCEQ with recommendations for changes to the permit. Communicate with TCEQ during processing of permit application to track status and to obtain TCEQ interoffice technical memorandums that present basis for permit

requirements that have been placed in the permit.

- e. Coordinate with Owner legal representation as required regarding the application.

7.3 Authorities Having Jurisdiction and Permits:

7.3.1 The Engineer shall assist the Owner in connection with the Owner's responsibility, if any, for filing documents required for the approval of governmental authorities having jurisdiction over the Project. This coordination shall include submitting to the following agencies, when required:

- Texas Commission on Environmental Quality
- A Registered Accessibility Specialist for the Texas Department of Licensing and Regulatory to verify conformance with the Texas Accessibility Standards
- Owner Departments
- Texas Parks and Wildlife
- U.S. Army Corps of Engineers
- U.S. Fish and Wildlife
- Texas Historical Commission
- General Land Office

7.3.2 Costs for filing applications, permits, etc. shall be paid directly by the Owner.

7.4 Preparing and furnishing to Owner Record Drawings shown appropriate record information based on Project annotated record documents received from Contractor.

7.5 Preparation of operations and maintenance manual for the WWTP. Operations and maintenance manuals will be compiled from equipment vendor materials. Develop a Plan of Operations outlining the intent and procedures for plant operation to meet discharge permit parameters.

7.6 Resident Project Representative:

7.6.1 Engineer shall furnish a Resident Project Representative ("RPR"), assistants, and other field staff to assist Engineer in observing progress and quality of the Work. The RPR, assistants, and other field staff under this Subtask will provide full time representation during construction of the Work.

7.6.2 Through such additional observations of Contractor's work in progress and field checks of materials and equipment by the RPR and assistants, Engineer shall endeavor to provide further protection for Owner against defects and deficiencies in the Work. However, Engineer shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over the Contractor's Work nor shall Engineer have authority over or responsibility for the

means, methods, techniques, sequences, or procedures selected by Contractor, for safety precautions and programs incident to the Contractor's work in progress, for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's performing and furnishing the Work, or responsibility of construction for Contractor's failure to furnish and perform the Work in accordance with the Contract Documents.

7.6.3 The duties and responsibilities of the RPR are limited to those of Engineer in the Agreement with the Owner and in the Contract Documents, and are further limited and described as follows:

- a. *General:* RPR is Engineer's agent at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's dealings in matters pertaining to the Contractor's work in progress shall in general be with Engineer and Contractor, keeping Owner advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with Owner with the knowledge of and under the direction of Engineer.
- b. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with Engineer concerning acceptability.
- c. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
- d. *Liaison:*
 - 1) Serve as Engineer's liaison with Contractor, working principally through Contractor's superintendent.
 - 2) Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-site operations.
 - 3) Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
- e. *Interpretation of Contract Documents:* Report to Engineer when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by Engineer.
- f. *Shop Drawings and Samples:*

- 1) Record date of receipt of Samples and approved Shop Drawings.
 - 2) Receive Samples which are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
 - 3) Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been reviewed by Engineer.
- g. *Modifications:* Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to Engineer. Transmit to Contractor in writing decisions as issued by Engineer.
- h. *Review of Work and Rejection of Defective Work:*
- 1) Conduct on-site observations of Contractor's work in progress to assist Engineer in determining if the Work is in general proceeding in accordance with the Contract Documents.
 - 2) Report to Engineer whenever RPR believes that any part of Contractor's work in progress will not produce a completed Project that conforms generally to the Contract Documents or will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Engineer of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.
- i. *Inspections, Tests, and System Startups:*
- 1) Consult with Engineer in advance of scheduled major inspections, tests, and systems startups of important phases of the Work.
 - 2) Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that contractor maintains adequate records thereof.
 - 3) Observe, record, and report to Engineer appropriate details relative to the test procedures and systems startups.

- 4) Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to Engineer.

j. *Records:*

- 1) Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all Change Orders, Field Orders, Work Change Directives, addenda, additional Drawings issued subsequent to the execution of the Contract, Engineer's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project related documents.
- 2) Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Engineer.
- 3) Record names, addresses and telephone numbers of all Contractors, subcontractors, and major suppliers of materials and equipment.
- 4) Maintain records for use in preparing Project documentation.
- 5) Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer.

k. *Reports:*

- 1) Furnish to Engineer periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.
- 2) Draft and recommend to Engineer, proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.
- 3) Furnish to Engineer and Owner copies of all inspection, test, and system startup reports.
- 4) Report immediately to Engineer the occurrence of any Site

accidents, any Hazardous Environmental Conditions, emergencies, or acts of God endangering the Work, and property damaged by fire or other causes.

- l. *Payment Requests:* Review Applications for Payment with Contractor for compliance with the established procedure for their submissions and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.
- m. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Specifications to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.
- n. *Completion:*
 - 1) Before Engineer issues a Certificate of Substantial Completion, submit to Contractor a list of observed items requiring completion or correction.
 - 2) Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public agencies having jurisdiction over the Work.
 - 3) Participate in a final inspection in the company of Engineer, Owner, and Contractor and prepare a final list of items to be completed or corrected.
 - 4) Observe whether all items on final list have been completed or corrected and make recommendations to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work.

7.6.4 Resident Project Representative shall not:

- o. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including “or-equal” items).
- p. Exceed limitations of Engineer’s authority as set forth in this Agreement or the Contract Documents.
- q. Undertake any of the responsibilities of Contractor, subcontractors,

suppliers, or Contractor's superintendent.

- r. Advise on, issue directions relative to or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's work unless such advice or directions are specifically required by the Contract Documents.
- s. Advise on, issue directions regarding, or assume control over safety precautions and programs in connection with the activities or operations of Owner or Contractor.
- t. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
- u. Accept Shop Drawing or Sample submittals from anyone other than Contractor.
- v. Authorize Owner to occupy the Project in whole or in part.
- w. Be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the work.

7.7 Construction Materials Testing:

- 7.7.1 Engineer shall furnish construction materials testing (CMT) services for the projects.
- 7.7.2 Testing shall be in conformance with the specifications, drawings, and any local authorities having jurisdiction.

COMPENSATION FOR SERVICES

Compensation for the services described in this Scope of Services will be as follows:

1. Within the Notice to Proceed for the Project, Owner shall pay Engineer for services set forth in Exhibit A (Basic Services), Task 1 (Basis of Design Phase Services), Task 2 (Preliminary Design Phase Services), Task 3 (Final Design Phase Services), Task 4 (Bidding Phase Services), Task 5 (Construction Phase Services), Task 6 (Post-Construction Phase Services), at a Lump Sum Amount of \$379,790 based on the following distribution of compensation:

• Task 1 (Basis of Design Phase Services):	\$27,000
• Task 2 (Preliminary Design Phase Services):	\$62,020
• Task 3 (Final Design Phase Services):	\$138,770
• Task 4 (Bidding Phase Services):	\$14,000
• Task 5 (Construction Phase Services):	\$108,000
• Task 6 (Post-Construction Phase Services):	\$30,000

- a. The Lump Sum includes compensation for Engineer's services and services of Engineer's Consultants, if any. Appropriate amounts have been incorporated into the Lump Sum to account for labor, overhead, profit and direct expenses.
 - b. The portion of the Lump Sum amount billed for Engineer's services will be based upon Engineer's estimate of the proportion of the total services actually completed during the monthly billing period to the Lump Sum.
2. Owner shall pay Engineer for services set forth in Exhibit A, Task 7 (Special Services) on a time and materials basis not to exceed \$258,000 as follows:
 - a. For labor on an hourly basis in accordance with the included Schedule of Charges. The hourly rate schedule will be adjusted each January 1st beginning January 1, 2023, to reflect cost of living adjustments, limited to a maximum increase of 5% per year.
 - b. Sub-consultants will be billed on the basis of cost times a factor of 1.1.
 - c. Subtask budgets are itemized below. Engineer may alter the distribution of compensation between the identified Subtasks to be consistent with services actually rendered but shall not exceed the amount of \$258,000 for all Special Services provided under Task 7.

7.1	Geotechnical Investigation:	\$10,000
7.2	Discharge Permit Major Amendment:	\$33,000
7.3	Coordination with Authorities having Jurisdiction:	\$8,000
7.4	Record Drawing Development:	\$20,000
7.5	Plan of Operations Development:	\$13,000
7.6	Resident Project Representation:	\$148,000
7.7	Construction Materials Testing:	\$26,000

Enprotec / Hibbs & Todd, Inc.
HOURLY CHARGES FOR PROFESSIONAL SERVICES (2022)

Charges include all salaries, salary expense, overhead, and profit.

Principal.....	\$ 230.00 per hour
Senior Project Manager	190.00 per hour
Project Manager	170.00 per hour
Senior Engineer / Geologist.....	150.00 per hour
Project Engineer / Geologist.....	135.00 per hour
Staff Engineer I / Geologist I.....	120.00 per hour
Staff Engineer II / Geologist II.....	105.00 per hour
RPLS I	155.00 per hour
Operations Specialist / Regulatory Compliance Specialist	150.00 per hour
Contract Operator (Certified Class A/B Operator	120.00 per hour
Contract Operator (Certified Class C/D Water Operator)	100.00 per hour
Engineering / Field Technician I.....	135.00 per hour
Engineering / Field Technician II.....	110.00 per hour
Engineering / Field Technician III	85.00 per hour
Survey Tech I.....	85.00 per hour
Survey Tech II.....	65.00 per hour
CAD I.....	130.00 per hour
CAD II.....	100.00 per hour
CAD III.....	65.00 per hour
Administrative	70.00 per hour
Survey Party	225.00 per hour - 3 man
.....	200.00 per hour - 2 man
.....	175.00 per hour - 1 man
Expense Items	
Consultants, Contractors & Supplies	Cost plus 10%
Travel (out of town only)	Current IRS rate per mile
Lodging and meals (out of town trips).....	Actual cost



Real Estate Brokerage * Development * Appraisals * Property Tax Consulting
1703 N. Peyco Dr. Arlington, Texas 76001
Metro 817-467-6803 * Fax 817-465-7464 * www.peycosouthwest.com

February 17, 2022

Ms. Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary
Town of Lakewood Village
100 Highridge Dr.
Lakewood Village, TX 75068
Linda@lakewoodvillagetx.us

Mr. R.R. "Tripp" Davenport, III
Director
FMSbonds, Inc.
5 Cowboys Way, Ste. 300-25
Frisco, Texas 75034
tdavenport@fmsbonds.com

SUBJECT: Proposal/Authorization for Valuation and Consulting Services of a residential master planned development located in Town of Lakewood Village, Denton County, Texas

Dear Ms. Ruth and Mr. Davenport:

Upon your acceptance of this contract engagement, Peyco Southwest Realty, Inc. ("Peyco"), will prepare an appraisal of the Subject Property:

Purpose of the Assignment The purpose of the appraisal is to provide an opinion of the "As Complete" market value of the fee simple interest in the Subject Property outlined herein "As If Improved." We will assume that the Town of Lakewood Village will approve or has approved the proposed development and that all development entitlements are in place for the "Project" to proceed. Further, our valuation will also be based upon, and assume that, that only limited specific offsite general infrastructure indicated in the Plan of Finance is fully-funded with cash or cash-equivalent (lines of credit, completion agreements, etc.) and held with the Trustee, in whole or in part, with special assessments levied on property within the Public Improvement District ("PID"), relating to the "Project" will be completed based on engineering plans provided to the appraisers.

It is our understanding that the Appraisal Report will be included in the Preliminary and Final Official Statements for the sale of one or more series of Public Improvement District (PID) bonds for the Project, and we will provide our written consent to the inclusion of the Appraisal Report in the Preliminary and Final Official Statements. The appraisal will be prepared in conformance with and subject to, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice* (USPAP) developed by the Appraisal Standards Board of the Appraisal Foundation. The Ethics Rule of USPAP requires us to disclose to you any prior services we have performed regarding the Subject Property within a three-year period immediately preceding the acceptance of this assignment, either as an appraiser or in any other capacity. We represent that we have not performed any services that require disclosure under this rule.

In accordance with our correspondence, the scope of this assignment will require Peyco to consider all relevant and applicable approaches to value as determined during the course of our research, Subject Property analysis, and preparation of the report. **The report will include an opinion of the fee simple market value of the finished residential lots to be sold in bulk in a single transaction. We will report the estimated retail value of the lots during the sellout period.**

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, this appraisal may not be accepted by a federally regulated financial institution.

The appraisal will be communicated in an Appraisal Report-Standard Format Report. All work will be performed under the direct supervision of the undersigned, together with other staff members. The appraisal and this letter agreement will be subject to our standard assumptions and limiting conditions, a copy of which is attached as Attachment 2.

The total fee for this assignment will be \$12,000 which will be paid for by the Developer, but which payment may be reimbursed to the developer as a qualified creation and issuance cost of the "Public Improvement District". Please note that the full fee must be received in our office before the commencement of this appraisal. The delivery date will be within 30 days from your signed acceptance of this letter agreement, receipt of the fee and receipt of requested documents from the developer, but subject to extension based upon late delivery of the requested data and scheduled access for inspection. **We will require the full fee of \$12,000 prior to the commencement of this appraisal assignment.** If the assignment is cancelled by either party prior to completion, you agree to pay us for all our expenses and our time to date based upon the percentage of work completed.

Two hard copies of the appraisal report will be provided upon request. Digital copies, in PDF format, will be delivered upon completion via email or other file transfer as client requests. Additionally, we confirm our permission to use the final appraisal report in the offer and sale of public securities secured by the special assessments levied on property within the PID for the "Project"; and we confirm that we will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose. The 30-day delivery date is contingent upon the absence of events outside our control, timely access for inspection of the Subject Property, as well as our receipt of all requested information necessary to complete the assignment. Should, upon review of the draft Appraisal Report, the client requests material changes or additions **beyond the agreed to Scope of Work that materially affect the appraisal report and/or resulting values;** the Client agrees to additional scope of work changes at our current hourly rates (\$250/hour).

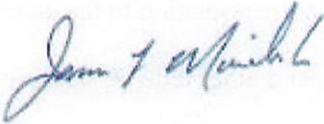
Please be advised that we are not experts in the areas of building inspection (including mold), environmental hazards, ADA compliance, or wetlands. Therefore, unless we have been provided with appropriate third-party expert reports, the appraisals will assume that there are no environmental, wetlands, or ADA compliance problems. The agreed upon fees for our services assume the absence of such issues inasmuch as additional research and analysis may be required. If an expert is required, you are responsible for their selection, payment, and actions.

In the event that we receive a subpoena or are called to testify in any litigation, arbitration or administrative hearing of any nature whatsoever or as a result of this engagement or the related report, to which we are not a party, you agree to pay our current hourly rates (\$250/hour) for such preparation and presentation of testimony. You agree that: (i) the data collected by us in this assignment will remain our property; and (ii) with respect to any data provided by you, Peyco and its partner companies may utilize, sell, and include such data (either in the aggregate or individually), in the Peyco database and for use in derivative products. You agree that all data already

in the public domain may be utilized on an unrestricted basis. Finally, you agree that we may use commercially available, as well as proprietary software programs, to perform your assignment (web based and others).

If you are in agreement with the terms set forth in this letter and wish us to proceed with the contract engagement, please sign below and return one copy to us. Thank you for this opportunity to be of service and we look forward to working with you.

Sincerely,



James L. Maibach, C.P.M.
TX-1323658
State Certified General Real Estate Appraiser

AGREED TO AND ACCEPTED THIS 18 DAY OF February, 2022.

BY:

Town of Lakewood Village

FMS Bonds, Inc.



Authorized Signature

Authorized Signature

DR. MARK E. VARGAS
Name (printed)

Name (printed)

ATTACHMENT 2: STANDARD ASSUMPTIONS & LIMITING CONDITIONS

The appraisal report and any work product related to the engagement will be limited by the following standard assumptions:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements, and restrictions. The Subject Property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the Subject Property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the Subject Property more or less valuable. Furthermore, there is no asbestos or environmental contamination at the Subject Property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The Subject Property is in compliance with all applicable building, environmental, zoning, and other federal, state, and local laws, regulations, and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

The appraisal report and any work product related to the engagement will be subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the Subject Property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state, or local laws, regulations, or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena, or attend any court, governmental or other hearing with reference to the Subject Property without compensation relative to such additional employment.
6. We have made no survey of the Subject Property and assume no responsibility in connection with such matters. Any sketch or survey of the Subject Property included in the appraisal report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the Subject Property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, if any, and we have assumed that the Subject Property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural, and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations, and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the Subject Property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates, and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the Subject Property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the Subject Property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the Subject Property or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the value stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the Subject Property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the Subject Property with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the Subject Property or in the improvements, and our valuation is predicated upon the assumption that the Subject Property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances, and mold. No representations or warranties are made regarding the environmental condition of the Subject Property. Peyco and/or any of its officers, owners, managers, directors, agents, subcontractors, or employees (the "Peyco Parties") shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the Subject Property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the Subject Property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the Subject Property, and the value conclusion is predicated on the assumption that wetlands are nonexistent or minimal.
22. We are not a building or environmental inspector. Peyco does not guarantee that the Subject Property is free of defects or environmental problems. Mold may be present in the Subject Property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assumes the satisfactory completion of construction, repairs, or alterations in a workmanlike manner.
24. Peyco is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. Peyco is not responsible for these and other future occurrences that could not

have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of the Subject Property.

26. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
27. As will be determined during the course of the assignment, additional extraordinary or hypothetical conditions may be required in order to complete the assignment. The appraisal shall also be subject to those assumptions.

CERTIFICATION OF UNOPPOSED CANDIDATES
CERTIFICACIÓN DE CANDIDATOS ÚNICOS

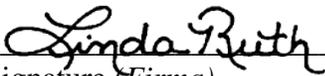
TO: Presiding Officer of Governing Body, Dr. Mark E. Vargus, Mayor
Al: *Presidente de la entidad gobernante, Dr. Mark E. Vargus, Alcalde*

As the authority responsible for having the official ballot prepared, I hereby certify that the following candidates are unopposed for election to office for the election scheduled to be held on Saturday, May 7, 2022.

Como autoridad a cargo de la preparación de la boleta de votación oficial, por la presente certifico que los siguientes candidatos son candidatos únicos para elección para un cargo en la elección que se llevará a cabo el sábado, 7 día de mayo, 2022.

List offices and names of candidates:
Lista de cargos y nombres de los candidatos:

<u>Offices (Cargos)</u>	<u>Candidates (Candidatos)</u>
Mayor (Alcalde)	Dr. Mark E. Vargus
Councilman At-Large Place 2 (Concejales en General Place 2)	Darrell West
Councilman At-Large Place 4 (Concejales en General Place 4)	Serena Lepley



Signature (Firma)

Linda Ruth, TRMC, CMC

Printed name (Nombre en letra de molde)

Town Administrator/Town Secretary (Secretario)

Title (Puesto)

February 22, 2022

Date of signing (Fecha de firma)

TOWN OF LAKEWOOD VILLAGE

ORDINANCE NO: 22-03

AN ORDINANCE CANCELLING THE TOWN OF LAKEWOOD VILLAGE GENERAL ELECTION CURRENTLY SCHEDULED FOR MAY 7, 2022, DECLARING UNOPPOSED CANDIDATES, AND SETTING AN EFFECTIVE DATE.

WHEREAS, a General Election is currently scheduled for Saturday, May 7, 2022 for the purpose of electing one Mayor and town Council members; and

WHEREAS, the Town Secretary has given certification in accordance with Texas Election Code, that no candidate in the general election is opposed on the ballot, EC §2.052, or by a declared write-in candidate, EC §146.052, and no proposition is to appear on the ballot; and

WHEREAS, the Election Code provides for the cancellation of an election and the declaration of the unopposed candidates as elected to office; and

WHEREAS, the Council does not desire to incur public expense by conducting an unopposed election.

NOW, THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

The General Election scheduled for Saturday, May 7, 2022 is hereby cancelled, and that Dr. Mark E. Vargus, Darrell West, and Serena Lepley are declared to be elected to their respective offices with the terms to begin in the same manner as if an election had taken place.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, on this 10th day of March 2022.

Dr. Mark E. Vargus
Mayor

ATTESTED:

Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary



ORDINANCE NO. 22-04

AN ORDINANCE OF THE TOWN OF LAKEWOOD VILLAGE TOWN COUNCIL ADOPTING A NEW OFFICIAL MAP OF THE TOWN OF LAKEWOOD VILLAGE MUNICIPAL LIMITS AND ITS EXTRATERRITORIAL JURISDICTION AS THE OFFICIAL MAP OF THE TOWN OF LAKEWOOD VILLAGE, INCLUDING A SAVINGS CLAUSE, A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, Section 51.001 of the *Texas Local Government Code* provides that a governing body may adopt ordinances and resolutions that are “for the good government, peace, and order of the municipality”; and

WHEREAS, Section 43.901 of the *Texas Local Government Code* authorizes a municipality to adopt a municipal boundary map; and

WHEREAS, Section 51.012 of the *Texas Local Government Code* states that a municipality may adopt an ordinance or resolution that is “necessary for the government, interest, welfare, or good order of the municipality as a body politic;” and

WHEREAS, all statutory and constitutional requirements for the passage of this Ordinance have been adhered to, including but not limited to the Open Meetings Act; and

WHEREAS, the Town of Lakewood Village Town Council concludes that this ordinance is being adopted with the consent of all appropriate persons, and that the passage of this ordinance is in the best interest of the public’s health, safety, and welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

Section 1. All matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Section 2. That the map attached hereto as Exhibit “A” is adopted by the Lakewood Village Town Council as the Official Map of the Town of Lakewood Village, Texas, reflecting the incorporated area of the Town and its extraterritorial jurisdiction.

Section 3. If any phrase, clause, sentence, paragraph or section of this ordinance shall be deemed void, ineffective, or unconstitutional by the valid judgment or decree of any court of competent jurisdiction,

such voidness, ineffectiveness, or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance since the Town Council would have enacted the same without any void, ineffective, or unconstitutional phrase, clause, sentence, paragraph or section. Further, in the event the map adopted hereby includes any property which at the time of passage is within the municipal limits of another municipality, or which is not within the Town of Lakewood Village's municipal limits or its extraterritorial jurisdiction, that property is hereby excluded and excepted from the territorial limits of the Town of Lakewood Village.

Section 4. THAT the Town Secretary is hereby authorized and directed to cause publication of the description caption and penalty clause hereof as an alternative method of publication provided by law.

Section 5. THAT this ordinance shall become effective from and after the date of its passage.

PASSED AND APPROVED by the Town Council of the Town of Lakewood Village, Texas this the 10th day of March 2022.

Dr. Mark E. Vargus
Mayor

ATTESTED:

Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary

APPROVED AS TO FORM:

Town Attorney

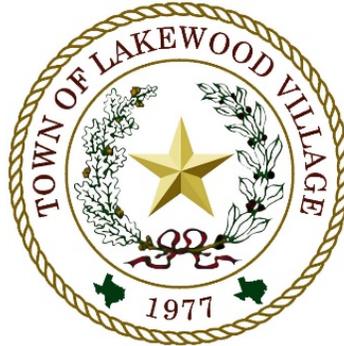


Exhibit "A"
Town of Lakewood Village Official Map



Town of Lakewood Village Official Town Map
Certified Official Town Map as of: December 9, 2021

Linda Ruth
Linda Ruth, TRMC, CMC, Town Administrator/Town Secretary

Legend	
	Corporate Boundaries
	ETJ
	Property Boundaries



**AGREEMENT FOR PUBLIC IMPROVEMENT DISTRICT
ADMINISTRATION SERVICES**

This Operations and Maintenance Public Improvement District Administration Services (“Agreement”) is entered into this _____ day of _____, 2022, by and between P3Works, LLC (“P3Works”), and the Town of Lakewood Village, Texas (“Town”).

RECITALS

WHEREAS, the Town Council is anticipating the creation of the Sanctuary Public Improvement District No. _ ("PID No. _" or "District") to finance among the Authorized Improvements, the operation and maintenance of certain public improvements for the benefit of property within the District; and

WHEREAS, the Town requires specialized services related to the revision and updating of the Operation and Maintenance portion of the Service and Assessment Plan ("Service and Assessment Plan"), as more fully set forth in this Agreement; and

WHEREAS, P3Works has the expertise to properly establish and administer the District and ensure compliance with Texas Local Government Code Chapter 372; and

WHEREAS, the Town desires to retain P3Works to provide Operations and Maintenance District administration services;

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for good and valuable consideration, P3Works and the Town agree as follows:

ARTICLE I

TERM OF AGREEMENT

1.0 The Agreement shall be effective as of its approval by all parties and shall be for a period of three (3) years and shall automatically continue on a year to year basis until terminated pursuant to Article IV of this Agreement.

ARTICLE II

SERVICES TO BE PROVIDED BY P3WORKS

2.0 The scope and timing of services to be performed by P3Works are set forth in Exhibit A, which is attached hereto and incorporated into this Agreement by this reference.

2.1 P3Works agrees that its services pursuant to this Agreement shall at all times be subject to the control and supervision of the Town and that nothing in this Agreement shall constitute an

assignment of any right or obligation of the Town under any applicable contract, agreement, or law. P3Works shall not represent to any property owner or any other person that it or any of its employees are acting as the Town or employees of the Town.

2.2 No substantial changes in the scope of services shall be made without the prior written approval of P3Works and the Town.

2.3 P3Works shall supply all tools and means necessary to perform the services and production of the work product described in Exhibit A.

ARTICLE III

PAYMENT TERMS AND CONDITIONS

3.0 In consideration for the services to be performed by P3Works, the Town agrees to pay P3Works the fees for all services and related costs and expenses set forth in Exhibit A, beginning the first day of the month following the execution of this Agreement. Once assessments have been levied the Monthly Collection Fees will begin, and then the February 1 following the levy of assessments, and each February 1 thereafter, the fees shall increase by 2%.

3.1 Monthly invoices shall be submitted to the Town for work completed. Town agrees to pay the amount due to P3Works upon receipt of each invoice.

3.2 Copies of all invoices to P3Works for expenses, materials, or services provided to P3Works will accompany the invoice to the Town. P3Works will pass any third-party cost through to the Town without markup and will not incur any expense in excess of \$200 without written consent of the Town.

3.3 The only source of payment for P3Works' fees and services shall be the District or funds advanced by the developer. The Town general fund shall never be used to pay for any expenses relating to P3Works' administration of the District. In the event there is insufficient District funds in a given year to pay P3Works' fees and expenses, P3Works agrees to defer the fees and expenses until such time as there are sufficient District funds or funds advanced by the developer.

ARTICLE IV

TERMINATION OF THIS AGREEMENT

4.0 Notwithstanding any other provisions of this Agreement, either party may terminate this Agreement at any time by giving sixty (60) days written notice to the other party without penalty and without limitation of its right to seek damages. Town shall pay P3Works, within 30 days of such termination, all of P3Works' fees and expenses actually accrued or incurred to and including the date of termination, including any amount incurred or accrued in connection with work in progress.

ARTICLE V

GENERAL PROVISIONS

5.0 This Agreement supersedes any and all agreements, either oral or written, between the parties

hereto with respect to rendering of services by P3Works for the Town and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party of this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party which are not embodied herein and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

5.1 This Agreement shall be administered and interpreted under the laws of the State of Texas. This Agreement shall not be construed for or against any party by reason of who drafted the provisions set forth herein. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall remain in full force and effect.

5.2 Neither this Agreement or any duties or obligations under this Agreement may be assigned by P3Works without the prior written consent of the Town.

5.3 The waiver by either party of a breach or violation of any provision of this Agreement will not operate as or be construed to be a waiver of any subsequent breach thereof.

5.4 All records, reports, and other documents prepared by P3Works for the purposes of providing the services described in this Agreement shall be property of the Town. All such documents shall be made available to the Town during the course of performance of this Agreement. Any reports, studies, photographs, negatives, or other documents or drawings prepared by P3Works in the performance of its obligations under this Agreement shall be the exclusive property of the Town and all such materials shall be remitted to the Town by P3Works upon completion, termination, or cancellation of this Agreement.

5.5 The Town acknowledges P3Works' ownership of its software, programs, inventions, know-how, trade secrets, confidential knowledge, source code, or other proprietary information relating to products, processes, services, software, formulas, developmental or experimental work, business plans, financial information, or other subject matter ("Confidential Information") pertaining to the business of P3Works. This Agreement shall not in any way give rise to any requirement or obligation for P3Works to disclose or release any Confidential Information.

5.6 The headings and article titles of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

5.7 Should either party commence any legal action or proceeding against the other based upon this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs.

5.8 All notices, requests, demands, and other communications which are required to be given under this agreement shall be in writing and shall be deemed to have been duly given upon the delivery by registered or certified mail, return receipt requested, postage prepaid thereon, as follows:

To P3Works:

Mary V. Petty
Managing Partner
P3Works, LLC
9284 Huntington Square, Ste. 100
North Richland Hills, Texas 76182

To Town:

Linda Ruth
Town Administrator
Town of Lakewood Village
100 Highride Dr
Lakewood Village, TX 75068

5.9 The parties hereby warrant that the persons executing this Agreement are authorized to execute this Agreement and are authorized to obligate the respective parties to perform this Agreement. A facsimile signature on this Agreement shall be treated for all purposes as an original signature.

Executed on this _____ day of _____, 2022:

P3Works, LLC

BY: _____
Mary V. Petty
Managing Partner

Town of Lakewood Village

BY: _____
Linda Ruth
Town Administrator

EXHIBIT A
SERVICES TO BE PROVIDED

BASIC DISTRICT ADMINISTRATION SERVICES

MONTHLY COLLECTION FEES WILL BEGIN ONCE ASSESSMENTS ARE LEVIED

Monthly Fee = \$1,250 beginning the first of the month following execution of this Agreement for the first improvement area.

For PIDs that P3Works did not create: Monthly Collection Fees will not begin until the first Annual SAP Update is drafted by P3Works and approved by Council, therefore all work completed to that point will be billed hourly.

See Section below related to “Consulting Services Relating to Future Improvement Areas” for hourly fees.

Prepare Annual Service and Assessment Plan Update

1. Obtain updated operations and maintenance cost estimates (or actual costs for completed expenditures) for District improvements, from the Town or Town representative(s) and update service and assessment plan text and tables.
2. Update service and assessment plan text and tables as necessary to account for any changes in development plan or land uses.
3. Update annual District assessment roll.
4. Identify parcel subdivisions, conveyance to owners’ associations, changes in land use, and any other information relevant to the levy of special assessments.
5. Review maps of tax parcels to compile/audit list of parcels that are within the District for the upcoming year. Classify each parcel pursuant to the approved service and assessment plan.
6. Identify any parcels dedicated to any property types classified as exempt by the service and assessment plan.
7. Update District database with newly subdivided parcels and property type classifications.
8. Based on O&M Budget provided by the Town, calculate annual special assessment for each parcel. Verify the sum of annual installments for all parcels in the District is sufficient to meet the annual O&M Budget requirements, administration expenses, and any provisions for delinquency reserves.
9. Calculate other funds available, such as reserve fund income, capitalized interest, and interest income. Reduce annual assessment based on findings according to approved service and assessment plan.
10. Present preliminary annual assessment roll and Service and Assessment Plan to Town. Upon approval by Town, submit final annual assessment roll to County Tax Collector.

Provide Public Information Request Support

1. If requested, P3Works will respond to any calls and or emails relating to the District. P3Works will only provide technical answers relating to the annual assessments or the District generally. P3Works will not provide any commentary on Town policy relating to PIDs.
2. If the Town receives a notice from a property owner alleging an error in the calculation of any matters related to the annual assessment roll for the District, P3Works will review and provide a written response to the Town. If a calculation error occurred, P3Works will take corrective action as required to correct the error.

Delinquency Management

1. After the end of the annual assessment installment collection period, P3Works will prepare a delinquent special assessment report, which details which parcels are delinquent and the amount of delinquency.
2. P3Works will notify the Town what action must be taken relating to delinquent parcels, if any, to remain in compliance with the District documents.

ADDITIONAL DISTRICT SERVICES

Billed at P3Works' prevailing hourly rates, which are currently as follows:

<i>Title</i>	<i>Hourly Rate</i>
<i>Managing Partner</i>	<i>\$250</i>
<i>Vice President</i>	<i>\$185</i>
<i>Senior Associate</i>	<i>\$160</i>
<i>Associate</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. Travel will be billed at the hourly rates.*

O&M Budget and Public Notice Administration

1. P3Works will coordinate with the Town's designated representative(s) to verify budgets for the operations and maintenance costs to the standards of the governing body. Time spent in meetings/calls and/or travel to meetings related to budget coordination are billed on an hourly basis.
2. Creation of and Dissemination of Public Hearing Notices to property owners is billed on an hourly basis. Any printing materials, paper/envelope supplies and/or postage will be billed at direct cost to the Town with receipt(s) provided for reimbursement.

Consulting Services Relating to Future Improvement Areas (to be paid from Developer funds advanced to Town)

1. P3Works will update the Service and Assessment Plan and Assessment Roll including the future Improvement Area
2. P3Works will coordinate with Town's attorney and financial advisor to ensure all related documents are in compliance with State Law.
3. P3Works will prepare any additional reports or analyses as needed.

**AGREEMENT FOR PUBLIC IMPROVEMENT DISTRICT
ADMINISTRATION SERVICES**

This Agreement for Public Improvement District Administration Services (“Agreement”) is entered into this _____ day of _____, 2022, by and between P3Works, LLC (“P3Works”), and the Town of Lakewood Village, Texas (“Town”).

RECITALS

WHEREAS, the Town Council is anticipating the creation of the Sanctuary Public Improvement District No. _ ("PID No. _" or "District") to finance the costs of certain public improvements for the benefit of property within the District; and

WHEREAS, the Town may consider issuing bonds to fund certain improvements in the PID as authorized by the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended; and

WHEREAS, the Town requires specialized services related to the revision and updating of the Service and Assessment Plan ("Service and Assessment Plan"), bond issuance, and the administration of the District, as more fully set forth in this Agreement; and

WHEREAS, P3Works has the expertise to properly establish and administer the District and ensure compliance with Texas Local Government Code Chapter 372; and

WHEREAS, the Town desires to retain P3Works to provide District administration services;

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for good and valuable consideration, P3Works and the Town agree as follows:

ARTICLE I

TERM OF AGREEMENT

1.0 The Agreement shall be effective as of its approval by all parties and shall be for a period of three (3) years and shall automatically continue on a year to year basis until terminated pursuant to Article IV of this Agreement.

