



**AGENDA
CITY COUNCIL MEETING
WEDNESDAY, OCTOBER 27, 2021
1371 WEST FM 550 - McLENDON-CHISHOLM, TEXAS 75032
6:30 PM**

	Page
1. CALL TO ORDER	
2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS	
3. RULES OF DECORUM	
4. CITIZEN COMMENTS	
5. PUBLIC SAFETY BUILDING STATUS REPORT	
5.1. Sean Spyres, AGCM Project Manager, will provide an update regarding status of the Fire Station construction project.	
6. PRESENTATIONS	
6.1. Presentation by Dennis London, local USMC Toys for Tots Coordinator on the 2021 Toys for Tots Program in Rockwall County to include notification of an event to be held at Smoke Monkey on November 27, 2021.	
7. CONSENT AGENDA	
7.1. Action regarding the Minutes of October 13, 2021 City Council Meeting 10.13.21 CC Meeting	4 - 10
7.2. Budget Report September 2021 Budget Report	11 - 28
7.3. McLendon-Chisholm Fire Rescue Report September 2021 September 2021 Calls by District September 2021 Calls by Incident Type	29 - 31
7.4. Building Official Report September 2021 North East Texas Inspection Council report -September 2021 September MC permit count report 2021	32 - 36
7.5. Animal Control Report September 2021 All American Dogs	37

7.6.	CWD Report September 2021 CWD Report	# - #
7.7.	Sheriff's Report September 2021 Sheriff's Report	42 - 45
8.	ITEMS FOR CONSIDERATION	
8.1.	Presentation, discussion and action regarding the FY 2019-2020 Audit. Audited Financial Statements	46 - 94
8.2.	Receive a report from Fire Chief Simmons regarding Fire Department Fleet.	
8.3.	Presentation, discussion and possible action regarding a Development Agreement between MC Trilogy, LLC., a Texas limited liability partnership and the City of McLendon-Chisholm as related to a Development Agreement for approximately 179 acres located in the City of McLendon-Chisholm and approximately 575 acres located in McLendon-Chisholm's Extraterritorial Jurisdiction (ETJ). (Requested by MC Trilogy, LLC) Comments by City Planner Mike Coker Responses to City Planner comments by Huffines Attorney Changed pages redlined by Huffines Attorney Clean Copy of Revised Agreement	95 - 218
8.4.	Discussion and action regarding adding an option to establish a flexible spending account (FSA) with an employer contribution for employees to pay for copayments, deductibles, or other out of pocket health care costs. (Requested by Palomba) Employee Health Cost vs Budget Flex Spending Funding-Options	219 - 221
8.5.	Resolution cancelling second city council meetings in November and December. (Requested by Green) Res No. 2021-13 Rescheduling City Council Meetings for Holiday Season	222 - 223
8.6.	Consider a Resolution designating an official newspaper and alternate official newspaper. (Requested by Green) Res No. 2021-12 Designating Official Newspaper	224 - 225
8.7.	Discussion and action regarding consideration of a maintenance contract with Argent Associates for as needed Audio visual Remote and Onsite Support. (Requested by Palomba) Remote OnSite Tech Support Proposal	226
8.8.	Discussion and action to accept the resignation of the City Administrator, Lisa Palomba effective November 1, 2021. (Requested by Palomba)	
9.	EXECUTIVE SESSION	
9.1.	Adjourn into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551:074(a)(1) Personnel Matters to deliberate the appointment, employment, evaluation, reassignment,	

duties, discipline or dismissal of a public officer or employee: Interim and/or permanent replacement of the City Administrator.

9.2. Reconvene Regular Meeting

9.3. Executive Session Action

10. UPDATES, DISCUSSION AND DIRECTION TO STAFF

11. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

The City Council will have an opportunity to address items of community interest including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the City of McLendon-Chisholm; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the City of McLendon-Chisholm that was attended or is scheduled to be attended by a member of the City Council or an official or employee of the City of McLendon-Chisholm; and announcements involving an imminent threat to the public health and safety of people in the City of McLendon-Chisholm that has arisen after posting the agenda.

12. ADJOURNMENT

As authorized by Section 551.071(2) of the Texas Government Code, this meeting may be convened into closed Executive Session in order to seek confidential legal advice from the City Attorney on any agenda item herein.

I, Rochelle Green, do hereby certify that the above Notice of Meeting of the City Council of McLendon-Chisholm, Texas was posted on or before 5:00 p.m., October 22, 2021, on the outside bulletin board at City Hall, a place convenient and readily accessible to the public at all times.



**CITY COUNCIL MEETING
City of McLendon-Chisholm, Texas
Meeting Minutes
October 13, 2021**

The City Council of the City of McLendon-Chisholm convened in Regular Session on Wednesday, October 13, 2021, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

ATTENDING:	Keith Short	Mayor
	Lorna Kipphut	Mayor Pro Tem
	Trudy Woessner	Council Member
	Dan Tucker	Council Member
	Norman Willis	Council Member
	Brian Davis	Council Member
Staff Present:	Lisa Palomba	City Administrator
	Shelly Green	City Secretary
	Jim Simmons	Fire Chief
	Michael Halla	City Attorney

1. CALL TO ORDER

Mayor Short called the meeting to order at 6:31 p.m.

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS

Council Member Tucker delivered the invocation and Mayor Pro Tem Kipphut led the pledge of allegiance to the U.S. and Texas Flags.

3. RULES OF DECORUM

Mayor Short announced the Rules of Decorum are in place and are to be observed throughout the meeting.

4. CITIZEN COMMENTS

Gary Moody, 1406 S Hwy 205. Addressed the Council on Item 6.1.

James Parnell, 621 Glen Acres. Addressed the Council regarding trash collection and public safety.

Citizen Comments were closed at 6:40 p.m.

5. CONSENT AGENDA

5.1. Action regarding the Minutes of September 29, 2021 City Council Meeting

MOTION: APPROVE THE CONSENT AGENDA AS PRESENTED.

MADE BY: Council Member Tucker

SECONDED BY: Council Member Willis

APPROVAL: Unanimous

6. ITEMS FOR CONSIDERATION

6.1. Presentation, discussion and action regarding consideration of an Interlocal Agreement between the City of McLendon-Chisholm and Rockwall County regarding an agreement permitting City of McLendon-Chisholm in partnership with Land Solutions SV LLC to pave Edwards Road beginning at the intersection of Edwards and League Rd. continuing north to the city limits and also including a section of League Rd beginning at the intersection of Edwards and League continuing west to Via Toscana.

City Administrator Palomba presented her staff report:

Background of Issue:

The Sonoma Verde subdivision has two entry/exit points onto Edwards Road and one entry/exit on League Road potentially increasing the traffic volume once homes are complete. These roads have a dirt/gravel surface. Dirt/gavel roads deteriorate rapidly and are in constant need of maintenance. These road sections have been identified by the County as roads the City of McLendon-Chisholm should have annexed at the time Sonoma Verde was annexed approximately 15 years ago. Edwards Rd. and a section of League Road are currently county owned and maintained. Any work on these roads sponsored by the City requires an Interlocal Agreement with Rockwall County. The Council will request the City to annex these roadway sections in the near future.

The developer is requesting to chip seal the road due to the cloud of dust created over Sonoma Verde homes when driving and also due to the poor condition of the road surface. A chip seal surface will help protect against further erosion due to weather. This should reduce the maintenance costs going forward, eliminate the dust and create a suitable driving surface for emergency vehicles as well as residents in the vicinity. While chip seal is not a permanent solution, it will suffice until such a time the road may be engineered and brought up to standard.

Recommendation: Approval

MOTION: APPROVE AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF MCLENDON-CHISHOLM AND ROCKWALL COUNTY REGARDING AN AGREEMENT PERMITTING CITY OF MCLENDON-CHISHOLM IN PARTNERSHIP WITH LAND SOLUTIONS SV LLC TO PAVE EDWARDS ROAD BEGINNING AT THE INTERSECTION OF EDWARDS AND LEAGUE ROAD CONTINUING NORTH TO THE CITY LIMITS AND ALSO INCLUDING A SECTION OF LEAGUE RD BEGINNING AT THE INTERSECTION OF EDWARDS AND LEAGUE CONTINUING WEST TO VIA TOSCANA.