ARTICLE II

SERVICES TO BE PROVIDED BY P3WORKS

2.0 The scope and timing of services to be performed by P3Works are set forth in Exhibit A, which is attached hereto and incorporated into this Agreement by this reference.

2.1 P3Works agrees that its services pursuant to this Agreement shall at all times be subject to the control and supervision of the Town and that nothing in this Agreement shall constitute an assignment of any right or obligation of the Town under any applicable contract, agreement, or law. P3Works shall not represent to any property owner or any other person that it or any of its employees are acting as the Town or employees of the Town.

2.2 No substantial changes in the scope of services shall be made without the prior written approval of P3Works and the Town.

2.3 P3Works shall supply all tools and means necessary to perform the services and production of the work product described in Exhibit A.

ARTICLE III

PAYMENT TERMS AND CONDITIONS

3.0 In consideration for the services to be performed by P3Works, the Town agrees to pay P3Works the fees for all services and related costs and expenses set forth in Exhibit A, beginning the first day of the month following the execution of this Agreement. Beginning on the February 1 following the levy of the Assessment and each February 1 thereafter, the fees shall increase by 2%.

3.1 Monthly invoices shall be submitted to the Town for work completed. Town agrees to pay the amount due to P3Works upon receipt of each invoice.

3.2 Copies of all invoices to P3Works for expenses, materials, or services provided to P3Works will accompany the invoice to the Town. P3Works will pass any third-party cost through to the Town without markup and will not incur any expense in excess of \$200 without written consent of the Town.

3.3 The only source of payment for P3Works' fees and services shall be the District or funds advanced by the developer. The Town general fund shall never be used to pay for any expenses relating to P3Works' administration of the District. In the event there is insufficient District funds in a given year to pay P3Works' fees and expenses, P3Works agrees to defer the fees and expenses until such time as there are sufficient District funds or funds advanced by the developer.

ARTICLE IV

TERMINATION OF THIS AGREEMENT

4.0 Notwithstanding any other provisions of this Agreement, either party may terminate this Agreement at any time by giving sixty (60) days written notice to the other party without penalty and without limitation of its right to seek damages. Town shall pay P3Works, within 30 days of such termination, all of P3Works' fees and expenses actually accrued or incurred to and including the date of termination, including any amount incurred or accrued in connection with work in progress.

ARTICLE V

GENERAL PROVISIONS

5.0 This Agreement supersedes any and all agreements, including any Original PID Administration Agreement, either oral or written, between the parties hereto with respect to rendering of services by P3Works for the Town and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party of this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party which are not embodied herein and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

5.1 This Agreement shall be administered and interpreted under the laws of the State of Texas. This Agreement shall not be construed for or against any party by reason of who drafted the provisions set forth herein. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall remain in full force and effect.

5.2 Neither this Agreement or any duties or obligations under this Agreement may be assigned by P3Works without the prior written consent of the Town.

5.3 P3Works is a PID Administration firm, does not provide financial advice, and is not an Independent Registered Municipal Advisor under the SEC and MSRB Rules, therefore, P3Works will request an IRMA Exemption Letter if not already provided on the Town's website, and then will provide to the Town an IRMA Exemption Acceptance Letter in the general form attached as Exhibit B upon execution of the Agreement.

5.4 The waiver by either party of a breach or violation of any provision of this Agreement will not operate as or be construed to be a waiver of any subsequent breach thereof.

5.5 Upon acceptance or approval by Town, all deliverables prepared or assembled by P3Works under this Agreement, and any other related documents or items shall be delivered to Town, in hard copy and digital format for Town use only. All digital data which contains algorithms, formulas, methodologies and related content provided to the Town by the P3Works shall remain the property of the P3Works, and is provided as backup documentation to the deliverables, but shall not be released in digital format to any third-parties due to the proprietary nature of the intellectual data.

5.6 The Town acknowledges P3Works' ownership of its software, programs, inventions, know-how, trade secrets, confidential knowledge, source code, or other proprietary information relating to products, processes, services, software, formulas, developmental or experimental work, business plans, financial information, or other subject matter ("Confidential Information") pertaining to the business of P3Works. This Agreement shall not in any way give rise to any requirement or obligation for P3Works to disclose or release any Confidential Information.

5.7 The headings and article titles of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

5.8 Should either party commence any legal action or proceeding against the other based upon this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs.

5.9 All notices, requests, demands, and other communications which are required to be given under this agreement shall be in writing and shall be deemed to have been duly given upon the delivery by registered or certified mail, return receipt requested, postage prepaid thereon, as follows:

To P3Works:

Mary V. Petty
Managing Partner
P3Works, LLC
9284 Huntington Square, Ste. 100
North Richland Hills, Texas 76182

To Town:

Linda Ruth
Town Administrator
Town of Lakewood Village
100 Highride Dr
Lakewood Village, TX 75068

5.10 The parties hereby warrant that the persons executing this Agreement are authorized to execute this Agreement and are authorized to obligate the respective parties to perform this Agreement. A facsimile signature on this Agreement shall be treated for all purposes as an original signature.

Executed on this _____ day of _____, 2022:

P3Works, LLC

BY: _____
Mary V. Petty
Managing Partner

Town of Lakewood Village

BY: _____
Linda Ruth
Town Administrator

EXHIBIT A
SERVICES TO BE PROVIDED

PID FORMATION, SERVICE AND ASSESSMENT PLAN PREPARATION, AND BOND ISSUANCE SUPPORT SERVICES

Billed at P3Works' prevailing hourly rates, which are currently as follows:

<i>Title</i>	<i>Hourly Rate</i>
<i>Managing Partner</i>	<i>\$250</i>
<i>Vice President</i>	<i>\$185</i>
<i>Senior Associate</i>	<i>\$160</i>
<i>Associate</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. Travel times will be billed at hourly rates.*

District Due Diligence and Preparation of PID Plan of Finance

1. P3Works will review project information and in conjunction with the Town's Financial Advisor review a plan of finance for the proposed transaction, including
 - a) Assessed value schedules, value to lien analysis, and overall structuring to achieve Town goals and objectives
 - b) Identify areas of risk with the Town's Financial Advisor, and solutions to mitigate the risks,
 - c) Bond sizing and bond phasing by improvement area,
 - d) Sources and uses of funds by improvement area,
 - e) Debt service schedules, and;
 - f) Assessment allocation and associated estimated annual installment by lot type for each improvement area.

Preparation of Service and Assessment Plan

1. P3Works will prepare a complete and final Service and Assessment Plan to be adopted by Town Council and included in the Official Statement for the Bonds based on the Plan of Finance.
2. P3Works will present the Service and Assessment Plan to Town Council and request approval of Assessment Roll.

Bond Issuance Support

1. P3Works will ensure bond documents, including the PID financing agreement, bond indenture, and official statement are all consistent with the Service and Assessment Plan.
2. P3Works will provide ad-hoc analysis as requested by the underwriter in preparation of the preliminary official statement.

Participation in Presentations to Town Council or other Public Forums

1. P3Works will prepare and present information as requested to the Town Council or any other public forum.

BASIC DISTRICT ADMINISTRATION SERVICES

If no bonds are sold:

Monthly Fee = \$1,500 beginning the first of the month following execution of this Agreement for the first improvement area; and \$1,000 per month for each improvement area thereafter. (Proration will occur for any partial month if not begun on the 1st day of the month.)

If bonds are sold:

Monthly Fee amounts will be \$2,500 for the first improvement area beginning the first month following the issuance of bonds; and \$1,250 per month for each improvement area thereafter.

For PIDs that P3Works did not create: Monthly Collection Fees will not begin until the first Annual SAP Update is drafted by P3Works and approved by Council, therefore all work completed to that point will be billed hourly.

See Section below related to “Consulting Services Relating to Future Improvement Areas and related Bond Issuance” for hourly fees if bonds are contemplated.

Prepare Annual Service and Assessment Plan Update

1. If possible, obtain updated construction cost estimates (or actual costs for completed facilities) for District improvements, and update service and assessment plan text and tables.
2. Update service and assessment plan text and tables as necessary to account for any changes in development plan or land uses.
3. Update annual District assessment roll.
4. Identify parcel subdivisions, conveyance to owners' associations, changes in land use, and any other information relevant to the levy of special assessments.
5. Review maps of tax parcels to compile/audit list of parcels that are within the District for the upcoming bond year. Classify each parcel pursuant to the approved service and assessment plan.
6. Identify any parcels dedicated to any property types classified as exempt by the service and assessment plan.
7. Update District database with newly subdivided parcels and property type classifications.
8. Calculate annual special assessment for each parcel. Verify the sum of annual installments for all parcels in the District is sufficient to meet the annual debt service requirement, administration expenses, and any provisions for delinquency or prepayment reserves.
9. Calculate other funds available, such as reserve fund income, capitalized interest, and interest income. Reduce annual assessment based on findings according to approved service and assessment plan.
10. Present preliminary annual assessment roll to Town. Upon approval by Town, submit final annual assessment roll to County Tax Collector.

Administration of Bond Funds (if bonds are sold)

1. Review and summarize the account statements for the funds maintained by the trustee. Ensure annual special assessment calculation is compliant with Indenture as it relates to each fund.
2. Provide annual summary of all District accounts maintained by Trustee at the time the annual service and assessment plan update is performed.

Provide Public Information Request Support

1. If requested, P3Works will respond to any calls and or emails relating to the District. P3Works will only provide technical answers relating to the annual assessments or the District generally. P3Works will not provide any commentary on Town policy relating to PIDs.
2. If the Town receives a notice from a property owner alleging an error in the calculation of any matters related to the annual assessment roll for the District, P3Works will review and provide a written response to the Town. If a calculation error occurred, P3Works will take corrective action as required to correct the error.

Delinquency Management

1. After the end of the annual assessment installment collection period, P3Works will prepare a delinquent special assessment report, which details which parcels are delinquent and the amount of delinquency.
2. P3Works will notify the Town what action must be taken relating to delinquent parcels, if any, to remain in compliance with the District bond documents.

Website Setup

1. Prepare for the P3Works website database searchable by property tax ID for use by property owners, title companies, mortgage companies, or other interested parties. The search results will provide assessment information, including outstanding principal, annual installment amount, payment information, and a breakdown of the assessment installment by use (principal, interest, reserve fund accounts, administrations, etc.)
2. Prepare “District Information” page for website. Information will include a background of the District formation and bond issuance process, District boundary map, and description of improvements. In additions, P3Works will provide a link to District documents.

DISTRICT ADMINISTRATION SETUP SERVICES (Required for any existing PID not created by P3Works.)

\$7,500 One Time Lump Sum Fee

1. P3Works will review the full bond transcript and identify all requirements of the Town relating to District administration and/or disclosure requirements.
2. Prepare written summary of all Town administration and disclosure requirements.
3. Prepare calendar of all relevant dates and deadlines for District administration and disclosure requirements.
4. Meet with County Assessor’s office to establish procedure for obtaining parcel information for assessment roll.
5. Meet with County Tax Office to establish procedure to include District assessment roll on property tax bill.
6. Meet with Town representatives to finalize policies and procedures relating to District Administration.

ADDITIONAL DISTRICT ADMINISTRATION SERVICES

Billed at P3Works' prevailing hourly rates, which are currently as follows:

<i>Title</i>	<i>Hourly Rate</i>
<i>Managing Partner</i>	<i>\$250</i>
<i>Vice President</i>	<i>\$185</i>
<i>Senior Associate</i>	<i>\$160</i>
<i>Associate</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. Travel will be billed at the hourly rates.*

Continuing Disclosure Services

1. P3Works will prepare the form of the annual report as required by the continuing disclosure agreements and work with the Town and the Developer to complete.
2. P3Works will request from developer the reports due pursuant to the developer disclosure agreement and disseminate these reports pursuant to the disclosure agreement; including Seller's Disclosures.
3. Upon notification by any responsible party or if P3Works independently becomes aware of such knowledge, P3Works will prepare notices of material events covering the events enumerated in the disclosure agreements.
4. P3Works will coordinate with the Trustee to disseminate the annual reports, quarterly reports from the developer, and notice of significant events to the Municipal Securities Rulemaking Board (MSRB) and any other parties required in the continuing disclosure agreement.

Developer Payment Request Administration

1. P3Works will review all developer payment requests to ensure the request complies with the PID Financing Agreement, the District service and assessment plan, and any other relevant provisions contained in the District documents.
2. P3Works will audit the developer payment request to ensure there is proper backup documentation and that the accounting is accurate.
3. P3Works will coordinate with the Town's designated representative to ensure the improvements were built to the standards of the accepting governing body.
4. P3Works will ensure improvements to be dedicated are free and clear of all liens and encumbrances.

Consulting Services Relating to Future Improvement Areas and related Bond Issuance (to be paid from Developer funds advanced to Town)

1. P3Works will update the Service and Assessment Plan to comply with Bond documents.
2. P3Works will prepare an updated Assessment Roll including the future Improvement Area
3. P3Works will coordinate with Town's bond counsel, financial advisor, and the bond underwriter to ensure the Bonds and all related documents are in compliance with State Law.
4. P3Works will prepare any additional reports or analyses as needed to successfully issue the Bonds.

EXHIBIT B
IRMA EXEMPTION LETTER



P3Works, LLC.
9284 Huntington Sq.
Suite 100
North Richland Hills,
Texas 76182

Mary V. Petty
Managing Partner
+1.817.393-0353 Phone
Admin@P3-Works.com

January 25, 2022

Linda Ruth
Town Administrator
Town of Lakewood Village
100 Highride Dr
Lakewood Village, TX 75068

RE: IRMA Exemption/Acceptance Letter

To Whom It May Concern:

We have received your written representation, dated _____, 20__, that the Town of Lakewood Village (the "Town") has engaged and is represented by _____, an independent registered Municipal Advisor ("IRMA"). In accordance with Section 15Ba1-1(d)(3)(vi) of the Securities Exchange Act of 1934 ("Securities Exchange Act"), we understand and intend for the Town to rely on IRMA's advice in evaluating recommendations brought forward by P3Works, LLC that constitute "advice" as defined in the Securities Exchange Act ("IRMA Exemption").

Furthermore, P3Works, LLC has conducted reasonable due diligence and is confirming that to the best of our knowledge, the IRMA is independent from P3Works, LLC, that P3Works, LLC is not a municipal advisor and is not subject to the fiduciary duty to municipal entities that the Security and Exchange Act imposes on municipal advisors, and that P3Works, LLC has a reasonable basis for relying on the IRMA Exemption. We will advise you, in writing, if we become aware of any changes.

P3Works, LLC provides PID Administration as consult services to Cities and Counties.

As required by the relevant sections of the Securities Exchange Act regarding Municipal Advisors, we are informing your identified IRMA of these facts.

Mary V. Petty

Managing Partner

P3Works, LLC

Jon Snyder

Managing Partner

P3Works, LLC

**TOWN OF LAKEWOOD VILLAGE, TEXAS
RESOLUTION NO. 22-__**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, ACCEPTING A PETITION TO DISSOLVE THE LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 SUBJECT TO THE CREATION OF A NEW PUBLIC IMPROVEMENT DISTRICT FOR THE SANCTUARY DEVELOPMENT WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE TOWN OF LAKEWOOD VILLAGE; AND CALLING FOR A PUBLIC HEARING REGARDING THE PROPOSED DISSOLUTION; AND AUTHORIZING THE ISSUANCE OF NOTICE BY THE TOWN SECRETARY OF LAKEWOOD VILLAGE, TEXAS REGARDING THE PUBLIC HEARING.

WHEREAS, Chapter 372 of the Texas Local Government Code (the “*Act*”) authorizes the creation of public improvement districts; and

WHEREAS, on August 12, 2021, the Town Council (the “*Town Council*”) of the Town of Lakewood Village, Texas (the “*Town*”) authorized the creation of The Lakewood Village Public Improvement District No. 1 (the “*District*”) by approving Resolution No. 21-11 in accordance with the Act; and

WHEREAS, on March __, 2022, the owners of real property in the District delivered to the Town of Lakewood Village, Texas a petition (the “*Dissolution Petition*”), which is attached hereto as **Exhibit A** and is incorporated herein for all purposes, requesting the Town Council dissolve the District, subject to the creation of a new public improvement district for The Sanctuary development consisting of approximately 70.16 acres as described in that certain “*Petition for the Creation of a Public Improvement District within the Extraterritorial Jurisdiction of Lakewood Village, Texas, for The Sanctuary Development*”; and

WHEREAS, the Dissolution Petition was signed by: (i) the owners of taxable real property representing more than fifty percent (50%) of the appraised value of the taxable real property liable for assessment, as determined by the current roll of the Denton Central Appraisal District, and (ii) the record owners of real property who: (A) constitute more than fifty percent (50%) of all record owners of property that is liable for assessment within the District; or (B) own taxable real property that constitutes more than fifty percent (50%) of the area of all taxable real property that is liable for assessment; and

WHEREAS, as provided by Section 372.011 of the Act, the Town Council may hold a public hearing on the advisability of dissolving the District in the same manner as a public hearing under Section 372.009 of the Act if a petition requesting dissolution meeting the requirements of the Act is filed in accordance with the Act; and

WHEREAS, the Town Council wishes to accept the Dissolution Petition and call a public hearing on the advisability of dissolving the District subject to the creation of a new public improvement district for The Sanctuary development.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

Section 1. The findings set forth in the recitals of this Resolution are found to be true and correct and are hereby approved and incorporated by reference as though fully set forth herein.

Section 2. Town staff reviewed the Dissolution Petition and determined that the same complied with the requirements of the Act; and, the Town Council accepts the Dissolution Petition. The Dissolution Petition is filed in the office of the Town Secretary and is available for public inspection.

Section 3. The Town Council calls a public hearing to be scheduled at or after 7:00 p.m. on April 14, 2022, to be held at 100 Highridge Drive, Lakewood Village, Texas on the advisability of dissolving the District subject to creation of a new public improvement district for The Sanctuary development. Attached hereto as **Exhibit B** is a form of the Notice of Public Hearing, the form and substance of which is hereby adopted and approved. All residents and property owners within the District, and all other persons, are hereby invited to appear in person, or by their attorney, and speak on the dissolution of the District. Following adjournment of the public hearing the Town Council may dissolve the District.

Section 4. The Town Council hereby authorizes and directs the Town Secretary, on or before March 29, 2022, in accordance with the Act, to: (a) publish notice of the public hearing in a newspaper of general circulation in the Town and in the part of the extraterritorial jurisdiction in which the District is located; and, (b) mail notice of the public hearing to the owners of property located in the proposed District as reflected on the tax rolls.

Section 5. If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Town Council hereby determines that it would have adopted this Resolution without the invalid provision.

Section 6. This Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

[Remainder of page left blank intentionally.]

PASSED AND APPROVED THIS THE 10TH DAY OF MARCH, 2022.

**TOWN OF LAKEWOOD
VILLAGE, TEXAS**

DR. MARK VARGUS, MAYOR

ATTEST:

**LINDA RUTH
TOWN ADMINISTRATOR/ SECRETARY**

**EXHIBIT A
DISSOLUTION PETITION**

**PETITION FOR THE DISSOLUTION OF
THE LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 WITHIN
THE EXTRATERRITORIAL JURISDICTION OF THE TOWN OF LAKEWOOD
VILLAGE, TEXAS, SUBJECT TO THE CREATION OF A NEW PUBLIC
IMPROVEMENT DISTRICT FOR THE SANCTUARY DEVELOPMENT**

TO THE HONORABLE MAYOR AND TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, DENTON COUNTY, TEXAS:

Taylor Morrison of Texas, Inc., a Texas corporation (“Owner”), is the owner of the approximately 63.8 acres described by metes and bounds on Exhibit A (the “Property”) that lies within the boundaries of The Lakewood Village Public Improvement District No. 1 (the “Existing District”) related to the development known as “The Sanctuary” (the “Development”). The Town Council of the Town of Lakewood Village, Texas (the “Town”) created the Existing District by Resolution No. 21-11 adopted on August 12, 2021, pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the “Act”).

Concurrently with this petition (the “Dissolution Petition”), Owner submitted and filed with the Town Secretary of the Town a “Petition for the Creation of a Public Improvement District Within the Extraterritorial Jurisdiction of the Town of Lakewood Village, Texas, for The Sanctuary Development”, dated [FILING DATE], 2022 (the “PID Creation Petition”) requesting the creation of a public improvement district related to the Development and consisting of all of the Property and adding approximately 6.334 acres that was not included in the Existing District. The property consisting of the 70.16 acres to be included in the new public improvement district (the “New District”) is described and depicted in the exhibits to the PID Creation Petition. Owner, pursuant to Section 372.011 of the Act and subject to the creation of the New District as described in the PID Creation Petition, hereby respectfully petitions the Town, to dissolve the Existing District after a public hearing meeting the requirements of Sections 372.009 and 372.011 of the Act.

This Dissolution Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

Exhibits referenced in this Dissolution Petition are attached hereto and made a part hereof for all purposes.

[Remainder of page left blank intentionally. Signature page follows.]

RESPECTFULLY SUBMITTED, on this _____, 2022.

OWNER:

TAYLOR MORRISON OF TEXAS, INC.,
a Texas corporation

By: _____

Name: _____

Title: _____

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

EXHIBIT B
TOWN OF LAKEWOOD VILLAGE, TEXAS
NOTICE OF PUBLIC HEARING REGARDING THE DISSOLUTION OF A
PUBLIC IMPROVEMENT DISTRICT

Pursuant to Sections 372.009(c) and (d) and Section 372.011 of the Texas Local Government Code, as amended, notice is hereby given that the Town Council of the Town of Lakewood Village, Texas (“Lakewood Village”), will hold a public hearing to accept public comments and discuss the petition (the “Petition”), filed by Taylor Morrison of Texas, Inc., a Texas corporation, (the “Petitioner”), requesting that Lakewood Village dissolve the existing The Lakewood Village Public Improvement District No. 1 (the “District”) that was created by Resolution No. 21-11 adopted on August 12, 2021 so that Lakewood Village may create a new public improvement district for The Sanctuary development to include the property owned by the Petitioner located wholly within the extraterritorial jurisdiction of Lakewood Village as described in the Petition. The Petition is available for inspection during normal business hours at the Town Hall of Lakewood Village, 100 Highridge Drive, Lakewood Village, Texas.

Time and Place of the Hearing. The public hearing will start at or after 7:00 p.m. on April 14, 2022 at 100 Highridge Drive, Lakewood Village, Texas 75068.

**TOWN OF LAKEWOOD VILLAGE, TEXAS
RESOLUTION NO. 22-___**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, ACCEPTING A PETITION TO CREATE THE LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1; CALLING FOR A PUBLIC HEARING UNDER SEC. 372.009 OF THE TEXAS LOCAL GOVERNMENT CODE FOR THE CREATION OF THE LAKEWOOD VILLAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS; AND AUTHORIZING THE ISSUANCE OF NOTICE BY THE TOWN SECRETARY OF LAKEWOOD VILLAGE, TEXAS REGARDING THE PUBLIC HEARING.

WHEREAS, Chapter 372 of the Texas Local Government Code (the “*Act*”) authorizes the creation of public improvement districts; and

WHEREAS, on March __, 2022, the owners of real property delivered to the Town of Lakewood Village, Texas (the “*Town*”) a petition for the property described in Exhibit A thereto (the “*Petition*”, which is attached as **Exhibit A** and incorporated herein for all purposes) meeting the requirements of the Act and indicating: (i) the owners of more than fifty percent (50%) of the appraised value of the taxable real property liable for assessment, and (ii) the owners of more than fifty percent (50%) of the area of all taxable real property liable for assessment within the District have executed the Petition requesting that the Town Council create The Lakewood Village Public Improvement District No. 1 (the “*District*”); and

WHEREAS, the Act states that the Petition is sufficient if signed by owners of more than fifty percent (50%) of the taxable real property, according to appraised value, and either of the following: more than fifty percent (50%) of the area of all taxable real property liable for assessment under the proposal, or more than fifty percent (50%) of all record owners of property liable for assessment; and

WHEREAS, the Act further requires that prior to the adoption of the resolution creating the District, the Town Council must hold a public hearing on the advisability of the improvements, the nature of the improvements contemplated, the estimated costs of the improvements, the boundaries of the District, the method of assessment, and the apportionment, if any, of the costs between the District and the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

Section 1. The findings set forth in the recitals of this Resolution are found to be true and correct and are hereby approved and incorporated by reference as though fully set forth herein.

Section 2. Town staff reviewed the Petition and determined that same complied with the requirements of the Act and the Town Council accepts the Petition. The Petition is filed with the office of the Town Secretary and is available for public inspection.

Section 3. The Town Council calls a public hearing to be scheduled at or after 7:00 p.m. on April 14, 2022, to be held at 100 Highridge Drive, Lakewood Village, Texas on the advisability of the improvements, the nature of the improvements contemplated, the estimated costs of the improvements, the boundaries of the District, the method of assessment, and the apportionment, if any, of the costs between the District and the Town. Attached hereto as **Exhibit B** is a form of the Notice of Public Hearing, the form and substance of which is hereby adopted and approved. All residents and property owners within the District, and all other persons, are hereby invited to appear in person, or by their attorney, and speak on the creation of the District.

Section 4. The Town Council hereby authorizes and directs the Town Secretary, on or before March 29, 2022, in accordance with the Act, to: (a) publish notice of the public hearing in a newspaper of general circulation in the Town and in the part of the extraterritorial jurisdiction in which the District is located; and, (b) mail notice of the public hearing to the owners of property located in the proposed District as reflected on the tax rolls.

Section 5. If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Town Council hereby determines that it would have adopted this Resolution without the invalid provision.

Section 6. This Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

[Remainder of page left blank intentionally.]

PASSED AND APPROVED THIS THE 10TH DAY OF MARCH, 2022.

**TOWN OF LAKEWOOD VILLAGE,
TEXAS**

DR. MARK VARGUS, MAYOR

ATTEST:

**LINDA RUTH
TOWN ADMINISTRATOR/ SECRETARY**

**EXHIBIT A
PETITION FOR CREATION**

**PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT
WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE TOWN OF
LAKEWOOD VILLAGE, TEXAS, FOR THE SANCTUARY DEVELOPMENT**

This petition (the “Petition”) is submitted and filed with the Town Secretary of the Town of Lakewood Village, Texas (the “Town”), by Taylor Morrison of Texas, Inc., a Texas corporation (the “Owner”), acting pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the “Act”), requesting that the Town create a public improvement district (the “District”) to include property owned by the Owner and located within the extraterritorial jurisdiction of the Town (the “Property”), more particularly described in **Exhibit A** and depicted in **Exhibit B**. In support of this Petition, the Owner would present the following:

Section 1. General Nature of the Authorized Capital Improvements. The purposes of the District include the design, acquisition, and construction of public improvement projects authorized by §372.003(b) of the Act that are necessary for development of the Property, which public improvements will include, but not be limited to: (1) design, construction and other allowed costs related to street and roadway improvements, including related earthwork, sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, and rights-of-way; (2) design, construction and other allowed costs related to storm drainage improvements; (3) design, construction and other allowed costs related to water, wastewater and drainage (including detention) improvements and facilities; (4) design, construction and other allowed costs related to erection of fountains, distinctive lighting and signs, and acquisition and installation of pieces of art; (5) design, construction and other allowed costs related to parks, open space, and recreational improvements, including trails, landscaping, and irrigation related thereto; (6) design, construction and other allowed costs related to off-street parking facilities, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage and rights-of-way; (7) design, construction and other allowed costs related to projects similar to those listed in subsections (1) - (6) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (8) payment of expenses related to the establishment of the District; (9) payment of expenses related to the collection of the assessments, including annual installments thereof; and (10) payment of expenses related to financing items (1) through (9), which may include, but are not limited to, costs associated with issuance and sale of revenue bonds secured by assessments levied against the property within the District (collectively, the “Authorized Capital Improvements”). These Authorized Capital Improvements shall promote the interests of the Town and confer a special benefit on the Property.

Section 2. Estimated Cost of the Authorized Capital Improvements. The Owner estimates that the cost to design, acquire, and construct the Authorized Capital Improvements is \$16,000,000.

Section 3. Boundaries of the Proposed District. The District is proposed to include the Property.

Section 4. Proposed Method of Assessment. The Town shall levy an assessment on each residential lot within the District to pay the cost of the Authorized Capital Improvements in a manner that results in imposing equal shares of the cost on property similarly benefited. Each assessment may be paid in full at any time (including accrued and unpaid interest) or may be paid in annual installments (including interest and debt). The installments must be paid in amounts necessary to meet annual costs for the Authorized Capital Improvements and must continue for a period necessary to retire the indebtedness on the Authorized Capital Improvements.

Section 5. Proposed Apportionment of Cost between the District and the Town. The Town shall not be obligated to provide any funds to finance the Authorized Capital Improvements. The cost of the Authorized Capital Improvements will be paid from the assessments and from other sources of funds, if any, available to the Owner.

Section 6. Management of the District. The Owner proposes that the District be managed by the Town, with the assistance of a consultant, who shall, from time to time, advise the Town regarding certain operations of the District.

Section 7. Owner Requests Establishment of the District. The person signing this Petition requests the establishment of the District.

Section 8. Advisory Board. The Owner proposes that the District be established and managed without the creation of an advisory body.

This Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

This Petition is hereby filed with the Town Secretary of the Town in support of the creation of the District by the Town Council as herein provided. The undersigned requests that the Town Council grant its consent as above stated.

[Remainder of page left blank intentionally. Signature page follows.]

RESPECTFULLY SUBMITTED, on this _____, 2022.

OWNER:

TAYLOR MORRISON OF TEXAS, INC.,
a Texas corporation

By: _____

Name: _____

Title: _____

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

EXHIBIT B
PROPERTY DEPICTION

EXHIBIT B

TOWN OF LAKEWOOD VILLAGE, TEXAS NOTICE OF PUBLIC HEARING REGARDING THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT

Pursuant to Section 372.009(c) and (d) of the Texas Local Government Code, as amended, notice is hereby given that the Town Council of the Town of Lakewood Village, Texas (“Lakewood Village”), will hold a public hearing to accept public comments and discuss the petition (the “Petition”), filed by Taylor Morrison of Texas, Inc., a Texas corporation (the “Owner”), requesting that Lakewood Village create The Lakewood Village Public Improvement District No. 1 (the “District”) to include property owned by the Owner.

Time and Place of the Hearing. The public hearing will start at or after 7:00 p.m. on April 14, 2022 at 100 Highridge Drive, Lakewood Village, Texas 75068.

General Nature of the Proposed Authorized Capital Improvements. The purposes of the District include the design, acquisition, construction, and improvement of public improvement projects authorized by the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code, as amended (the “Act”), that are necessary for the development of the property within the District, which public improvements may include, but not be limited to: (1) design, construction and other allowed costs related to street and roadway improvements, including related earthwork, sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, and rights-of-way; (2) design, construction and other allowed costs related to storm drainage improvements; (3) design, construction and other allowed costs related to water, wastewater and drainage (including detention) improvements and facilities; (4) design, construction and other allowed costs related to erection of fountains, distinctive lighting and signs, and acquisition and installation of pieces of art; (5) design, construction and other allowed costs related to parks, open space, and recreational improvements, including trails, landscaping, and irrigation related thereto; (6) design, construction and other allowed costs related to off-street parking facilities, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage and rights-of-way; (7) design, construction and other allowed costs related to projects similar to those listed in subsections (1) - (6) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (8) payment of expenses related to the establishment of the District; (9) payment of expenses related to the collection of the assessments, including annual installments thereof; and (10) payment of expenses related to financing items (1) through (9), which may include, but are not limited to, costs associated with issuance and sale of revenue bonds secured by assessments levied against the property within the District (collectively, the “Authorized Capital Improvements”). These Authorized Capital Improvements shall promote the interests of the Town and confer a special benefit on the property within the District.

Estimated Cost of the Authorized Capital Improvements. The estimated cost to design, acquire and construct the Authorized Capital Improvements, including eligible costs related to the establishment, administration and operation of the District and expenses associated with financing Authorized Capital Improvements is \$16,000,000.

Proposed District Boundaries. The District is proposed to include approximately 70.16 acres of land currently located within the extraterritorial jurisdiction of the Town, generally located south of Cardinal Ridge Lane, east of Lake Lewisville, and west of Eldorado Parkway, as more particularly described by a metes and bounds description available at Lakewood Village Town Hall located at 100 Highridge Drive, Lakewood Village, Texas 75068 and available for public inspection during regular business hours.

Proposed Method of Assessment. Lakewood Village shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including interest and debt), and certain assessments may be paid in annual installments (including interest and debt). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Capital Improvements financed by the assessments and must continue for a period necessary to retire the indebtedness issued to finance or refinance those Authorized Capital Improvements (including interest).

Proposed Apportionment of Cost between the District and Lakewood Village. Lakewood Village will not be obligated to provide any funds to finance the Authorized Capital Improvements, other than from assessments levied on the District property. No municipal property in the District shall be assessed. The Owner may also pay certain costs of the improvements from other funds available to it as developer of the District.

**TOWN OF LAKEWOOD VILLAGE, TEXAS
RESOLUTION NO. 22-__**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, ACCEPTING A PETITION TO DISSOLVE THE LAKEWOOD VILLAGE OPERATION AND MAINTENANCE PUBLIC IMPROVEMENT DISTRICT NO. 1 SUBJECT TO THE CREATION OF A NEW PUBLIC IMPROVEMENT DISTRICT FOR THE SANCTUARY DEVELOPMENT WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE TOWN OF LAKEWOOD VILLAGE; AND CALLING FOR A PUBLIC HEARING REGARDING THE PROPOSED DISSOLUTION; AND AUTHORIZING THE ISSUANCE OF NOTICE BY THE TOWN SECRETARY OF LAKEWOOD VILLAGE, TEXAS REGARDING THE PUBLIC HEARING.