MADE BY: Council Member Tucker
SECONDED BY: Council Member Willis
APPROVAL: Unanimous

- 6.2. Discussion and action regarding consideration of a reimbursement agreement between City of McLendon-Chisholm and Land Solutions SV LLC to include a cost share arrangement for improvements to Edwards Road including a City budgeted expenditure in the amount of \$100,000 for said improvements.

MOTION: APPROVE A REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF MCLENDON-CHISHOLM AND LAND SOLUTIONS SV LLC TO INCLUDE A COST SHARE ARRANGEMENT FOR IMPROVEMENTS TO EDWARDS ROAD INCLUDING A BUDGETED EXPENDITURE IN AN AMOUNT NOT TO EXCEED \$100,000 FOR SAID IMPROVEMENTS.

MADE BY: Council Member Kipphut
SECONDED BY: Council Member Tucker
APPROVAL: Unanimous

- 6.3. Discussion and direction to staff regarding FY 21-22 budget related items including moving the Code Enforcement Officer to full-time employment status, advertising for a full-time planner to be hired, and implementing employee raises to qualified employees effective October 1, 2021.

Mayor Short polled the Council regarding their thoughts on implementing these changes. All members, with the exception of Council Member Kipphut, agreed to instruct staff to move forward with the FY 21-22 budget related items including moving the Code Enforcement Officer to full-time employment status, advertising for 45 days and receiving applications for a full-time planner to be hired after the first of the year, and implementing employee raises to qualified employees effective October 1, 2021.

- 6.4. Discussion and direction to staff regarding relocating the building located at 1250 S. State 205, McLendon-Chisholm currently in use as the McLendon-Chisholm Fire Station.

Chief Simmons explained this is in regard to the original fire station/city hall/back to fire station building. That building is going to be demolished either way whether the city chooses to move it or not. I've mentioned it several times over the past few months and as you can see, we're starting to get down toward the end of this, so I wanted to get direction from the council to find out, one, if it is even a thought for council to say let's move it because it is one of the only original buildings in this city that has played a big part in this city. If you choose to say let's move forward with it, then we need to look at a location to be able to put it. I know I've gotten rough numbers anywhere from six to ten thousand dollars to move it.

Mayor Short asked what we would use it for. Chief Simmons stated that would be up to Council. There has been talk about a museum or a community center.

Mayor Short pointed out it was on the agenda for the idea and the direction of relocating it. Mayor Short gave direction to find out what the cost would be to either preserve it and/or move it. Chief Simmons stated he has talked to a couple of people and it can be moved and that's where he has gotten some rough numbers.

Mayor Short directed the Chief to proceed with getting numbers to move it and remodel or refurbish it. Then we could get some ideas of what it could be used for and the costs associated with that. Chief Simmons is to bring back that information in two weeks.

- 6.5. Presentation, discussion and possible action regarding a Development Agreement between MC Trilogy, LLC., a Texas limited liability partnership and the City of McLendon-Chisholm as related to a Development Agreement for approximately 179 acres located in the City of McLendon-Chisholm and approximately 575 acres located in McLendon-Chisholm's Extraterritorial Jurisdiction (ETJ).

Tabled to the next meeting on October 27, 2021

- 6.6. Presentation, discussion and action to consider a Resolution consenting to the creation of a Municipal Utility District encompassing approximately 179.05 acres of land located within the corporate limits of the City of McLendon-Chisholm.

MOTION: APPROVE A RESOLUTION CONSENTING TO THE CREATION OF A MUNICIPAL UTILITY DISTRICT ENCOMPASSING APPROXIMATELY 179.05 ACRES OF LAND LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MCLENDON-CHISHOLM.

MADE BY: Council Member Davis
SECONDED BY: Council Member Willis
APPROVAL: Unanimous

- 6.7. Presentation, discussion and possible action to consider a Resolution consenting to the addition of 575.14 acres of land to a Municipal Utility District located within the corporate limits of the City of McLendon-Chisholm.

MOTION: APPROVE A RESOLUTION CONSENTING TO THE ADDITION OF 575.14 ACRES OF LAND TO A MUNICIPAL UTILITY DISTRICT LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MCLENDON-CHISHOLM.

MADE BY: Council Member Tucker
SECONDED BY: Council Member Willis
APPROVAL: Unanimous

- 6.8. Discussion and action to consider a Resolution consenting to the creation of a Municipal Utility District encompassing approximately 574.14 acres of land to be located within the corporate limits of the City of McLendon-Chisholm.

This item was withdrawn from the agenda.

- 6.9. Presentation, discussion and possible action to consider a Resolution consenting to the creation of a Municipal Utility District encompassing approximately 574.14 acres of land to be located within the extraterritorial jurisdiction (ETJ) of the City.

This item was withdrawn from the agenda.

- 6.10. Discussion and action regarding consideration of an Engagement Letter and Fee Agreement between Davidson Trulo Ream Garza, Attorney at Law and the City of McLendon-Chisholm for the purpose of advising the City regarding possible expansion of its water system to include facilities and service area.

MOTION: APPROVE AN ENGAGEMENT LETTER AND FEE AGREEMENT BETWEEN DAVIDSON TRULO REAM GARZA, ATTORNEY AT LAW AND THE CITY OF MCLENDON-CHISHOLM FOR THE PURPOSE OF ADVISING THE CITY REGARDING POSSIBLE EXPANSION OF ITS WATER SYSTEM TO INCLUDE FACILITIES AND SERVICE AREA.

MADE BY: Council Member Willis
SECONDED BY: Council Member Davis
APPROVAL: Unanimous

7. EXECUTIVE SESSION

- 7.1. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551.071(1) Consultation with City 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 regarding consideration of an Engagement Letter and Fee agreement between Davidson Trulo Ream Garza, Attorney at Law and the City of McLendon-Chisholm for the purpose of advising the City regarding possible expansion of its water system to include facilities and service area.
- 7.2. Presentation, discussion and action regarding consideration of an Interlocal Agreement between the City of McLendon-Chisholm and Rockwall County regarding an agreement permitting City of McLendon-Chisholm in partnership with Land Solutions SV LLC to pave Edwards Road beginning at the intersection of Edwards and League Rd. continuing north to the city limits and also including a section of League Rd beginning at the intersection of Edwards and League continuing west to Via Toscana.

Council recessed into Executive Session at 6:40 p.m.

- 7.2. Reconvene Regular Meeting

Council reconvened the regular meeting at 7:55 p.m.

- 7.3. Executive Session Action

No Action Taken

8. UPDATES, DISCUSSION AND DIRECTION TO STAFF

None

9. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

Council Member Woessner – Starting to prepare for the Christmas event to be held on Wednesday, December 1, 2021.

Mayor Pro Tem Kipphut – Reminded everyone of the upcoming Veterans' Day event on November 11, 2021 at 11:00 a.m.

City Administrator Palomba reminded everyone of the Extreme Green Event to be held on October 16, 2021.

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10. ADJOURN

There being no further business to discuss, Mayor Short adjourned the meeting at 8:38 p.m.