WHEREAS, Chapter 372 of the Texas Local Government Code (the “*Act*”) authorizes the creation of public improvement districts; and

WHEREAS, on August 12, 2021, the Town Council (the “*Town Council*”) of the Town of Lakewood Village, Texas (the “*Town*”) authorized the creation of The Lakewood Village Operation and Maintenance Public Improvement District No. 1 (the “*District*”) by approving Resolution No. 21-10 in accordance with the Act; and

WHEREAS, on March __, 2022, the owners of real property in the District delivered to the Town of Lakewood Village, Texas a petition (the “*Dissolution Petition*”), which is attached hereto as **Exhibit A** and is incorporated herein for all purposes, requesting the Town Council dissolve the District, subject to the creation of a new public improvement district for The Sanctuary development consisting of approximately 70.16 acres as described in that certain “*Petition for the Creation of a Public Improvement District within the Extraterritorial Jurisdiction of Lakewood Village, Texas, for The Sanctuary Development*”; and

WHEREAS, the Dissolution Petition was signed by: (i) the owners of taxable real property representing more than fifty percent (50%) of the appraised value of the taxable real property liable for assessment, as determined by the current roll of the Denton Central Appraisal District, and (ii) the record owners of real property who: (A) constitute more than fifty percent (50%) of all record owners of property that is liable for assessment within the District; or (B) own taxable real property that constitutes more than fifty percent (50%) of the area of all taxable real property that is liable for assessment; and

WHEREAS, as provided by Section 372.011 of the Act, the Town Council may hold a public hearing on the advisability of dissolving the District in the same manner as a public hearing under Section 372.009 of the Act if a petition requesting dissolution meeting the requirements of the Act is filed in accordance with the Act; and

WHEREAS, the Town Council wishes to accept the Dissolution Petition and call a public hearing on the advisability of dissolving the District subject to the creation of a new public improvement district for The Sanctuary development.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

Section 1. The findings set forth in the recitals of this Resolution are found to be true and correct and are hereby approved and incorporated by reference as though fully set forth herein.

Section 2. Town staff reviewed the Dissolution Petition and determined that the same complied with the requirements of the Act; and, the Town Council accepts the Dissolution Petition. The Dissolution Petition is filed in the office of the Town Secretary and is available for public inspection.

Section 3. The Town Council calls a public hearing to be scheduled at or after 7:00 p.m. on April 14, 2022, to be held at 100 Highridge Drive, Lakewood Village, Texas on the advisability of dissolving the District subject to creation of a new public improvement district for The Sanctuary development. Attached hereto as **Exhibit B** is a form of the Notice of Public Hearing, the form and substance of which is hereby adopted and approved. All residents and property owners within the District, and all other persons, are hereby invited to appear in person, or by their attorney, and speak on the dissolution of the District. Following adjournment of the public hearing the Town Council may dissolve the District.

Section 4. The Town Council hereby authorizes and directs the Town Secretary, on or before March 29, 2022, in accordance with the Act, to: (a) publish notice of the public hearing in a newspaper of general circulation in the Town and in the part of the extraterritorial jurisdiction in which the District is located; and, (b) mail notice of the public hearing to the owners of property located in the proposed District as reflected on the tax rolls.

Section 5. If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Town Council hereby determines that it would have adopted this Resolution without the invalid provision.

Section 6. This Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

[Remainder of page left blank intentionally.]

PASSED AND APPROVED THIS THE 10TH DAY OF MARCH, 2022.

**TOWN OF LAKEWOOD
VILLAGE, TEXAS**

DR. MARK VARGUS, MAYOR

ATTEST:

**LINDA RUTH
TOWN ADMINISTRATOR/ SECRETARY**

**EXHIBIT A
DISSOLUTION PETITION**

**PETITION FOR THE DISSOLUTION OF
THE LAKEWOOD VILLAGE OPERATION AND MAINTENANCE PUBLIC
IMPROVEMENT DISTRICT NO. 1 WITHIN THE EXTRATERRITORIAL
JURISDICTION OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, SUBJECT TO
THE CREATION OF A NEW PUBLIC IMPROVEMENT DISTRICT FOR THE
SANCTUARY DEVELOPMENT**

TO THE HONORABLE MAYOR AND TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, DENTON COUNTY, TEXAS:

Taylor Morrison of Texas, Inc., a Texas corporation (“Owner”), is the owner of the approximately 63.8 acres described by metes and bounds on **Exhibit A** (the “Property”) that lies within the boundaries of The Lakewood Village Operation and Maintenance Public Improvement District No. 1 (the “Existing District”) related to the development known as “The Sanctuary” (the “Development”). The Town Council of the Town of Lakewood Village, Texas (the “Town”) created the Existing District by Resolution No. 21-10 adopted on August 12, 2021, pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the “Act”).

Concurrently with this petition (the “Dissolution Petition”), Owner submitted and filed with the Town Secretary of the Town a “Petition for the Creation of a Public Improvement District Within the Extraterritorial Jurisdiction of the Town of Lakewood Village, Texas, for The Sanctuary Development”, dated [FILING DATE], 2022 (the “PID Creation Petition”) requesting the creation of a public improvement district related to the Development and consisting of all of the Property and adding approximately 6.334 acres that was not included in the Existing District. The property consisting of the 70.16 acres to be included in the new public improvement district (the “New District”) is described and depicted in the exhibits to the PID Creation Petition. Owner, pursuant to Section 372.011 of the Act and subject to the creation of the New District as described in the PID Creation Petition, hereby respectfully petitions the Town, to dissolve the Existing District after a public hearing meeting the requirements of Sections 372.009 and 372.011 of the Act.

This Dissolution Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

Exhibits referenced in this Dissolution Petition are attached hereto and made a part hereof for all purposes.

[Remainder of page left blank intentionally. Signature page follows.]

RESPECTFULLY SUBMITTED, on this _____, 2022.

OWNER:

TAYLOR MORRISON OF TEXAS, INC.,
a Texas corporation

By: _____

Name: _____

Title: _____

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

EXHIBIT B
TOWN OF LAKEWOOD VILLAGE, TEXAS
NOTICE OF PUBLIC HEARING REGARDING THE DISSOLUTION OF A
PUBLIC IMPROVEMENT DISTRICT

Pursuant to Sections 372.009(c) and (d) and Section 372.011 of the Texas Local Government Code, as amended, notice is hereby given that the Town Council of the Town of Lakewood Village, Texas (“Lakewood Village”), will hold a public hearing to accept public comments and discuss the petition (the “Petition”), filed by Taylor Morrison of Texas, Inc., a Texas corporation, (the “Petitioner”), requesting that Lakewood Village dissolve the existing The Lakewood Village Operation and Maintenance Public Improvement District No. 1 (the “District”) that was created by Resolution No. 21-10 adopted on August 12, 2021 so that Lakewood Village may create a new public improvement district for The Sanctuary development to include the property owned by the Petitioner located wholly within the extraterritorial jurisdiction of Lakewood Village as described in the Petition. The Petition is available for inspection during normal business hours at the Town Hall of Lakewood Village, 100 Highridge Drive, Lakewood Village, Texas.

Time and Place of the Hearing. The public hearing will start at or after 7:00 p.m. on April 14, 2022 at 100 Highridge Drive, Lakewood Village, Texas 75068.

**TOWN OF LAKEWOOD VILLAGE, TEXAS
RESOLUTION NO. 22-_____**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, ACCEPTING A PETITION TO CREATE THE LAKEWOOD VILLAGE OPERATION AND MAINTENANCE PUBLIC IMPROVEMENT DISTRICT NO. 1; CALLING FOR A PUBLIC HEARING UNDER SEC. 372.009 OF THE TEXAS LOCAL GOVERNMENT CODE FOR THE CREATION OF THE LAKEWOOD VILLAGE OPERATION AND MAINTENANCE PUBLIC IMPROVEMENT DISTRICT NO. 1 WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS; AND AUTHORIZING THE ISSUANCE OF NOTICE BY THE TOWN SECRETARY OF LAKEWOOD VILLAGE, TEXAS REGARDING THE PUBLIC HEARING.

WHEREAS, Chapter 372 of the Texas Local Government Code (the “*Act*”) authorizes the creation of public improvement districts; and

WHEREAS, on March ____, 2022, the owners of real property delivered to the Town of Lakewood Village, Texas (the “*Town*”) a petition for the property described in Exhibit A thereto (the “*Petition*”, which is attached as **Exhibit A** and incorporated herein for all purposes) meeting the requirements of the Act and indicating: (i) the owners of more than fifty percent (50%) of the appraised value of the taxable real property liable for assessment, and (ii) the owners of more than fifty percent (50%) of the area of all taxable real property liable for assessment within the District have executed the Petition requesting that the Town Council create The Lakewood Village Operation and Maintenance Public Improvement District No. 1 (the “*District*”); and

WHEREAS, the Act states that the Petition is sufficient if signed by owners of more than fifty percent (50%) of the taxable real property, according to appraised value, and either of the following: more than fifty percent (50%) of the area of all taxable real property liable for assessment under the proposal, or more than fifty percent (50%) of all record owners of property liable for assessment; and

WHEREAS, the Act further requires that prior to the adoption of the resolution creating the District, the Town Council must hold a public hearing on the advisability of the special supplemental services, the nature of the special supplemental services contemplated, the estimated costs of the special supplemental services, the boundaries of the District, the method of assessment, and the apportionment, if any, of the costs between the District and the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

Section 1. The findings set forth in the recitals of this Resolution are found to be true and correct and are hereby approved and incorporated by reference as though fully set forth herein.

Section 2. Town staff reviewed the Petition and determined that same complied with the requirements of the Act and the Town Council accepts the Petition. The Petition is filed with the office of the Town Secretary and is available for public inspection.

Section 3. The Town Council calls a public hearing to be scheduled at or after 7:00 p.m. on April 14, 2022, to be held at 100 Highridge Drive, Lakewood Village, Texas on the advisability of the special supplemental services, the nature of the special supplemental services contemplated, the estimated costs of the special supplemental services, the boundaries of the District, the method of assessment, and the apportionment, if any, of the costs between the District and the Town. Attached hereto as **Exhibit B** is a form of the Notice of Public Hearing, the form and substance of which is hereby adopted and approved. All residents and property owners within the District, and all other persons, are hereby invited to appear in person, or by their attorney, and speak on the creation of the District.

Section 4. The Town Council hereby authorizes and directs the Town Secretary, on or before March 29, 2022, in accordance with the Act, to: (a) publish notice of the public hearing in a newspaper of general circulation in the Town and in the part of the extraterritorial jurisdiction in which the District is located; and, (b) mail notice of the public hearing to the owners of property located in the proposed District as reflected on the tax rolls.

Section 5. If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Town Council hereby determines that it would have adopted this Resolution without the invalid provision.

Section 6. This Resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

[Remainder of page left blank intentionally.]

PASSED AND APPROVED THIS 10TH DAY OF MARCH, 2022.

**TOWN OF LAKEWOOD VILLAGE,
TEXAS**

DR. MARK VARGUS, MAYOR

ATTEST:

**LINDA RUTH
TOWN ADMINISTRATOR/ SECRETARY**

**EXHIBIT A
PETITION FOR CREATION**

**PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT
WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE TOWN OF
LAKEWOOD VILLAGE, TEXAS, FOR THE SANCTUARY DEVELOPMENT**

This petition (the "Petition") is submitted and filed with the Town Secretary of the Town of Lakewood Village, Texas (the "Town"), by Taylor Morrison of Texas, Inc., a Texas corporation (the "Owner"), acting pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the "Act"), requesting that the Town create a public improvement district (the "District") to include property owned by the Owner and located within the extraterritorial jurisdiction of the Town (the "Property"), more particularly described in Exhibit A and depicted in Exhibit B. In support of this Petition, the Owner would present the following:

Section 1. General Nature of the Authorized Services. The purpose of the District is to provide special supplemental services for improvement and promotion of the District authorized by §372.003(b) of the Act that are necessary for development of the Property, which special supplemental services will include, but not be limited to: (1) payment of annual service costs related to the operation of the District exclusively consisting of: (a) the actual annual costs of third-party services relating to public safety, including police, emergency medical services, and fire services for the District, (b) the actual annual costs of maintenance of street and roadway improvements financed by assessments levied on property within the District, including from the proceeds of revenue bonds secured by assessments levied on property within the District, and (c) the actual annual road replacement fund costs based on a third-party engineer's opinion of the actual street and roadway replacement costs of street and roadway improvements financed by assessments levied on property within the District, including from the proceeds of revenue bonds secured by assessments levied on property within the District; (2) payment of expenses related to the establishment of the District, and (3) payment of expenses related to the collection of the annual assessments (collectively, the "Authorized Services"). These Authorized Services shall promote the interests of the Town and confer a special benefit on the Property.

Section 2. Estimated Cost of the Authorized Services. The estimated total cost of the Authorized Services for the first year of the District's operation will be a total of approximately \$200,000. The cost of the Authorized Services for subsequent years will be determined in the annual update to the service plan approved by the Town each year in accordance with Section 372.013 of the Act.

Section 3. Boundaries of the Proposed District. The District is proposed to include the Property.

Section 4. Proposed Method of Assessment. The Town shall levy an assessment on each residential lot within the District to pay the cost of the Authorized Services in a manner that results in imposing equal shares of the cost on property similarly benefited. Each assessment may be paid in full at any time (including accrued and unpaid interest) or may be paid in annual installments

(including interest and debt). The installments must be paid in amounts necessary to meet annual costs for the Authorized Services and must continue for a period necessary to retire the indebtedness on the Authorized Services.

Section 5. Proposed Apportionment of Cost between the District and the Town. The Town shall not be obligated to provide any funds to finance the Authorized Services. The cost of the Authorized Services will be paid from the assessments and from other sources of funds, if any, available to the Owner.

Section 6. Management of the District. The Owner proposes that the District be managed by the Town, with the assistance of a consultant, who shall, from time to time, advise the Town regarding certain operations of the District.

Section 7. Owner Requests Establishment of the District. The person signing this Petition requests the establishment of the District.

Section 8. Advisory Board. The Owner proposes that the District be established and managed without the creation of an advisory body.

This Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

This Petition is hereby filed with the Town Secretary of the Town in support of the creation of the District by the Town Council as herein provided. The undersigned requests that the Town Council grant its consent as above stated.

[Remainder of page left blank intentionally. Signature page follows.]

RESPECTFULLY SUBMITTED, on this _____, 2022.

OWNER:

TAYLOR MORRISON OF TEXAS, INC.,
a Texas corporation

By: _____

Name: _____

Title: _____

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

EXHIBIT B
PROPERTY DEPICTION

EXHIBIT B

TOWN OF LAKEWOOD VILLAGE, TEXAS NOTICE OF PUBLIC HEARING REGARDING THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT

Pursuant to Section 372.009(c) and (d) of the Texas Local Government Code, as amended, notice is hereby given that the Town Council of the Town of Lakewood Village, Texas (“Lakewood Village”), will hold a public hearing to accept public comments and discuss the petition (the “Petition”), filed by Taylor Morrison of Texas, Inc., a Texas corporation (the “Owner”), requesting that Lakewood Village create The Lakewood Village Operation and Maintenance Public Improvement District No. 1 (the “District”) to include property owned by the Owner.

Time and Place of the Hearing. The public hearing will start at or after 7:00 p.m. on April 14, 2022 at 100 Highridge Drive, Lakewood Village, Texas 75068.

General Nature of the Proposed Authorized Services. The purpose of the District is to provide special supplemental services for improvement and promotion of the District authorized by the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code, as amended (the “Act”), which may include, but not be limited to: (1) payment of annual service costs related to the operation of the District exclusively consisting of: (a) the actual annual costs of third-party services relating to public safety, including police, emergency medical services, and fire services for the District, (b) the actual annual costs of maintenance of street and roadway improvements financed by assessments levied on property within the District, including from the proceeds of revenue bonds secured by assessments levied on property within the District, and (c) the actual annual road replacement fund costs based on a third-party engineer's opinion of the actual street and roadway replacement costs of street and roadway improvements financed by assessments levied on property within the District, including from the proceeds of revenue bonds secured by assessments levied on property within the District; (2) payment of expenses related to the establishment of the District, and (3) payment of expenses related to the collection of the annual assessments (collectively, the “Authorized Services”). These Authorized Services shall promote the interests of the Town and confer a special benefit on the property within the District.

Estimated Cost of the Authorized Services. The estimated total cost of the Authorized Services for the first year of the District’s operation will be a total of approximately \$200,000. The cost of the Authorized Services for subsequent years will be determined in the annual update to the service plan approved by the Town each year in accordance with Section 372.013 of the Act.

Proposed District Boundaries. The District is proposed to include approximately 70.16 acres of land currently located within the extraterritorial jurisdiction of the Town, generally located south of Cardinal Ridge Lane, east of Lake Lewisville, and west of Eldorado Parkway, as more particularly described by a metes and bounds description available at Lakewood Village Town Hall located at 100 Highridge Drive, Lakewood Village, Texas 75068 and available for public inspection during regular business hours.

Proposed Method of Assessment. Lakewood Village shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including interest and debt), and certain assessments may be paid in annual installments (including interest and debt). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Services financed by the assessments and must continue for a period necessary to retire the indebtedness issued to finance or refinance those Authorized Services (including interest).