APPROVED:

Keith Short, Mayor

ATTEST:

Rochelle Green, City Secretary

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City of McLendon Chisholm
General Fund Financial Summary
For the twelve months ended September 30, 2021
(Preliminary)

	Current Period Revenue and Expenses				Prior Period Revenue and Expenses			
	September 2021 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	September 2020 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
Revenue								
302 · Franchise Income	\$ 9,248	\$ 211,819	109%	\$ 195,000	\$ 17,667	\$ 194,126	104%	\$ 187,000
303 · Development Income	(425)	107,775	719%	15,000	4,645	78,115	521%	15,000
304 · Building Permit Income	14,059	725,900	104%	696,127	128,912	961,870	291%	330,000
305 Municipal Court Income	1,000	5,206	- %	500		-	0%	1,800
306 · Interest Income	76	5,620	22%	25,000	1,322	23,667	- %	18,500
307 · Sign Permit Income		-	- %	-		50	- %	100
308 · Septic Fees	650	11,550	105%	11,000	1,650	16,725	214%	7,800
309 Food Enforcement	50	1,250	104%	1,200		1,200	96%	1,250
310 · Sales Tax Revenue	184,363	696,889	204%	341,608	78,708	400,447	195%	205,750
311 · PID Admin Expense Reimbursement		-	- %	-	-	-	- %	-
313 · Donations	(170)	(300)	-60%	500	4,551,207	4,552,163	758694%	600
314 · Copies Public Inf. Income	7	27	- %	100		-	- %	130
315 · Miscellaneous Income		119,004	101%	118,000		-	- %	-
317 · Ad Valorem Tax	923	625,626	114%	551,083	837	599,930	112%	537,708
318 · Tax Certifications		-	- %	-		74	- %	75
321 · Credit Card Fee Revenue	186	2,219	281%	790	127	1,529	278%	550
325 · Hotel Occupancy Tax		4,173	- %	-				
Transfer from Fire Capital Fund		10,355	- %	410,465				
Transfer from Unassigned Surplus			- %	50,835				
Total Revenue	\$ 209,967.17	\$ 2,527,112	105%	\$ 2,417,208	\$ 4,785,073	\$ 6,829,896	105%	\$ 1,306,263

City of McLendon Chisholm
General Fund Financial Summary
For the twelve months ended September 30, 2021
(Preliminary)

	Current Period Revenue and Expenses				Prior Period Revenue and Expenses			
	September 2021 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	September 2020 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
Expenditures								
Operating Expenditures								
401 · Municipal Court		\$ 230	23%	\$ 1,000	\$ -	\$ -	- %	\$ 50
402 · Election Expense		8,157	33%	25,000		-	- %	12,250
410 · Building Inspections	4,325	129,500	77%	167,264	24,300	204,227	173%	117,742
411 · Environment Regulation Expense	1,015	14,156	263%	5,375	920	9,100	145%	6,255
41202 · CE Salary	1,800	21,405	71%	30,000				
41203 · CE Fuel		42	- %	-				
41204 · CE Vehicle Repairs & Maint		1,953	- %	-				
41205 · CE Supplies	211	1,269	- %	-				
414 · Animal Control	1,590	19,080	99%	19,196	1,590	3,180	- %	18,000
415 · Section 380 Grant Program		70,417	903%	7,800	5,973	30,002	- %	3,800
416 · Bad Debt		-	- %	-	300	300	- %	-
418 · Membership Fees		2,079	104%	2,000		1,662	106%	1,575
422 · Public Notice Expense	391	8,475	72%	11,750	625	5,892	64%	9,150
423 · Community Functions		550	55%	1,000		7,290	1458%	500
426 · Appraisal District Collection		9,676	129%	7,500		7,612	152%	5,000
429 · Street Lights	251	2,959	102%	2,900				
430 · Public Safety	40,412	557,255	96%	581,318	4,739,361	555,670	181%	306,555
Total 400 Operating Expenditures	\$ 49,994	\$ 847,200	98%	\$ 862,103	\$ 4,773,069	\$ 824,933	172%	\$ 480,877
Occupancy Expenditures								
502 · Electricity	\$ 482	\$ 3,971	137%	\$ 2,900	\$ 297	2,824	105%	\$ 2,700
506 · Water	268	3,297	32%	10,239	284	6,889	172%	4,000
510 · Propane Gas		-	0%	870		-	- %	788
512 · Trash Pick up		-	0%	-		1,062	- %	1,344

City of McLendon Chisholm
General Fund Financial Summary
For the twelve months ended September 30, 2021
(Preliminary)

	Current Period Revenue and Expenses				Prior Period Revenue and Expenses			
	September 2021 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	September 2020 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
514 · Building Maint/Improvements	573	11,969	100%	12,000	571	12,079	99%	12,200
516 · Lawn Maintenance	1,135	8,670	108%	8,000	685	8,220	97%	8,500
518 · Janitorial		-	- %	-		-	- %	-
520 · Telephone & Internet	748	9,121	110%	8,300	694	8,038	116%	6,900
522 · Website Expense		300	12%	2,500		1,258	126%	1,000
522.1 · Website Design/Redesign	2,000	9,000	90%	10,000				
522.2 · Audio/Video Chamber Updates		21,240	50%	42,280				
Total 500 Occupancy Expenditures	\$ 5,205	\$ 67,568	70%	\$ 97,089	\$ 2,531	\$ 40,369	70%	\$ 37,432
General & Administrative Expenditures								
603 · Citizen Recognition	-	-	- %	-	-	-	- %	-
604 · Municipal Manuals, Books & Maps		158	32%	500	-	346	138%	250
606 · Employee Costs	18,132	232,010	104%	222,187	14,467	193,121	87%	222,455
618 · Liability Insurance		5,563	96%	5,821		5,292	70%	7,517
619 · Software Subscriptions	752	24,930	67%	37,100	542	33,366	176%	19,000
621 · IT Support	900	10,175	145%	7,000	775	8,425	153%	5,500
622 · Office Supplies - City Hall	366	5,678	162%	3,500	945	4,084	136%	3,000
623 · Office Equipment	149	2,301	26%	8,900	149	3,112	120%	2,600
624 · Office Equip Maintenance		4,113	91%	4,500	3,237	6,135	409%	1,500
625 · Printed Materials		958	48%	2,000	1,230	5,290	311%	1,700
626 · Postage-City Hall	180	2,888	193%	1,500	100	1,030	73%	1,410
628 · Bank Fees	149	2,009	100%	2,000	158	1,677	112%	1,500
630 · Legal & Professional								
63001-Accounting & Payroll services	5,000	60,000	100%	60,000	4,454	53,225	101%	52,514
63002 - Financial Audit	12,500	12,500	78%	16,000		15,000	100%	15,000
63003 - Legal	2,578	33,585	84%	40,000	2,410	34,007	85%	40,000

City of McLendon Chisholm
General Fund Financial Summary
For the twelve months ended September 30, 2021
(Preliminary)

	Current Period Revenue and Expenses				Prior Period Revenue and Expenses			
	September 2021 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	September 2020 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
63005 - City Planner	3,000	50,165	201%	25,000	1,965	24,985	56%	45,000
63005.1 - Comprehensive Plan	1,090	77,671	108%	71,950				
63008 - Financial Consulting	309	22,496	87%	26,000	2,600	29,014	- %	26,000
63009 - Engineering	750	2,550	10%	25,000		6,574	- %	15,000
632 - Emergency Management		1,231	- %	-		-	- %	-
645 - Transcription Services		-	- %	-		-	- %	-
646 - Mileage Expense		515	69%	750		281	56%	500
647 - Council Meetings & Development	113	480	60%	800	12	886	136%	650
648 - Training	635	5,260	75%	7,000		2,187	32%	6,750
649 - Expense Account - City Administrator		-	- %	-		-	0%	-
650 - Expense Account - Mayor		(149)	- %	-		-	0%	-
652 - Staff Appreciation		-	0%	800		650	76%	850
655 - Code of Ordinance		-	0%	4,000		3,360	96%	3,500
699 - Miscellaneous Expense		298	- %	-	715	954	0%	-
						-		
Total G & A Expenditures	\$ 46,602	\$ 557,387	97%	\$ 572,308	\$ 33,759	433,001	97%	\$ 472,196
700 - Capital Expenditures - Public Safety	\$ 384,836	\$ 395,191	96%	\$ 410,465		\$ 13,324	89%	\$ 15,000
700 - Capital Expenditures - Operating		54,565	99%	55,000		31,160	89%	35,000
Transfer to Capital Projects Fund		420,768	100%	420,243		-	-	-
Total Capital Expenditures	\$ 384,836	\$ 870,524	98%	\$ 885,708	\$ -	\$ 44,484	89%	\$ 50,000
Total Expenditures	\$ 101,801	\$ 2,342,680	97%	\$ 2,417,208	\$ 4,809,359	\$ 1,342,787	97%	\$ 1,040,505
Surplus (Deficit)	\$ 108,166	\$ 184,433	0%	\$ -	\$ (24,286)	\$ 5,487,109	0%	\$ 265,758

City of McLendon Chisholm
Utility Fund Financial Summary
For the twelve months ended September 30, 2021
(Preliminary)

	Current Period Revenue & Expenditures				Prior Period Revenue & Expenditures			
	September 2021 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Amended Budget	Sep 2020 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
Revenue								
306 · Interest Income	\$ 15	\$ 597	10%	\$ 6,000	\$ 157	\$ 6,461	66%	\$ 9,750
Sewer Utility Revenue								
32200 · Sewer Usage Fees	45,887	\$ 387,511	126%	306,625	32,142	302,691	133%	228,360
32201 · Sewer Tap Fees	3,000	300,000	92%	327,000	60,000	447,000	621%	72,000
32204 · Sewer Deposit Refunds	(77)	(1,961)	232%	(845)	(67)	(885)	80%	(1,100)
Total Revenue	\$ 48,825	\$ 686,147	107%	\$ 638,780	\$ 92,232	\$ 755,267	244%	\$ 309,010
Expenditures								
Operation & Maintenance Expenditures								
Sewer Operation & Maintenance								
41304 · O&M Agreement	3,971	\$ 45,154	98%	\$ 46,000	3,600	\$ 40,282	120%	\$ 33,570
41305 · O&M Maintenance	10,605	44,804	113%	\$ 39,500	17,743	51,199	142%	\$ 36,000
41308 · Electricity	9	108	72%	150	9	108	0%	-
41310 · Sewer Treatment	27,000	309,634	102%	304,000	47,577	215,184	93%	231,794
41312 · Tap Fee Developer Rebate	1,800	180,000	92%	196,200	36,000	268,200	621%	43,200
Total Operations Expenditures	\$ 43,385	\$ 579,701	99%	\$ 585,850	\$ 104,928	\$ 574,972	167%	\$ 344,564
600 · General & Administrative Exp	\$ 1,274	\$ 15,319	100%	\$ 15,293	\$ 3,493	\$ 57,771	413%	\$ 14,000
Total Expenditures	44,659	\$ 595,019	99%	\$ 601,143	108,421	\$ 632,743	176%	\$ 358,564
Surplus (Deficit)	\$ 4,166	\$ 91,128	242%	\$ 37,637	(16,189)	\$ 122,524	0%	\$ (49,554)

City of McLendon Chisholm
Interest Sinking Fund Financial Summary
For the twelve months ended September 30, 2021

	Current Period Revenue & Expenditures				Prior Period Revenue & Expenditures			
	September 2021 Actuals	Current YTD Actuals	% of Budget Current YTD	FY 2020-2021 Budget	September 2020 Actuals	Prior YTD Actuals	% of Budget Current YTD	FY 2019-2020 Budget
Revenue								
Ad Valorem Tax								
317 · Ad Valorem Tax	\$ 247	168,284	114%	\$ 147,552	\$ 186	\$ 118,094	110%	\$ 107,426
306 · Interest Income	1	3,717	- %	6,900	378	9,739	- %	3,250
Transfer from Excess Bond Proceeds		-	- %	-		-	- %	-
Transfer From Interest & Sinking Surplus		-	- %	-		-	- %	30,968
Total Revenue and Transfers In	\$ 248	\$ 172,001	111%	\$ 154,452	\$ 564	\$ 127,833	90%	\$ 141,644
Expenditures								
628 · Bank Fees Expense		\$ 350		\$ 5,850	\$ 750	\$ 5,100		0
660 · Bond Interest Expense	4,693	56,316	100%	\$ 56,312	4,823	\$ 57,876	100%	\$ 58,113
802 · Bond Cost Amortization		-	- %	-		\$ (0)	- %	2,912
803 · Bond Premium Amortization	(757)	(9,086)	- %	-	(782)	\$ (9,382)	- %	(9,381)
Transfer To Bond Principal		90,000	100%	90,000		\$ 90,000	100%	90,000
Transfer to Early Redemption Sinking Fund			- %	-		\$ -	- %	-
Total Expenditures and Transfers Out	\$ 3,936	\$ 137,580	90%	\$ 152,162	\$ 4,791	\$ 143,594	101%	\$ 141,644
Surplus (Deficit)	\$ (3,688)	\$ 34,421	1503%	\$ 2,290	\$ (4,228)	\$ (15,761)	- %	\$ -

City of McLendon Chisholm
Capital Projects Fund Financial Summary
For the twelve months ended September 30, 2021
(Preliminary)

	Current Period Revenue & Expenditures				FY 2020-2021 Amended Budget
	September 2021	Actuals	Current YTD Actuals	% of Budget Current YTD	
Revenue					
315 · Miscellaneous Income		<u>0</u>	<u>18,201</u>		
Total Revenue		<u>0</u>	<u>18,201</u>		
700 · Capital Expenditures - Public Safety	\$	271,698	2,897,868	71%	\$ 4,054,935
700 · Capital Expenditures - Utility Fund		<u>1,700</u>	<u>422,468</u>	101%	<u>420,243</u>
Total Expenditures	\$	<u>273,398</u>	<u>\$ 3,320,336</u>	74%	<u>\$ 4,475,178</u>
Surplus/(Deficit)	\$	<u>(273,398)</u>	<u>\$ (3,302,134)</u>	74%	<u>\$ (4,475,178)</u>

City of McLendon Chisholm
 ARPA Special Fund Financial Summary
 For the twelve months ended September 30, 2021

	Current Period Revenue & Expenditures				
	September 2021	Actuals	Current YTD Actuals	Budget	% of Budget Current YTD
Revenue					
319.1 - ARPA Grant Revenue		428,050	428,050	-	-
Total Revenue		428,050	428,050	-	-
Total ARPA Fund Revenue	\$	428,050	\$ 428,050	\$ -	-
Surplus/(Deficit)	\$	428,050	\$ 428,050	\$ -	-

City of McLendon Chisholm
Public Safety Detail Report
For the twelve months ended September 30, 2021