Proposed Apportionment of Cost between the District and Lakewood Village. Lakewood Village will not be obligated to provide any funds to finance the Authorized Services, other than from assessments levied on the District property. No municipal property in the District shall be assessed. The Owner may also pay certain costs of the special supplemental services from other funds available to it as developer of the District.

March 3, 2022

Town of Lakewood Village
100 Highridge Dr.
Lakewood Village, TX 75068
Attention: Dr. Mark Vargus, Chief Financial Officer

Re: ***US\$5,000,000 Lakewood Village, Texas, Combination Tax And Limited Pledge Revenue Certificates Of Obligation, Series 2022, dated: March 15, 2022, due: February 01, 2047***

Dear Dr. Vargus,:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA-". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

vs

enclosures

cc: ***Ms. Danni Breaux, Associate
Samco Capital Markets, Inc.***

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of the issuer or at the issuer's request. S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and S&P Global Ratings may modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate.

Reliance on Information. S&P Global Ratings relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings' opinion of the information received from issuers, their agents or advisors.

Confidential Information. S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

Disclaimer of Liability. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS

FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

**TOWN OF LAKEWOOD VILLAGE
ORDINANCE NO. 22-__**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “TOWN OF LAKEWOOD VILLAGE, TEXAS, COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE TOWN AND A LIMITED PLEDGE OF THE NET REVENUES DERIVED FROM THE OPERATION OF THE TOWN’S WATERWORKS AND SEWER SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SUCH CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES; INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; THE APPROVAL AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Lakewood Village, Texas, (the “Council”) has determined that certificates of obligation should be issued in one or more series in an aggregate principal amount not to exceed \$10,000,000 for the purpose of paying contractual obligations to be incurred for (i) constructing waterworks and sewer system improvements and extensions, including the acquisition of equipment, vehicles, land and rights-of-way therefor and (ii) professional services rendered in connection therewith; and

WHEREAS, a “Town of Lakewood Village, Texas Notice of Intention to Issue Certificates of Obligation” was (a) duly published in the *Denton Record-Chronicle*, a newspaper hereby found and determined to be of general circulation in the Town of Lakewood Village, Texas, on December 25, 2021 and January 1, 2022, the date of the first publication of such notice being not less than forty-six (46) days prior to the tentative date stated therein for the passage and adoption of this Ordinance and (b) duly published continuously on the Town’s website for at least forty-five (45) days before the tentative date stated therein for the passage of this Ordinance; and

WHEREAS, the published notice designated February 10, 2022, as the tentative date the Council would consider the ordinance authorizing the issuance of the certificates; and

WHEREAS, the Council met on February 10, 2022, and determined to postpone action with respect to the issuance and sale of the certificates and the adoption of this Ordinance until the date hereof; and

WHEREAS, no petition protesting the issuance of such certificates of obligation and bearing valid petition signatures of at least 5% of the qualified electors of the Town, has been presented to or filed with the Mayor, Mayor Pro Tem, Town Secretary or any other official of the Town on or prior to the date of the passage of this Ordinance; and

WHEREAS, the Council hereby finds and determines that \$_____ in principal amount of the certificates of obligation described in the aforesaid notice should be issued and sold at this time,

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, THAT:

SECTION 1. Authorization – Designation – Principal Amount - Purpose.

Certificates of obligation of the Town shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title “TOWN OF LAKEWOOD VILLAGE, TEXAS, COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022” (the “Certificates”) for the purpose of paying contractual obligations to be incurred for (i) constructing waterworks and sewer system improvements and extensions, including the acquisition of equipment, vehicles, land and rights-of-way therefor and (ii) professional services rendered in connection therewith pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended.

SECTION 2. Fully Registered Obligations – Certificate Date - Authorized Denominations - Stated Maturities - Interest Rates

The Certificates are issuable in fully registered form only; shall be dated March 15, 2022 (the “Certificate Date”), shall be in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), and the Certificates shall become due and payable on February 1 in each of the years and in principal amounts (the “Stated Maturities”) and bear interest at per annum rates in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		

2040
2041
2042
2043
2044
2045
2046
2047

The Certificates shall bear interest on the unpaid principal amounts from the Certificate Date at the rates per annum shown in the Schedule above (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Certificates shall be payable on February 1 and August 1 of each year, commencing August 1, 2022, until maturity or prior redemption.

SECTION 3. Terms of Payment - Paying Agent/Registrar

The principal of, premium, if any, and the interest on the Certificates, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Certificates (the “Holders”) appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payments shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of BOKF, NA, Dallas, Texas, or its assigns, to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. The Town agrees and covenants to cause to be kept and maintained at the Designated Payment/Transfer Office (defined below) of the Paying Agent/Registrar, books and records relating to the registration, payment, transfer and exchange of the Certificates (the “Security Register”), as provided herein and in accordance with the terms and provisions of a “Paying Agent/Registrar Agreement,” substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the Town may prescribe. The Mayor and Town Secretary of the Town are hereby authorized to execute and deliver such Agreement in connection with the delivery of the Certificates. The Town covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the Town agrees to promptly cause a written notice of the change to be sent to each Holder by United States mail, first-class postage prepaid, and such notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Certificates shall be payable at the Stated Maturities, or on a date of earlier redemption thereof, only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices, initially St. Paul, Minnesota or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the “Designated Payment/Transfer Office”). The Paying/Agent Registrar shall pay interest on the Certificates only to the Holder whose name appear in the Security Register at the close of business on the Record Date (the fifteenth (15th) day of the month next preceding each interest payment date) and shall be paid either by: (i) check sent United States mail, first-class postage prepaid, to the address of the

Holder recorded in the Security Register or (ii) such other method, acceptable to the Paying Agent/Registrar, requested by the Holder at the Holder’s risk and expense. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then, the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

(a) Optional Redemption.

The Certificates having Stated Maturities on and after February 1, 20__ shall be subject to redemption prior to maturity, at the option of the Town, on February 1, 20__, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date fixed for redemption.

(b) Exercise of Optional Redemption Option.

Not less than 45 days prior to an optional redemption date for the Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Town shall notify the Paying Agent/Registrar of: (i) the decision to redeem Certificates, (ii) the principal amount of each Stated Maturity to be redeemed, and (iii) the date of redemption.

(c) [Mandatory Redemption.

The Certificates having a Stated Maturity of February 1, 20__ and February 1, 20__(the “Term Certificates”) shall be subject to mandatory redemption in part prior to maturity at the redemption price of par and accrued interest to the date of redemption on the respective dates and in principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
February 1, 20__	____,000
February 1, 20__	____,000
February 1, 20__(maturity)	____,000

February 1, 20__	____,000
February 1, 20__	____,000
February 1, 20__(maturity)	____,000

At least forty-five (45) days prior to the mandatory redemption date for the Term Certificates, the Paying Agent/Registrar shall select by lot the numbers of the Term Certificates to be redeemed on the next following February 1 from moneys set aside for that purpose in the Certificate Fund (as hereinafter defined). Any Term Certificate not selected for prior redemption shall be paid on the date of its Stated Maturity.

The principal amount of the Term Certificates required to be redeemed on a mandatory redemption date may be reduced, at the option of the Town, by the principal amount of Term Certificates which, at least fifty (50) days prior to the mandatory redemption date, (1) shall have been acquired by the Town at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions set forth in paragraph (a) of this Section and not theretofore credited against a mandatory redemption requirement.]

(d) Selection of Certificates for Redemption.

If less than all Outstanding (as hereinafter defined) Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Certificates as representing the number of Certificates Outstanding, which is obtained by dividing the principal amount of such Certificates by \$5,000, and shall select by lot the Certificates to be redeemed within such Stated Maturity.

(e) Notice of Redemption.

Not less than 30 days prior to a redemption date for the Certificates, a notice of redemption shall be sent by United States mail, first-class postage prepaid, in the name of the Town and at the Town's expense, to each Holder of a Certificate to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof. If a Certificate is subject by its terms to prior

redemption, and has been called for redemption, and notice of redemption has been duly given as hereinabove provided, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date; provided moneys sufficient for the payment of such Certificate (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(f) Conditional Notice of Redemption.

With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Town, state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the Town shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

SECTION 5. Registration - Transfer - Exchange of Certificates - Predecessor Certificates.

A Security Register relating to the registration, payment, and transfer or exchange of the Certificates shall at all times be kept and maintained by the Town at the Designated Payment/Transfer Office of the Paying Agent/Registrar and at a place within the State of Texas, as provided herein and in accordance with the provisions of an agreement with the Paying Agent/Registrar and such rules and regulations as the Paying Agent/Registrar and the Town may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Certificates issued under and pursuant to the provisions of this Ordinance or, if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of like kind, or other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate (other than the Initial Certificate authorized in Section 8 hereof) at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates, executed on behalf of, and furnished by, the Town, of authorized denominations and of like Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holders, Certificates (other than the Initial Certificate authorized in Section 8 hereof) may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the

Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Certificates, executed on behalf of, and furnished by, the Town, to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent by United States mail, first-class postage prepaid, to the Holder and, upon the registration and delivery thereof, the same shall be valid obligations of the Town, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered in such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions of this Ordinance are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer. Additionally, the term "Predecessor Certificates" shall include any mutilated, lost, destroyed, or stolen Certificate for which a replacement Certificate has been issued, registered and delivered in lieu thereof pursuant to Section 28 hereof and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

Neither the Town nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Certificate; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of Certificate called for redemption in part.

SECTION 6. Execution – Registration

The Certificates shall be executed on behalf of the Town by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the Town Secretary. The signature of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of said individuals who are or were the proper officers of the Town on the Certificate Date shall be deemed to be duly executed on behalf of the Town, notwithstanding that such individuals or any of them no longer hold such offices at the time of delivery of the Certificates to the initial purchaser(s), and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, or a certificate

of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered and delivered.

SECTION 7. Book-Entry-Only Transfers and Transactions

Notwithstanding the provisions contained in Sections 3, 4, and 5 of this Ordinance relating to the payment, and transfer/exchange of the Certificates, the Town hereby approves and authorizes the use of “Book-Entry-Only” securities clearance, settlement and transfer system provided by The Depository Trust Company (“DTC”), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations by and between the Town and DTC (the “Depository Agreement”).

Pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the “DTC Participants”). While the Certificates are held by DTC under the applicable Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the “Beneficial Owners”) being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the Town determines that DTC is incapable of properly discharging its duties as securities depository for the Certificates, the Town covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and provide for appropriate Certificate certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, Certificates in definitive form shall be assigned, transferred and exchanged on the appropriate Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Sections 3, 4, and 5 of this Ordinance.

SECTION 8. Initial Certificate(s)

The Certificates herein authorized shall be initially issued as a single fully registered certificate in the aggregate principal amount shown in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1 (the “Initial Certificate) and shall be registered in the name of the initial purchaser(s) or their designee thereof. The Initial Certificate shall be the Certificate submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificate, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Certificate and exchange it for definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the named Holders at the addresses

identified for such purpose; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9. Forms

(a) Forms Generally

The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and 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 insurance legends in the event the Certificates, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistent with this Ordinance, be established by the Town or determined by the officers executing such Certificates as evidenced by their execution of the Certificates. Any portion of the text of any Certificate may be set forth on the reverse side of the Certificate with an appropriate reference on the face of the Certificate.

The definitive Certificates and the Initial Certificates shall be typewritten, printed, lithographed, engraved, photocopied, or otherwise reproduced in any other similar manner, all as determined by the officers executing such Certificates as evidenced by their execution.

The Town may provide (i) for the issuance of one fully registered Certificate for each Stated Maturity in the aggregate principal amount of each Stated Maturity and (ii) for the registration of such Certificates in the name of a securities depository, or the nominee thereof. While any Certificate is registered in the name of a securities depository or its nominee, references herein and in the Certificates to the Holder or registered owner of such Certificates shall mean the securities depository or its nominee and shall not mean any other person.

(b) Form of Definitive Certificates.

REGISTERED
NO. R-_____

REGISTERED
\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
TOWN OF LAKEWOOD VILLAGE, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATE OF OBLIGATION
SERIES 2022

Certificate Date:
March 15, 2022

Interest Rate:

Stated Maturity:
February 1, 20__

CUSIP NO:

Registered Owner:

Principal Amount

DOLLARS

The Town of Lakewood Village (hereinafter referred to as the “Town”), a body corporate and municipal corporation in the County of Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the “Registration Date” of this Certificate appearing below (unless this Certificate bears a “Registration Date” as of an interest payment date, in which case it shall bear interest from such date, or unless the “Registration Date” of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the Certificate Date) 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 being payable on February 1 and August 1 of each year, commencing August 1, 2022, until maturity or prior redemption. Principal of this Certificate is payable at its Stated Maturity or on a redemption date to the registered owner hereof upon presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date,” which is the fifteenth (15th) day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent by first-class United States mail, postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payments was due.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ (the “Certificates”) for the purpose of paying contractual obligations to be incurred for (i) constructing waterworks and sewer system improvements and extensions, including the acquisition of equipment, vehicles, land and rights-of-way

therefor and (ii) professional services rendered in connection therewith, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, and pursuant to an ordinance adopted by the governing body of the Town (hereinafter referred to as the “Ordinance”).

[Certificates maturing on February 1, 20__ and February 1, 20__(the “Term Certificates”) are subject to mandatory redemption prior to maturity with funds on deposit in the Certificate Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the mandatory redemption date on the respective dates and in principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
February 1, 20__	____,000
February 1, 20__	____,000
February 1, 20__(maturity)	____,000
February 1, 20__	____,000
February 1, 20__	____,000
February 1, 20__(maturity)	____,000

The particular Term Certificates to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Certificates for a stated maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the Town, by the principal amount of Term Certificates of like stated maturity which, at least fifty (50) days prior to the mandatory redemption date, (1) shall have been acquired by the Town at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Certificates maturing on and after February 1, 20__ may be redeemed prior to their Stated Maturities, at the option of the Town, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 1, 20__, or any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to an optional redemption date, the Town shall cause a written notice of such redemption to be sent by United States mail, first class postage prepaid, to the registered owners of the Certificates to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If this Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to

accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the Town and the Paying Agent/Registrar shall not be required to transfer this Certificate to an assignee of the registered owner within forty-five (45) days of the redemption date; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Town, state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the Town shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the Town and are additionally payable from and secured by a lien on and limited pledge of the Net Revenues (as defined in the Ordinance) of the Town's Waterworks and Sewer System (the "System"), such lien and pledge being limited to an amount not in excess of \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues of the System securing the payment of "Prior Lien Obligations" (identified and defined in the Ordinance) now outstanding and hereafter issued by the Town. In the Ordinance, the Town reserves and retains the right to issue Prior Lien Obligations while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise, as well as the right to issue additional obligations payable from the same sources as the Certificates and, together with the Certificates, equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificates; the Net Revenues of the System pledged to the payment of the principal of and interest on the

Certificates; the nature and extent and manner of enforcement of the limited pledge; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Town and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Town and the Paying Agent/Registrar, and any agent of either, may treat the registered owner hereof whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to payment of principal hereof at its Stated Maturity or its date of redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Town nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and covenanted that the Town is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the Town have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates by the levy of a tax and a limited pledge of the Net Revenues of the System as aforesated. In case any provision in this Certificate or any

application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Town Council of the Town has caused this Certificate to be duly executed under the official seal of the Town as of the Certificate Date.

TOWN OF LAKEWOOD VILLAGE, TEXAS

MAYOR

COUNTERSIGNED:

TOWN SECRETARY

(TOWN SEAL)

- (c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Certificates only.

**REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER (
OF PUBLIC ACCOUNTS (
THE STATE OF TEXAS (REGISTER NO. _____

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

- (d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Certificates only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Ordinance; the certificate or certificates of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in St. Paul, Minnesota is the Designated Payment/Transfer Office for this Certificate.

BOKF, NA, Dallas, Texas
as Paying Agent/Registrar

By _____
Authorized Signature

Registration date:

- (e) 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 Certificate of Obligation and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to transfer the within Certificate of Obligation on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature Guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular

(f) Form of Initial Certificate.

The Initial Certificates shall be in the form set forth in paragraph (b) of this Section except that the form of a single fully registered Initial Certificate shall be modified as follows:

The heading and first paragraph shall be amended as follows:

REGISTERED
NO. T-1

PRINCIPAL AMOUNT
\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
TOWN OF LAKEWOOD VILLAGE, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATE OF OBLIGATION
SERIES 2022

Certificate Date: March 15, 2022

Registered Owner: _____

Principal Amount _____ MILLION _____ HUNDRED _____ THOUSAND
DOLLARS

The Town of Lakewood Village (hereinafter referred to as the “Town”), a body corporate and municipal corporation in the County of Denton, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount stated above on February 1 in the years and in the principal installments in accordance with the following schedule:

<u>Year of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Interest</u> <u>Rate (%)</u>
--	--	------------------------------------

(Information to be inserted from schedule in Section 2.)

(or so much principal as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal amount from the interest payment date next preceding the “Registration Date” of this Certificate appearing below (unless this Certificate bears a “Registration Date” as of an interest

payment date, in which case it shall bear interest from such date, or unless the “Registration Date” of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the Certificate Date) at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year, commencing August 1, 2022, until maturity or prior redemption. Principal of this Certificate is payable at its Stated Maturity or upon prior redemption to the registered owner by BOKF, NA, Dallas, Texas (the “Paying Agent/Registrar”), upon the presentation and surrender, at its designated offices, initially in St. Paul, Minnesota, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the “Designated Payment/Transfer Office.”) Interest shall be payable to the registered owner of this Certificate whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date,” which is the fifteenth (15th) day of the month next preceding the interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first-class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 10. Definitions

For purposes of this Ordinance and for clarity with respect to the issuance the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues for the Certificates, the following definitions are provided:

- (a) The term “Additional Certificates” shall mean tax and revenue obligations hereafter issued under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended, or any similar or law hereafter enacted, and payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Net Revenues of the System on a parity with and of equal rank and dignity with the lien and pledge securing the payment of the Certificates.
- (b) The term “Certificate Fund” shall mean the special Fund created and established under the provisions of Section 11 of this Ordinance.
- (c) The term “Certificates” shall mean the “Town of Lakewood Village, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022” authorized by this Ordinance.

(d) The term “Collection Date” shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the Town become delinquent.

(e) The term “Fiscal Year” shall mean the twelve-month period ending on September 30 of each year.

(f) The term “Net Revenues” shall mean the gross revenues of the System, less the expense of operation and maintenance, including all salaries, labor, materials, interest, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the Council, reasonably and fairly exercised, are necessary to keep the System in operation and render adequate service to the Town and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair the security of any obligations payable from and secured by a lien on the Net Revenues of the System, shall be deducted in determining “Net Revenues”.

(g) The term “Outstanding” when used in this Ordinance with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

- (1) those Certificates canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Certificates deemed to be duly paid by the Town in accordance with the provisions of Section 27 hereof; and
- (3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 28 hereof.

(h) The term “Prior Lien Obligations” shall mean all bonds or other similar obligations now outstanding and hereafter issued that are payable from and secured by a lien on and pledge of the Net Revenues of the System which is prior in right and claim to the lien on and pledge of the Net Revenues securing the payment of the Certificates.

(i) The term “System” shall mean the Town’s combined Waterworks and Sewer System, including, but not limited to, all properties, facilities and plants currently owned, operated and maintained by the Town for the supply, treatment and transportation of treated potable water and for the collection, treatment and disposal of water-carried wastes, together with all future extensions, improvements, replacements and additions to the System.

SECTION 11. Certificate Fund

For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account on the books of the Town to be designated “SPECIAL 2022 TAX AND REVENUE CERTIFICATE OF

OBLIGATION FUND” (the “Certificate Fund”), and all moneys deposited to the credit of such account shall be kept and maintained in a banking fund maintained at the Town’s depository. Any one or more of the Mayor, Mayor Pro Tem, Chief Financial Officer and Town Secretary are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the Town, be invested in obligations identified in, and in accordance with the provisions of the “Public Funds Investment Act” (Chapter 2256, Texas Government Code, as amended) relating to the investment of “bond proceeds”; provided that all such investments shall be made in such a manner that the money required to be expended from said Fund will be available at the proper time or times. All interest and income derived from deposits and investments in the Certificate Fund shall be credited to, and any losses debited to, the said Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 12. Tax Levy

To provide for the payment of the “Debt Service Requirements” on the Certificates being (i) the interest the Certificates and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while said Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars’ valuation of taxable property in said Town, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected for the Certificates shall be paid into the Certificate Fund. The Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the Town for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

- (a) Prior to the date the Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Council shall determine:
 - (1) The amount on deposit in the Certificate Fund after (a) deducting the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding to that amount the amount of the Net Revenues of the System appropriated and allocated to pay

such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Net Revenues of the System, appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 13. Limited Pledge of Net Revenues

The Town hereby covenants and agrees that, subject to the prior lien on and pledge of the Net Revenues of the System to the payment and security of Prior Lien Obligations, the Net Revenues of the System in an amount not to exceed \$1,000 are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Certificates. This limited pledge of \$1,000 of the Net Revenues of the System made for the payment of the Certificates shall constitute a lien on the Net Revenues of the System until such time as the Town shall pay all of such \$1,000, after which time the pledge shall cease, all in accordance with the terms and provisions of this Ordinance; this limited pledge shall be junior and subordinate to the lien on and pledge of the Net Revenues of the System securing the payment of “Prior Lien Obligations” (identified and defined above in Section 10(h)) now outstanding and hereafter issued by the Town.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Certificates and the pledge of the Net Revenues of the System granted by the Town under this Section 13, and such pledge is therefore valid, effective and perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Net Revenues, the filing of this Ordinance or any other act. If Texas law is amended at any time while the Certificates are Outstanding such that the pledge of the Net Revenues of the System granted by the Town under this Section 13 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 Certificates 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 14. Revenue Fund

The Town hereby covenants and agrees that all revenues derived from the operation of the System shall be kept separate and apart from all other funds, accounts and moneys of the Town, and all such revenues shall be deposited as collected into the “Town of Lakewood Village, Texas, Water Utility System and Sanitary Sewer System Fund” (heretofore created and established and

hereinafter called the “Revenue Fund”). All moneys deposited to the credit of the Revenue Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of the reasonable and proper operating and maintenance expenses as defined herein or required by statute to be a first charge on and claim against the gross revenues of the System.

Second: To the payment of all amounts required to be deposited in the special funds created and established for the payment, security and benefit of Prior Lien Obligations in accordance with the terms and provisions of any ordinance authorizing the issuance of Prior Lien Obligations.

Third: To the payment, equally and ratably, of the limited amounts pledged to the payment of the limited amounts required to be deposited in the special funds and accounts created and established for the payment of the debt service requirements of the Certificates and Additional Certificates.

Any Net Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other Town purpose now or hereafter permitted by law.

SECTION 15. Deposits to Certificate Fund

The Town hereby covenants and agrees to cause to be deposited to the credit of the Certificate Fund the amount required to fully pay the interest and/or principal, then due and payable on the Certificates, such deposits to pay maturing principal and accrued interest on the Certificates to be made on or before the 1st day of each February and August, beginning August 1, 2022.

The deposits to be made to the credit of the Certificate Fund, as provided above, shall be made until such time as such Fund contains amounts equal to pay the principal of and interest and premium, if any, on the Certificates to maturity. Accrued interest, if any, and premium, if any, received from the purchaser of the Certificates deposited to the Certificate Fund and ad valorem taxes levied, collected and deposited in the Certificate Fund for and on behalf the Certificates may be taken into consideration and reduce the amount of the deposits otherwise required to be deposited in the Certificate Fund from the Net Revenues of the System. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes and the Net Revenues of the System.

SECTION 16. Security of Funds

All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17. Maintenance of System – Insurance

The Town covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type business; that it will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Texas.

SECTION 18. Rates and Charges

The Town hereby covenants and agrees with the Holders of the Certificates that rates and charges for water and sewer services afforded by the System will be established and maintained to provide revenues sufficient at all times to pay:

- (a) all operating, maintenance, depreciation, replacement, betterment and interest charges and other costs incurred in the maintenance and operation of the System;
- (b) To produce Net Revenues sufficient to pay (i) the interest on and principal of the Prior Lien Obligations as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment and security thereof and (ii) the amounts, if any, required to be deposited in the special funds created and established for the payment of the Certificates; and
- (c) To pay other legally incurred indebtedness payable from the revenues of the System and/or secured by a lien on the System or the revenues thereof.

SECTION 19. Records and Accounts - Annual Audit

The Town further covenants and agrees that while any of the Certificates remain Outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by law. The Holder or Holders of the Certificates or any duly authorized agent or agents of such Holders shall have the right to inspect the System and all properties comprising the same. The Town further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants.

SECTION 20. Remedies in Event of Default

In addition to all the rights and remedies provided by the laws of the State of Texas, the Town covenants and agrees particularly that in the event the Town (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the owner or owners of any of the Certificates shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the Town and other officers of the Town to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

No delay or omission 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 acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies provided under this Ordinance shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 21. Special Covenants

The Town hereby further covenants as follows:

- (a) It has the lawful power to pledge the Net Revenues of the System supporting this issue of Certificates, and it has lawfully exercised said powers under the Constitution and laws of the State of Texas, including said power existing under Chapter 1502 of the Texas Government Code, as amended, and Texas Local Government Code, Subchapter C of Section 271, as amended.
- (b) Other than for the payment of: (i) the Prior Lien Obligations, and (ii) the limited pledge on the Certificates, the “Town of Lakewood Village, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020” dated April 1, 2020, and the “Town of Lakewood Village, Texas Certificates of Obligation, Series 2014” dated April 1, 2014, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the Town or of the System.
- (c) While the pledge of the Net Revenues supporting the Certificates is outstanding, the Town will not sell, lease or encumber the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System.
- (d) To the extent that it legally may, while any of the Certificates are Outstanding, no franchise shall be granted for the installation or operation of any competing waterworks and sanitary sewer systems other than those owned by the Town, and the operation of any such systems by anyone other than the Town shall be prohibited.

SECTION 22. Issuance of Prior Lien Obligations and Additional Certificates

The Town hereby expressly reserves the right to issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable under law or otherwise, and, also reserves the right to issue Additional Certificates which, together with the Certificates, shall be secured by a parity lien on and pledge of the Net Revenues of the System.

SECTION 23. Application of Prior Lien Obligations Covenants and Agreements

It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements and covenants contained in this Ordinance bearing upon the management and operations of the System, and the administering and application of revenues derived from such operations, shall to the extent possible be harmonized with like provisions, agreements and

covenants contained in the ordinances authorizing the issuance of the Prior Lien Obligations. To the extent of any irreconcilable conflict between the provisions contained in this Ordinance and in the prior ordinances authorizing the issuance of the Prior Lien Obligations, the provisions, agreements and covenants contained in the prior ordinances shall prevail to the extent of such conflict and shall be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of the Prior Lien Obligations. Notwithstanding the above, any change or modification affecting the application of revenues derived from the operation of the System shall not impair the obligation of contract with respect to the pledges of revenues made in this Ordinance for the payment and security for the Certificates.

SECTION 24. Notices to Holders – Waiver

Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Certificates. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 25. Cancellation

All Certificates surrendered for payment, redemption transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Town, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Town may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the Town may have acquired in any manner whatsoever; and, all Certificates so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be returned to the Town.

SECTION 26. Covenants to Maintain Tax-Exempt Status

(a) Definitions.

When used in this Section , the following terms have the following meanings:

“*Closing Date*” means the date on which the Certificates are first authenticated and delivered to the initial purchaser 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 Certificates.

“*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 Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

“*Rebate Amount*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*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 Certificates. 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 Certificates 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 Certificate 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 Certificate, 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 Certificates:

- (1) 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 Certificates, 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

(2) 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 Certificates 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

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 Certificates 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.

(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 Certificates 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 Certificates.

(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 Certificates 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:

(1) 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 Certificate is discharged. However, to the extent permitted by law, the Town may commingle Gross Proceeds of the Certificates 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.

(2) 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 Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchaser 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 pay to the United States out of its general fund, or appropriate fund, or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Certificate Fund, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The Town shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits

Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Town shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, 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 Certificates not been relevant to either party.

(j) Elections

The Town hereby directs and authorizes the Mayor, Mayor Pro Tem, Chief Financial Officer and 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 Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 27. Satisfaction of Obligations of Town

If the Town shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and the Net Revenues of the System (to the extent such limited pledge of Net Revenues shall not have been discharged or terminated by prior payment of principal of or interest on the Certificates) and all covenants, agreements, and other obligations of the Town to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting or consulting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The Town covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the Town or deposited as directed by the Town. Furthermore, upon the Town's request, the Paying Agent/Registrar shall remit to the Town along with a written receipt, any moneys deposited and held in trust by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates which remain unclaimed for a period of three years after being so deposited and held on the Stated Maturity or applicable redemption date on the Certificates. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Town shall be subject to any applicable unclaimed property laws of the State of Texas.

The term "Government Securities," as used herein, shall mean any securities and obligations now or hereafter authorized by state law that are eligible to discharge obligations such as the Certificates. Current state law permits defeasance with the following types of securities: (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Town authorizes the defeasance of the Certificates, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that, on the date the Town authorizes the defeasance of the Certificates, have been refunded and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under the then applicable laws of the State of Texas.

SECTION 28. Mutilated, Destroyed, Lost, and Stolen Certificates

In case any Certificate shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Certificate of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Certificate, or in lieu of and in substitution for such destroyed, lost or stolen Certificate, only upon the approval of the Town and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Certificate, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Town and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Certificate shall be borne by the Holder of the Certificate mutilated, or destroyed, lost or stolen.

Every replacement Certificate issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Certificates.

SECTION 29. Ordinance a Contract – Amendments

This Ordinance shall constitute a contract with the Holders from time to time, be binding on the Town, and shall not be amended or repealed by the Town so long as any Certificate remains Outstanding except as permitted in this Section and in Section 33 hereof. The Town, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. Additionally, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding, the Town may, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (ii) give any preference to any Certificate over any other Certificate, or (iii) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 30. Sale of the Certificates – Official Statement Approval

Pursuant to a public sale for the Certificates, the bid submitted by _____ (herein referred to as the “Purchaser”) is declared to be the best bid received producing the lowest true interest cost rate to the Town, and the sale of the Certificates to said Purchaser at the price of \$_____ plus accrued interest from the Certificate Date to the date of delivery is hereby determined to be in the best interests of the Town and is approved and confirmed. Delivery of the Certificates to the Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

Furthermore, the Preliminary Official Statement and the Official Notice of Sale prepared in connection with the public offering and sale of the Certificates are hereby ratified, confirmed and approved in all respects. The final Official Statement reflecting the terms of the sale (together with such changes approved by any one or more of the Mayor, Mayor Pro Tem, Chief Financial Officer, and Town Secretary), is hereby approved as to form and content, and the Council hereby finds that the information and data contained in such Official Statement, dated March 10, 2022, pertaining to the Town and its financial affairs is true and correct in all material respects and no material facts have been omitted which are necessary to make the statements contained in the Official Statement, in the light of the circumstances under which they were made, not misleading. The use of such Official Statement in the reoffering, sale and delivery of the Certificates by the Purchaser is hereby approved and authorized. The Mayor and Town Secretary are further authorized and directed to manually execute and deliver for and on behalf of the Town copies of said Official Statement in final form as may be required by the Purchasers, and such Official Statement in the final form and content manually executed by said officials shall be deemed to be

approved by the Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 31. Proceeds of Sale

The proceeds of sale of the Certificates, excluding the accrued interest received from the Purchaser and amounts to pay costs of issuance, shall be deposited in a construction fund maintained at a Town depository bank. Pending expenditure for the authorized projects and purposes set forth herein, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, as amended, including guaranteed investment contracts permitted by Section 2256.015 et seq., and the Town’s investment policies and guidelines, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the Town Council. Accrued interest as well as all surplus proceeds of sale of the Certificates, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund. [\$_____ of the cash premium will be deposited to the construction fund and the remaining cash premium of \$_____ will be used to pay costs of issuance and \$_____ will be used to pay the underwriter’s discount.]

SECTION 32. Control and Custody of Certificates

The Mayor or Mayor Pro Tem of the Town shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale of the Certificates, the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificate pending the approval thereof by the Attorney General and its registration thereof by the Comptroller of Public Accounts.

Furthermore, any one or more of the Mayor, Mayor Pro Tem, Chief Financial Officer, and Town Secretary, are hereby authorized and directed to furnish and execute such documents and certifications relating to the Town and the issuance of the Certificates, including a certification as to facts, estimates, circumstances and reasonable expectations pertaining to the use and expenditure and investment of the proceeds of the Certificates as may be necessary for the approval of the Attorney General and their registration by the Comptroller of Public Accounts. In addition, such officials, together with the Town’s financial advisor, bond counsel and the Paying Agent/Registrar, are authorized and directed to make the necessary arrangements for the delivery of the Initial Certificate(s) to the initial purchaser.

SECTION 33. Continuing Disclosure Undertaking

(a) Definitions

As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include

municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(b) Annual Reports.

The Town will file certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Town of the general included in Appendix A of the Official Statement, Tables 1 through 14 attached hereto, and Appendix D attached hereto. The Town will update and provide this information within six months after the end of each fiscal year ending in or after 2021.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s EMMA Internet Web site or filed with the SEC, as permitted by SEC Rule 15c2-12 (the “Rule”). The updated information will include audited financial statements, if the Town commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Town will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix D or such other accounting principles as the Town may be required to employ from time to time pursuant to State law or regulation.

The Town’s current fiscal year end is September 30. Accordingly, it must provide updated information by the last day in March in each year, unless the Town changes its fiscal year. If the Town changes its fiscal year, it will file notice of the change with the MSRB.

(c) Notice of Certain Events

The Town shall provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

- (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 Internal Revenue Service 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 Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
 - (8) Certificate calls, if material, and tender offers;
 - (9) Defeasances;
 - (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
 - (11) Rating changes;
 - (12) Bankruptcy, insolvency, receivership, or similar event of the Town, which shall occur as described below;
 - (13) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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 or the change of name of a trustee, if material;
 - (15) Incurrence of a Financial Obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Town, any of which affect security holders, if material; and
 - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

In addition, the Town will provide timely notice of any failure by the Town to provide annual financial information or operating data in accordance with their agreement described above under “Annual Reports”.