	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	YTD
Revenue													
306 · Interest Income													
30600 · Alliance Interest Income	0.00	0.00	0.00	0.00	13.96	10.29	4.62	7.10	4.54	1.31	36.21	33.07	111.10
Total 306 · Interest Income	0.00	0.00	0.00	0.00	13.96	10.29	4.62	7.10	4.54	1.31	36.21	33.07	111.10
313 · Donations	0.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	3,500.00
316 · County Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	77,500.00	0.00	77,500.00
319 · Grants	10,685.36	12,983.36	10,691.59	11,030.30	11,646.42	10,898.58	11,168.18	11,134.57	10,919.87	9,694.37	9,762.00	11,363.98	131,978.58
Total Income	10,685.36	12,983.36	10,691.59	13,530.30	11,660.38	10,908.87	11,172.80	11,141.67	10,924.41	9,695.68	88,298.21	11,397.05	213,089.68
Gross Profit	10,685.36	12,983.36	10,691.59	13,530.30	11,660.38	10,908.87	11,172.80	11,141.67	10,924.41	9,695.68	88,298.21	11,397.05	213,089.68
Expense													
430 · Public Safety													
43001 · Liability Insurance	7,748.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,748.86
43002 · Fuel	802.67	900.30	902.31	867.43	1,148.15	1,396.02	1,292.95	1,175.52	1,278.35	1,210.22	1,235.43	1,421.80	13,631.15
43003 · Maintenance & Repair - Vehicles	2,743.20	2,204.89	1,625.60	6,481.08	62.75	2,618.27	16,127.65	984.70	2,199.76	57.40	13,145.29	646.00	48,896.59
43004 · Maintenance & Repair - Station	354.39	1,427.50	280.90	691.00	702.85	483.16	281.17	975.00	350.94	446.72	825.00	461.14	7,279.77
43005 · Gear and Supplies	4,758.26	597.67	1,159.64	1,060.47	334.13	3,236.94	549.48	713.08	621.59	679.79	2,540.44	2,960.90	19,212.39
43006 · Compliance	1,140.28	857.65	0.00	328.79	2,631.10	911.00	0.00	0.00	0.00	0.00	435.00	0.00	6,303.82
43007 · Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,549.26	-300.00	17,249.26
43008 · Dispatch	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
43009 · Training	382.93	0.00	299.00	65.50	0.00	0.00	367.95	2,918.51	72.00	31.64	64.00	53.70	4,255.23
43010 · Software	0.00	0.00	0.00	0.00	132.16	-39.65	0.00	0.00	0.00	0.00	0.00	0.00	92.51
43030 · EMS	1,794.66	0.00	0.00	1,219.66	0.00	0.00	1,219.66	0.00	1,219.66	0.00	0.00	0.00	5,453.64
43035 · Street Lights	247.39	494.78	246.64	278.14	234.60	234.60	246.33	-1,982.48	0.00	0.00	0.00	0.00	0.00
Total 430 · Public Safety	29,972.64	6,482.79	4,514.09	10,992.07	5,245.74	8,840.34	20,085.19	4,784.33	5,742.30	2,425.77	35,794.42	5,243.54	140,123.22
500 · Occupancy Expenditures													
502 · Electricity	328.39	416.95	207.63	258.70	351.28	484.91	382.72	216.50	226.94	346.64	606.30	262.96	4,089.92
506 · Water	35.12	35.78	49.47	52.08	42.46	56.03	43.22	137.44	120.86	139.62	162.62	173.85	1,048.55
516 · Lawn Maintenance	0.00	60.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00
520 · Telephone & Internet	189.66	199.73	199.73	190.01	190.01	215.71	205.79	215.86	215.86	215.71	205.64	205.67	2,449.38
Total 500 · Occupancy Expenditures	553.17	712.46	456.83	500.79	583.75	756.65	631.73	569.80	563.66	701.97	974.56	642.48	7,647.85
600 · General & Administrative Exp													
606 · Employee Costs													
60601 · Staff Salaries	54,456.49	39,427.86	34,238.52	34,355.74	37,561.24	38,950.05	52,448.78	36,902.03	34,442.67	29,314.43	35,783.44	34,186.04	462,067.29
60602 · Hourly PTO 0 - 36 months	818.40	0.00	409.20	1,294.44	0.00	0.00	0.00	0.00	4,505.12	0.00	758.40	419.52	8,205.08
60604 · Holiday Pay	0.00	0.00	982.44	0.00	0.00	1,258.56	419.52	0.00	0.00	1,134.39	0.00	629.28	4,424.19
60605 · Hourly FF Banked Holiday Pay	1,227.60	0.00	818.40	0.00	0.00	0.00	838.75	0.00	690.46	0.00	0.00	0.00	3,575.21
60609 · Payroll Tax Expense	4,170.34	2,912.14	2,692.35	2,631.23	2,769.34	2,979.98	3,964.63	2,727.05	2,581.38	2,400.80	2,716.29	2,614.40	35,159.93
60612 · Retirement Plan Contributions	624.38	460.94	413.58	1,801.43	2,088.81	2,204.50	2,877.27	1,958.81	2,218.80	1,945.10	2,072.63	2,156.62	20,822.87

City of McLendon Chisholm
Public Safety Detail Report
For the twelve months ended September 30, 2021

60613 · Health Insurance Expense	4,543.26	4,827.23	4,827.23	4,827.23	4,827.23	4,827.23	4,478.38	4,827.23	4,827.23	2,957.71	7,618.08	5,445.34	58,833.38
60614 · Dental Insurance Expense	352.26	352.26	352.26	352.26	352.26	352.26	325.16	352.26	352.26	185.01	543.18	410.97	4,282.40
60615 · Vision Insurance	41.04	41.04	41.04	41.04	41.04	47.88	47.88	47.88	47.88	47.88	20.52	60.84	525.96
60616 · Disability Insurance	1,319.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,319.64
60618 · Salary PTO 0 - 36 months													
60618.1 · Salary PTO 37 - 84 months	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,678.34	0.00	0.00	1,678.34
Total 60618 · Salary PTO 0 - 36 months	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,678.34	0.00	0.00	1,678.34
60621 · Unemployment Benefits	0.00	21.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.84
Total 606 · Employee Costs	67,553.41	48,043.31	44,775.02	45,303.37	47,639.92	50,620.46	65,400.37	46,815.26	49,665.80	39,663.66	49,512.54	45,923.01	600,916.13
618 · Insurance													
61803 · Workmen's Comp Ins	13,619.62	0.00	0.00	0.00	3,837.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,456.62
Total 618 · Insurance	13,619.62	0.00	0.00	0.00	3,837.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,456.62
619 · Software Subscriptions	2,289.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,289.26
628 · Bank Fees													
62806 · Interest Expense	0.00	0.00	1,124.76	0.00	0.00	0.00	0.00	0.00	567.94	0.00	0.00	0.00	1,692.70
Total 628 · Bank Fees	0.00	0.00	1,124.76	0.00	0.00	0.00	0.00	0.00	567.94	0.00	0.00	0.00	1,692.70
652 · Staff Appreciation	0.00	0.00	38.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.84
699 · Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	180.00	0.00	0.00	0.00	180.00
Total 600 · General & Administrative Exp	83,462.29	48,043.31	45,938.62	45,303.37	51,476.92	50,620.46	65,400.37	46,815.26	50,413.74	39,663.66	49,512.54	45,923.01	622,573.55
700 · Capital Expenditures													
70004 · Fire Equipment	0.00	0.00	0.00	10,355.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	384,836.50	395,191.70
Total 700 · Capital Expenditures	0.00	0.00	0.00	10,355.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	384,836.50	395,191.70
Total Expense	113,988.10	55,238.56	50,909.54	67,151.43	57,306.41	60,217.45	86,117.29	52,169.39	56,719.70	42,791.40	86,281.52	436,645.53	1,165,536.32
Net Ordinary Income	-103,302.74	-42,255.20	-40,217.95	-53,621.13	-45,646.03	-49,308.58	-74,944.49	-41,027.72	-45,795.29	-33,095.72	2,016.69	-425,248.48	-952,446.64
Net Surplus/(Deficit)	-103,302.74	-42,255.20	-40,217.95	-53,621.13	-45,646.03	-49,308.58	-74,944.49	-41,027.72	-45,795.29	-33,095.72	2,016.69	-425,248.48	-952,446.64