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Town 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 Town, 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 Town.

For the purposes of the above described clauses (15) and (16), the term “financial obligation” means a (i) 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) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The Town intends the words used in clauses (15) and (16) above to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018..

(d) Filings with the MSRB

All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments.

The Town shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Town remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the Town in any event will give the notice required by subsection (c) of this Section of any Certificate calls and defeasance that cause the Town to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Certificates; and, nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the Town does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the Town’s financial results, condition, or prospects; nor does the Town undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

No default by the Town in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Town from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (i) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Town (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The provisions of this Section may also be amended from time to time or repealed by the Town if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Town's right to do so would not prevent underwriters of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the Town so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 34. Further Procedures

Any one or more of the Mayor, Mayor Pro Tem, Chief Financial Officer and Town Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Town all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Certificates. In addition, prior to the initial delivery of the Certificates, the Mayor, Mayor Pro Tem, Chief Financial Officer or Bond Counsel (as defined below) to the Town are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Certificates by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the Town whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 35. Bond Counsel's Opinion

The Purchaser's obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, approving the Certificates as to

their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Certificates. The Town Council confirms the continuation of the engagement of Norton Rose Fulbright US LLP as the Town’s bond counsel.

SECTION 36. Contracts with Financial Advisor

The Town Council authorizes any authorized official of the Town, or the designee thereof, to take all actions necessary to execute any necessary financial advisory contracts with SAMCO Capital Markets, Inc., as the financial advisor to the Town (the “Financial Advisor”). 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 Certificates.

SECTION 37. CUSIP Numbers

CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the Town nor attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 38. Benefits of Ordinance

Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the Town, the Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Town, the Paying Agent/Registrar and the Holders.

SECTION 39. Inconsistent Provisions

All ordinances, orders, or resolutions, or parts thereof which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 40. 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 41. Effect of Headings

The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 42. 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 43. 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 44. 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 45. Public Meeting

It is officially found, determined, and declared that the meeting at which this Ordinance is 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 Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 46. Effective Date

This Ordinance shall take effect and be in force immediately from and after its adoption on the date shown below in accordance with Texas Government Code, Section 1201.028, as amended.

[remainder of page intentionally left blank]

PASSED AND APPROVED by the Town Council of the Town of Lakewood Village, Texas this the 10th day of March, 2022

Dr. Mark E. Vargus
MAYOR

ATTEST:

Linda Ruth, TRMC, CMC
Town Secretary

(Town Seal)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

**TOWN OF LAKEWOOD VILLAGE
ANIMAL CODE 22-XX**

AN ORDINANCE OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS PROVIDING FOR THE CONTROL OF ANIMALS; PROVIDING FOR DEFINITIONS; PROVIDING FOR ENFORCEMENT; PROVIDING FOR REGISTRATION; FEES AND TAGS; PROVIDING FOR RABIES CONTROL; PROVIDING FOR DUTIES OF OWNERS; PROVIDING FOR LIVESTOCK; PROVIDING AUTHORITY TO ISSUE CITATIONS; PROVIDING FOR A CUMULATIVE REPEALER; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR A PENALTY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Lakewood Village, Texas is a Type A General Law Municipality located in Denton County, Texas, created in accordance with provisions of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the Town Council of Lakewood Village, Texas in order to provide for the general health and welfare of the citizens of this Town is permitted to enact certain rules and regulations concerning animal control; and

WHEREAS, the Town Council of the Town of Lakewood Village, Texas adopts the Texas Health and Safety Code, Chapter 822, as supplemented and amended by the terms of this

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, THAT:

Section 1: Findings

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

Section 2: Repeal

Animal Code 16-03 ordinance is hereby repealed in its entirety.

Section 3: Penalty Clause

A. Violation

A person who knowingly violates any provision of this chapter is guilty of separate offenses for each day during which the violation is continued after notification. Neither allegation nor evidence of a culpable mental state is required for the proof of an offense defined by this ordinance.

B. Fine

Each offense is punishable by a fine of not more than two-thousand (\$2,000) nor less than two-hundred (\$200). The minimum fine established in this paragraph shall be doubled for the second conviction of the same offense within any 24-month period and tripled for the

third and subsequent convictions of the same offense within any 24-month period. At no time shall the minimum fine exceed the maximum fine established in this paragraph.

Section 4: Legal Rights

The penal provision imposed under this Ordinance shall not preclude the Town of Lakewood Village from filing suit to enjoin the violation. The Town of Lakewood Village retains all legal rights and remedies available to it pursuant to local, state, and federal law.

Section 5: Severability

A. Unconstitutional or Invalid Section

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect.

B. Independent Sections

The Town hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and/or phrases be declared unconstitutional or invalid.

Section 6: Estoppel / Waiver

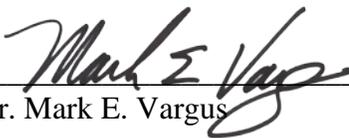
The failure of the Town to enforce any term or condition of this Ordinance shall not constitute a waiver or estoppel or any subsequent violation of this Ordinance.

Section 7: Effective Date

The amendments to this Ordinance shall become effective from and after its date of passage and publication as provided by law.

PASSED AND APPROVED by the Town Council of the Town of Lakewood Village, Texas this the XXth day of XXXXXXXX

Serena Lepley
Councilwoman



Dr. Mark E. Vargus

ATTESTED:



Linda Ruth, TRMC, CMC
Town Administrator/Town Secretary





ANIMAL CODE

Adopted: January 14th, 2016

Amended: March 10, 2022

SECTION 1. RESPONSIBILITY FOR ENFORCEMENT

Enforcement of this Ordinance shall be the responsibility of the proper State and Denton County authorities, the Mayor or his/her designee, or any persons duly appointed by the Town Council.

SECTION 2. DEFINITIONS

Adequate Shelter: means a sturdy structure that provides a dog protection from inclement weather; and is of such a dimension that allows the dog, while in the shelter, to stand erect, sit, turn around, and lie down in a normal position.

Animal: any living creature, including but not limited to, dogs, cats, horses, birds, fish, mammals, reptiles, insects, fowl and livestock, but specifically excluding human beings.

At Large: any animal that is not completely confined by a building wall, or fence of sufficient strength or construction to restrain the animal and prevent the animal from leaving therefrom at any time, or except when such animal is either on a leash or held in the hands of the owner or keeper, or under direct supervision of the owner within the limits of the owner's private property. An animal within an automobile or other vehicle of its owner shall not be deemed as "running at large."

Cat: a domesticated animal that is a member of the feline family.

Collar: means a band of material specifically designed to be placed around the neck of a dog or cat.

Dangerous Animal: as defined by Chapter 822 of the Texas Health and Safety Code, and more specifically Section 822.041 as it pertains to dogs. The term shall also apply to snakes as defined in this Ordinance.

Dog: a domesticated animal that is a member of the canine family.

Harbor: the act of keeping and caring for animals or of providing a premise to which the animal returns for food, shelter, or care for a period of at least 10 days.

Harness: means a set of straps constructed of nylon, leather, or similar material, specifically designed to restrain or control a dog.

Inclement weather: includes rain, hail, sleet, snow, high winds, temperatures below 55 degrees, or temperatures above 90 degrees.

Kennel: any lot, building, structure, enclosure or premises where five (5) or more adult dogs and/or cats, of the age of six (6) months or older, are kept for the purpose of breeding for sale, exchange or giving away.

Fowl: means any species of feathered animals which are normally suited for, or kept or used on, a farm, a ranch, or similar setting for agricultural purposes such as food or food production, animal husbandry, and production of clothing material, commerce, or other similar purpose,

regardless of age, breed, or sex, unless stated herein, or determined by the animal control officer. The following and similar species shall be considered to be fowl regardless of age, breed, or sex, unless otherwise stated herein or determined by the animal control officer, chickens, ducks, game hens, geese, guineas, peafowl, pheasant, quail, swans, and turkey.

Livestock: species of animals which are normally suited for, or are kept or used on, a farm, ranch or similar setting for agricultural purposes such as animal husbandry, food or food production, production of fiber or clothing, material, riding, driving, pulling, hauling, commerce, or similar purpose. For purposes of this ordinance the following similar species of animals shall be considered to be livestock, regardless of age, breed, or sex, unless otherwise stated herein by the animal control officer.

- | | |
|-----------|----------|
| 1. Bovine | 4. Sheep |
| 2. Equine | 5. Swine |
| 3. Goats | 6. Fowl |

Owner/Ownership: a person who owns or has custody or control of or having title to any animal; or a person who harbors or keeps, or causes or permits to be harbored or kept, any animal in their care, or who permits an animal to remain on or about their premises.

Properly fitted: means, with respect to a collar or harness, a collar or harness that does not choke the animal or impede the animal's normal breathing or swallowing; and does not cause pain or injury to the animal.

Public Nuisance: any animal which molests passerby or passing vehicles; attacks other animals; roams at large, damages public or private property; barks, whines, meows, howls, squawks or crows in a frequent or continuous manner that disturbs any person of ordinary sensibilities in the vicinity.

Restraint: means a chain, rope, tether, leash, cable, or other device that attaches a dog to a stationary object or trolley system.

Snakes: Family Helodermatidea (venomous lizards); Family Viperidae (rattlesnakes, copperheads, cottonmouths, other pit vipers and true vipers); Family Elapidae (coral snakes, cobras, mambas, and other elapids); the following listed species of Family Colubridae-Dispholidus typus (Boomsnake), Hydromastes gigas (water cobra), Boiga (mangrove snake) and Thelotornis (African twig snake) only; Order Phidia, and Order Crocodilia (crocodiles, alligators, caimans, and gavals).

SECTION 3. DOGS AND CATS: REGISTRATION; FEES; TAGS

1. Required Registration. It shall be unlawful for the owner of any dog or cat over the age of four (4) months to keep or maintain said dog or cat within the Town limits without properly registering said dog or cat with the Town of Lakewood Village, Texas, in accordance with this ordinance. No dog or cat shall be deemed registered with the Town until and unless it has a current rabies vaccination. Any owner of a dog or cat subject to this Ordinance shall timely

provide the Town with the following and be responsible for ensuring that said registration information is current.

- a. A completed “Animal Registration Form” as provided by the Town, together with a photograph of the dog or cat for attachment to the registration form; and
 - b. Proof that the dog or cat has been properly injected with a rabies vaccine licensed for use in that species by the United States Department of Agriculture and administered by a veterinarian licensed to practice in the State. Not more than 24 months shall have elapsed since the most recent vaccination; and
 - c. The Owner shall be responsible for providing the Town with future updated vaccination documents, which reflect compliance with this section so long as the dog or cat is kept or maintained within the corporate limits of the Town of Lakewood Village, Texas. If there is a change in ownership of a registered dog or cat, the new owner shall have the registration transferred to their name. There shall be no charge for said transfer.
2. Fees. To properly register a dog or cat under this Ordinance, an Owner shall pay a onetime registration fee in the amount established in the Consolidated Fee Ordinance per dog or cat.
 3. Tags. A metal tag issued by a licensed veterinarian depicting the current vaccination must be affixed to a collar or harness that must be worn by a dog **or cat** at all times.

SECTION 4. RABIES CONTROL

1. Vaccination. Every owner of a dog or cat four (4) months of age or older shall have such animal vaccinated against rabies. All dogs and cats shall be vaccinated every two (2) years in accordance with Section 3 above.
2. Certificate of Vaccination. Upon vaccination, the veterinarian shall execute and furnish to the owner of the dog or cat as evidence thereof, a certificate upon a form furnished by the veterinarian. The veterinarian shall retain a duplicate copy, and the Owner shall provide a copy to the Town. Such certificate shall contain the following information:
 - a. The name, address and telephone number of the owner of the vaccinated dog or cat;
 - b. The date of vaccination;
 - c. The type of rabies vaccine used;
 - d. The year and number of the rabies tag; and
 - e. The breed, age, color and sex of the vaccinated dog or cat.
3. Proof. It shall be unlawful for any person who owns or harbors a dog or cat to fail or refuse to exhibit their copy of the certificate of vaccination upon demand by any person charged with the enforcement of this Ordinance.

4. Harboring Unvaccinated Animals. It shall be unlawful for any person to harbor any animal that has not been vaccinated against rabies, as provided herein, or that cannot be identified as having a current vaccination certificate.

SECTION 5. Chickens

1. Registration and Permit.

- a. Persons wishing to raise chickens must register with the town and obtain a special use permit (SUP) and pay the associated fees established in the Town's Consolidated Fee Ordinance.

2. General Requirements.

- a. Roosters are prohibited.
- b. Chickens must be kept in an enclosure or coop at all times.
- c. Up to five hens are permitted on properties of less than one acre. For properties of one acre or greater a maximum of ten hens are permitted.
- d. The enclosure must be maintained to minimize odors or the attraction of pests or rodents. The coop/enclosure and surrounding area must be kept free from trash and accumulated droppings. Uneaten feed shall be removed in a timely manner.

3. SUP Conditions.

- a. The coop shall be designed to provide safe and healthy living conditions for the chickens minimizing adverse impacts to other residents in the neighborhood. The coop must be structurally sound with four walls. The coop cannot be used for general storage or to house machinery.
- b. Coop must be 25 feet or more from any dwelling and cannot be placed inside any building setbacks. The maximum size of the enclosure and coop is 500 square feet. The maximum height of a coop is 8 feet.
- c. Inspections are required and will be performed annually on May 1st. Coops that are structurally unsound, abandoned, or that represent a hazard will be ordered to be removed.

SECTION 6. DUTIES OF OWNERS

1. It shall be unlawful for any person who owns or harbors animals to:
 - a. Fail to prevent a dog from running at large within the corporate limits of the Town of Lakewood Village. All dogs must be on a leash or contained on the owner's property. Each time a dog runs at large in violation of this ordinance constitutes a separate offense.
 - b. Allow their dog or cat to be a public nuisance.
 - c. Keep, possess, own, control, maintain, use or otherwise exercise dominion over any animal or animals which by reason of noise, odor or sanitary conditions, become offensive to a reasonable and prudent person of ordinary tastes and sensibilities, or which constitutes or becomes a health hazard as determined by the Town Council.
 - d. Keep or harbor any livestock, ~~dangerous animals or snakes~~ as defined by this Ordinance on any platted lot within the ~~corporate limits of the Town of Lakewood Village, Texas.~~

- e. Keep or harbor any ~~livestock~~, dangerous animals ~~or snakes~~ as defined by this Ordinance ~~on any platted lot~~ within the ~~corporate limits of the~~ Town of Lakewood Village, Texas.
- f. Keep, maintain, own or operate a dog kennel or cat kennel within the ~~corporate limits of the~~ Town of Lakewood Village, Texas.
- g. Fail or refuse to exhibit a copy of the certificate of vaccination upon demand to any person charged with the enforcement of this Ordinance.

SECTION 8. UNLAWFUL RESTRAINT OF DOG

1. It shall be unlawful for an owner to leave a dog outside and unattended by use of a
 - a. restraint unless the owner provides the dog access to:
 - i. adequate shelter;
 - ii. an area that allows the dog to avoid standing water and exposure to excessive animal waste;
 - iii. shade from direct sunlight; and
 - iv. potable water.
2. An owner may not restrain a dog outside and unattended by use of a restraint that:
 - a. is a chain;
 - b. has weights attached;
 - c. is shorter in length than the greater of:
 - i. ten times the length of the dog, as measured from the tip of the dog's nose to the base of the dog's tail; or
 - ii. 20 feet; or
 - d. is attached to a collar or harness not properly fitted.
3. A person commits an offense if the person knowingly violates this section. The restraint of each dog that is in violation is a separate offense.
4. An offense under this section is a Class C misdemeanor, except that the offense is a Class B misdemeanor if the person has previously been convicted under this section.
5. If conduct constituting an offense under this section also constitutes an offense under any other law, the actor may be prosecuted under this section, the other law, or both.

SECTION 9: EXCEPTIONS TO UNLAWFUL RESTRAINT OF DOG

Section 8, Unlawful Restraint of Dog, does not apply to:

1. a dog left unattended in an open-air truck bed only for the time reasonably necessary for the owner to complete a temporary task that requires the dog to be left unattended in the truck bed;
2. a dog taken by the owner, or another person with the owner's permission, from the owner's residence or property and restrained by the owner or the person for not longer than the time necessary for the owner to engage in an activity that requires the dog to be temporarily restrained; or
3. Section 8.2.(c) does not apply to a restraint attached to a trolley system that allows a dog to move along a running line for a distance equal to or greater than the lengths specified under that subdivision.
4. This subchapter does not prohibit a person from walking a dog with a handheld leash.

SECTION 7. AUTHORITY TO ISSUE CITATION

1. Any authority as described in Section 1 of this Ordinance shall have the authority to issue citations for any violation of this Ordinance.
2. If the person being cited is not present, the authority may send the citation to the alleged offender by registered or certified mail.

End of Exhibit A

Adoption and Summary of Amendments

Ordinance Number	Date	Summary
22-XX	March 10, 2022	<ul style="list-style-type: none">• Added dog restraint regulations• Added backyard chicken regulations