City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of September, 2021

	ARPA Fund	Capital Projects Fund	General Fund	Interest and Sinking Fund	Public Safety	Utilities Fund
Revenue						
302 · Franchise Income						
30220 · Oncor Electric Delivery	0.00	0.00	9,247.95	0.00	0.00	0.00
Total 302 · Franchise Income	0.00	0.00	9,247.95	0.00	0.00	0.00
303 · Development Income						
30302 · Zoning Change	0.00	0.00	50.00	0.00	0.00	0.00
30304 · Plat Income	0.00	0.00	-475.00	0.00	0.00	0.00
Total 303 · Development Income	0.00	0.00	-425.00	0.00	0.00	0.00
304 · Building Permit Income						
30401 · Contractor Registration Fee Inc	0.00	0.00	100.00	0.00	0.00	0.00
30404 · Inspection Income	0.00	0.00	4,200.00	0.00	0.00	0.00
30405 · Building Permit & Plan Review	0.00	0.00	8,559.45	0.00	0.00	0.00
30408 · Swimming Pool Permits	0.00	0.00	1,200.00	0.00	0.00	0.00
Total 304 · Building Permit Income	0.00	0.00	14,059.45	0.00	0.00	0.00
305 · Municipal Court Income	0.00	0.00	1,000.00	0.00	0.00	0.00
306 · Interest Income						
30600 · Alliance Interest Income	0.00	0.00	22.11	0.00	33.07	2.31
30602 · Logic Interest Income	0.00	0.00	53.74	0.91	0.00	12.89
30603 · Tex Pool Interest Income	0.00	0.00	0.38	0.00	0.00	0.00
Total 306 · Interest Income	0.00	0.00	76.23	0.91	33.07	15.20
308 · Septic Fees						
30801 · OSSF Fee Income	0.00	0.00	650.00	0.00	0.00	0.00
Total 308 · Septic Fees	0.00	0.00	650.00	0.00	0.00	0.00
309 · Food Enforcement	0.00	0.00	50.00	0.00	0.00	0.00
310 · Sales Tax Revenue	0.00	0.00	184,363.35	0.00	0.00	0.00
313 · Donations						
313.2 · Veterans Memorial Fundraising C	0.00	0.00	-170.00	0.00	0.00	0.00
Total 313 · Donations	0.00	0.00	-170.00	0.00	0.00	0.00
314 · Copies Public Information Incom						
31401 · Standard Copies	0.00	0.00	7.00	0.00	0.00	0.00
Total 314 · Copies Public Information Incom	0.00	0.00	7.00	0.00	0.00	0.00
317 · Ad Valorem Tax						
31701 · Ad Valorem Tax - M&O	0.00	0.00	780.80	0.00	0.00	0.00

City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of September, 2021

	ARPA Fund	Capital Projects Fund	General Fund	Interest and Sinking Fund	Public Safety	Utilities Fund
31702 · Ad Valorem Tax - City Hall	0.00	0.00	0.00	209.06	0.00	0.00
31703 · Ad Valorem Refunds - M&O	0.00	0.00	0.00	0.00	0.00	0.00
31705 · Ad Valorem Tax - Prior Years	0.00	0.00	0.00	0.00	0.00	0.00
31706 · Ad Valorem Tax - Penalty	0.00	0.00	93.70	25.09	0.00	0.00
31708 · Ad Valorem Refunds - City Hall	0.00	0.00	0.00	0.00	0.00	0.00
31709 · Ad Valorem Tax - Interest	0.00	0.00	48.04	12.86	0.00	0.00
31710 · Ad Valorem Tax - Misc Adj	0.00	0.00	0.00	0.00	0.00	0.00
37112 · Ad Valorem Business Property	0.00	0.00	0.00	0.00	0.00	0.00
Total 317 · Ad Valorem Tax	0.00	0.00	922.54	247.01	0.00	0.00
319 · Grants						
319.1 · ARPA Grant	428,050.23	0.00	0.00	0.00	0.00	0.00
319 · Grants - Other	0.00	0.00	0.00	0.00	11,363.98	0.00
Total 319 · Grants	428,050.23	0.00	0.00	0.00	11,363.98	0.00
321 · Credit Card Fee Revenue	0.00	0.00	186.18	0.00	0.00	0.00
322 · Sewer Utility Revenue						
32200 · Sewer Usage Fees	0.00	0.00	0.00	0.00	0.00	45,886.72
32201 · Sewer Tap Fees	0.00	0.00	0.00	0.00	0.00	3,000.00
32204 · Sewer Deposit Refunds	0.00	0.00	0.00	0.00	0.00	-77.25
Total 322 · Sewer Utility Revenue	0.00	0.00	0.00	0.00	0.00	48,809.47
Total Income	428,050.23	0.00	209,967.70	247.92	11,397.05	48,824.67
Gross Profit	428,050.23	0.00	209,967.70	247.92	11,397.05	48,824.67
Expense						
400 · Operating Expenditures						
410 · Building Inspections						
41003 · Building Inspections	0.00	0.00	4,325.00	0.00	0.00	0.00
Total 410 · Building Inspections	0.00	0.00	4,325.00	0.00	0.00	0.00
411 · Environment Regulation Expense						
41101 · Septic Inspection Fee	0.00	0.00	725.00	0.00	0.00	0.00
41102 · TCEQ	0.00	0.00	40.00	0.00	0.00	0.00
41103 · Swimming Pool Inspections	0.00	0.00	250.00	0.00	0.00	0.00
Total 411 · Environment Regulation Expense	0.00	0.00	1,015.00	0.00	0.00	0.00
412 · Code Enforcement Administration						
41202 · CE Salary	0.00	0.00	1,800.00	0.00	0.00	0.00
41205 · CE Supplies	0.00	0.00	210.61	0.00	0.00	0.00

City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of September, 2021

	ARPA Fund	Capital Projects Fund	General Fund	Interest and Sinking Fund	Public Safety	Utilities Fund
Total 412 · Code Enforcement Administration	0.00	0.00	2,010.61	0.00	0.00	0.00
414 · Animal Control	0.00	0.00	1,590.42	0.00	0.00	0.00
422 · Public Notice Expense	0.00	0.00	390.50	0.00	0.00	0.00
Total 400 · Operating Expenditures	0.00	0.00	9,331.53	0.00	0.00	0.00
413 · Sewer Operation & Maintenance						
41304 · O&M Agreement	0.00	0.00	0.00	0.00	0.00	3,971.25
41305 · Nonstandard O&M Expense	0.00	0.00	0.00	0.00	0.00	10,604.58
41308 · Electricity	0.00	0.00	0.00	0.00	0.00	8.97
41310 · Sewer Treatment	0.00	0.00	0.00	0.00	0.00	27,000.00
41312 · Tap Fee Developer Rebate	0.00	0.00	0.00	0.00	0.00	1,800.00
Total 413 · Sewer Operation & Maintenance	0.00	0.00	0.00	0.00	0.00	43,384.80
429 · Street Lights	0.00	0.00	250.75	0.00	0.00	0.00
430 · Public Safety						
43002 · Fuel	0.00	0.00	0.00	0.00	1,421.80	0.00
43003 · Maintenance & Repair - Vehicles	0.00	0.00	0.00	0.00	646.00	0.00
43004 · Maintenance & Repair - Station	0.00	0.00	0.00	0.00	461.14	0.00
43005 · Gear and Supplies	0.00	0.00	0.00	0.00	2,960.90	0.00
43007 · Communications	0.00	0.00	0.00	0.00	-300.00	0.00
43009 · Training	0.00	0.00	0.00	0.00	53.70	0.00
Total 430 · Public Safety	0.00	0.00	0.00	0.00	5,243.54	0.00
500 · Occupancy Expenditures						
502 · Electricity	0.00	0.00	481.77	0.00	262.96	0.00
506 · Water	0.00	0.00	267.73	0.00	173.85	0.00
514 · Building Maint/Improvements	0.00	0.00	573.00	0.00	0.00	0.00
516 · Lawn Maintenance	0.00	0.00	1,134.94	0.00	0.00	0.00
520 · Telephone & Internet	0.00	0.00	747.76	0.00	205.67	0.00
522 · Website Expense						
522.1 · Website Design/Redesign	0.00	0.00	2,000.00	0.00	0.00	0.00
Total 522 · Website Expense	0.00	0.00	2,000.00	0.00	0.00	0.00
Total 500 · Occupancy Expenditures	0.00	0.00	5,205.20	0.00	642.48	0.00
600 · General & Administrative Exp						
606 · Employee Costs						
60601 · Staff Salaries	0.00	0.00	12,505.45	0.00	34,186.04	0.00
60602 · Hourly PTO 0 - 36 months	0.00	0.00	0.00	0.00	419.52	0.00

City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of September, 2021

	ARPA Fund	Capital Projects Fund	General Fund	Interest and Sinking Fund	Public Safety	Utilities Fund
60604 · Holiday Pay	0.00	0.00	717.77	0.00	629.28	0.00
60609 · Payroll Tax Expense	0.00	0.00	1,207.82	0.00	2,614.40	0.00
60610 · Payroll Processing Fees	0.00	0.00	120.72	0.00	0.00	0.00
60612 · Retirement Plan Contributions	0.00	0.00	1,122.55	0.00	2,156.62	0.00
60613 · Health Insurance Expense	0.00	0.00	1,561.12	0.00	5,445.34	0.00
60614 · Dental Insurance Expense	0.00	0.00	117.42	0.00	410.97	0.00
60615 · Vision Insurance	0.00	0.00	13.68	0.00	60.84	0.00
60618 · Salary PTO 0 - 36 months						
60618.1 · Salary PTO 37 - 84 months	0.00	0.00	311.82	0.00	0.00	0.00
60618 · Salary PTO 0 - 36 months - Other	0.00	0.00	453.37	0.00	0.00	0.00
Total 60618 · Salary PTO 0 - 36 months	0.00	0.00	765.19	0.00	0.00	0.00
Total 606 · Employee Costs	0.00	0.00	18,131.72	0.00	45,923.01	0.00
619 · Software Subscriptions	0.00	0.00	751.83	0.00	0.00	0.00
621 · IT Support	0.00	0.00	900.00	0.00	0.00	0.00
622 · Office Supplies - City Hall	0.00	0.00	365.63	0.00	0.00	0.00
623 · Office Equipment	0.00	0.00	149.49	0.00	0.00	0.00
626 · Postage-City Hall	0.00	0.00	179.51	0.00	0.00	0.00
628 · Bank Fees						
62801 · Service Charges	0.00	0.00	149.27	0.00	0.00	0.00
Total 628 · Bank Fees	0.00	0.00	149.27	0.00	0.00	0.00
630 · Legal & Professional						
63001 · Accounting & Payroll Services	0.00	0.00	5,000.00	0.00	0.00	1,274.00
63002 · Financial Audit	0.00	0.00	12,500.00	0.00	0.00	0.00
63003 · Legal	0.00	0.00	2,578.00	0.00	0.00	0.00
63005 · City Planner	0.00	0.00	3,000.00	0.00	0.00	0.00
63006 · Comprehensive Plan	0.00	0.00	1,090.00	0.00	0.00	0.00
63008 · Financial Consulting	0.00	0.00	308.75	0.00	0.00	0.00
63009 · Engineering	0.00	0.00	750.00	0.00	0.00	0.00
Total 630 · Legal & Professional	0.00	0.00	25,226.75	0.00	0.00	1,274.00
646 · Mileage Expense	0.00	0.00	0.00	0.00	0.00	0.00
647 · Council Meetings & Development	0.00	0.00	112.72	0.00	0.00	0.00
648 · Training	0.00	0.00	635.00	0.00	0.00	0.00
660 · Bond Interest Expense	0.00	0.00	0.00	4,693.00	0.00	0.00
Total 600 · General & Administrative Exp	0.00	0.00	46,601.92	4,693.00	45,923.01	1,274.00

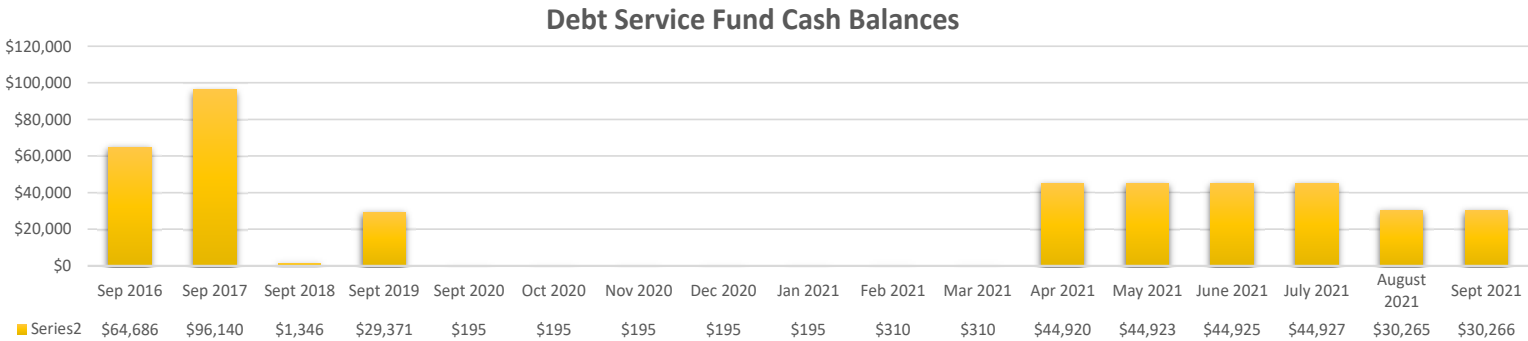
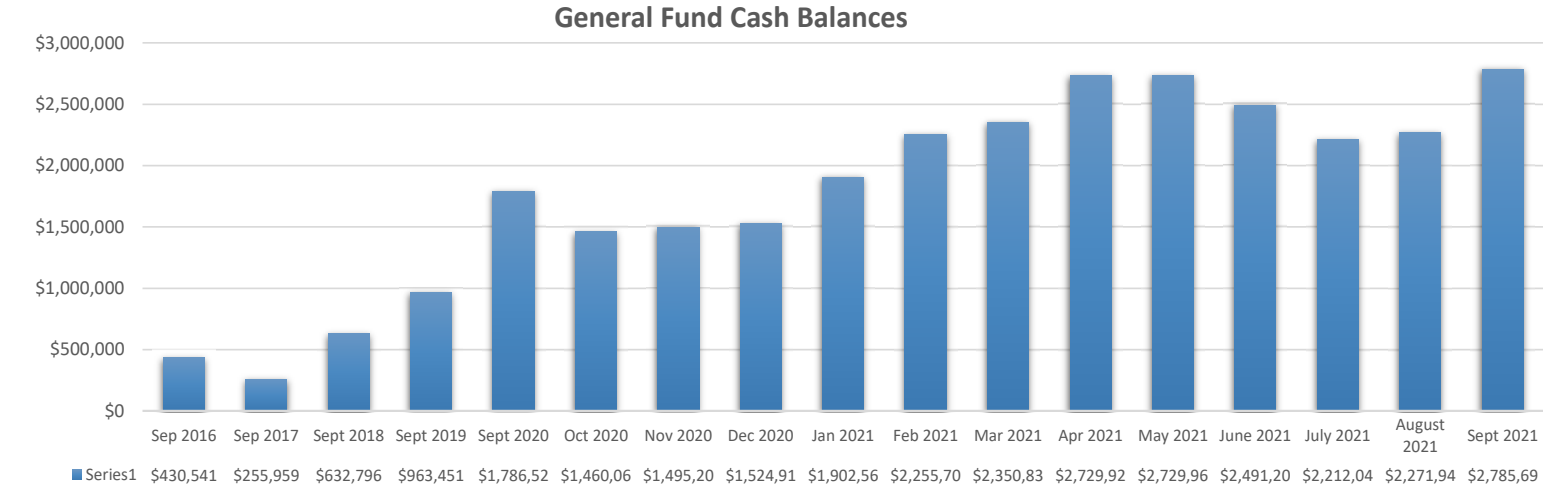
City of McLendon Chisholm
Detail Statement of Revenue & Expenditures by Fund
For the Month of September, 2021

	ARPA Fund	Capital Projects Fund	General Fund	Interest and Sinking Fund	Public Safety	Utilities Fund
700 · Capital Expenditures						
70004 · Fire Equipment	0.00	0.00	0.00	0.00	384,836.50	0.00
70006 · New Fire Station	0.00	271,697.54	0.00	0.00	0.00	0.00
70009 · Sewer Line Expansion - 2021	0.00	1,700.00	0.00	0.00	0.00	0.00
Total 700 · Capital Expenditures	0.00	273,397.54	0.00	0.00	384,836.50	0.00
Total Expense	0.00	273,397.54	61,389.40	4,693.00	436,645.53	44,658.80
Net Ordinary Income	428,050.23	-273,397.54	148,578.30	-4,445.08	-425,248.48	4,165.87
Other Income/Expense						
Other Expense						
803 · Bond Premium Amortization	0.00	0.00	0.00	-757.40	0.00	0.00
Total Other Expense	0.00	0.00	0.00	-757.40	0.00	0.00
Net Other Income	0.00	0.00	0.00	757.40	0.00	0.00
Net Surplus/(Deficit)	428,050.23	-273,397.54	148,578.30	-3,687.68	-425,248.48	4,165.87

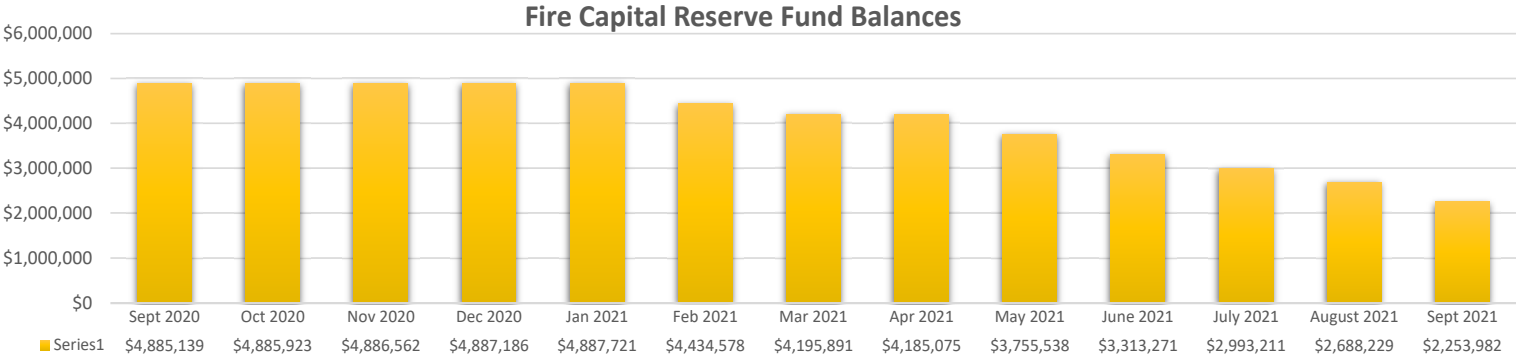
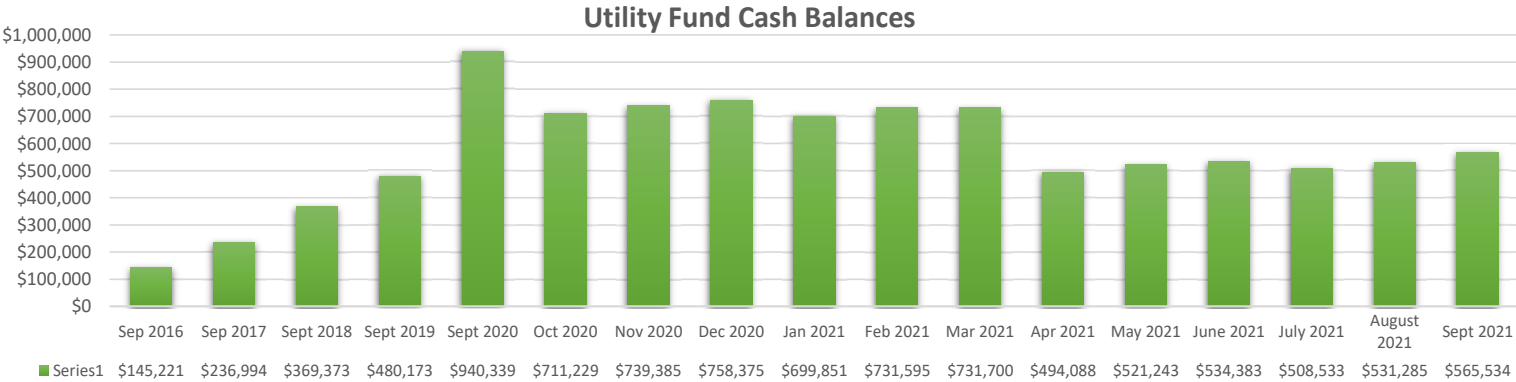
City of McLendon Chisholm
Cash Account Balances

Fund	Account	Sept 30,20	Oct 31,20	Nov 30,20	Dec 31,20	Jan 31,21	Feb 28,21	Mar 31,21	April 30,21	May 31,21	June 30,21	July 31,21	Aug 31,21	Sept 30,21
I&S	130 - 9003 Logic I&S Fund	195	195	195	195	195	310	310	44,920	44,923	44,925	44,927	30,265	30,266
I&S Total		195	195	195	195	195	310	310	44,920	44,923	44,925	44,927	30,265	30,266
General	100 - 3738 - Alliance Operating	258,172	265,578	300,563	330,116	707,637	1,063,182	1,158,218	1,581,834	1,581,802	1,342,990	1,063,778	1,131,983	1,645,699
General	103 - Texpool 300001	19,134	19,136	19,138	19,139	19,140	19,141	19,141	19,142	19,142	19,142	19,143	19,143	19,143
General	125 - Logic - 9001 General Fund Reserves	301,574	301,623	301,662	301,701	301,734	301,757	301,782	301,803	301,822	301,837	301,850	301,860	301,869
General	127 - 9004 Logic Operating	873,591	873,732	873,846	873,957	874,053	871,621	871,692	827,143	827,196	827,236	827,272	818,956	818,981
General Total		1,452,471	1,460,068	1,495,209	1,524,913	1,902,564	2,255,701	2,350,833	2,729,921	2,729,962	2,491,205	2,212,042	2,271,942	2,785,692
Utility	106 - 5071 - Alliance Utility Fund	510,328	281,149	309,249	328,183	269,613	301,324	301,393	63,751	90,879	103,998	78,129	100,866	135,102
Utility	126 - Logic - 9002 Utility Fund	430,011	430,080	430,136	430,191	430,238	430,272	430,307	430,337	430,365	430,385	430,404	430,419	430,432
Utility Total		940,339	711,229	739,385	758,375	699,851	731,595	731,700	494,088	521,243	534,383	508,533	531,285	565,534
Fire Capital Reserve	102 - 634 Alliance Construction	-	-	-	-	-	362,358	123,338	1,112,247	682,512	240,097	(80,098)	2,114,891	1,680,627
Fire Capital Reserve	128 - 9005 Logic Fire Dept Reserve	4,885,139	4,885,923	4,886,562	4,887,186	4,887,721	4,072,219	4,072,553	3,072,828	3,073,026	3,073,174	3,073,309	573,338	573,355
Reserves Total		4,885,139	4,885,923	4,886,562	4,887,186	4,887,721	4,434,578	4,195,891	4,185,075	3,755,538	3,313,271	2,993,211	2,688,229	2,253,982
Total		7,278,144	7,057,415	7,121,352	7,170,669	7,490,331	7,422,184	7,278,733	7,454,004	7,051,666	6,383,784	5,758,714	5,521,721	5,635,474

City of McLendon Chisholm
Cash Balance Report
As of September 30, 2021



City of McLendon Chisholm
Cash Balance Report
As of September 30, 2021



Alarm Date between 2021-09-01 and 2021-09-30

Total Calls by District

District	2021-09-01	Total
City Limit District	14	14
County District	12	12
Out of County Aid	2	2
County Mutual Aid	1	1
Total	29	29

Incident Date between 2021-09-01 and 2021-09-30

Incident Date	Incident Number	NFIRS Number	Incident Type Code	Incident Type	District	Status
9/1/2021	2021-00362	0000351	321	EMS call, excluding vehicle accident with injury	City Limit District	1
9/1/2021	2021-00363	0000352	321	EMS call, excluding vehicle accident with injury	County District	1
9/1/2021	2021-00364	0000353	321	EMS call, excluding vehicle accident with injury	City Limit District	1
9/2/2021	2021-00366	0000354	321	EMS call, excluding vehicle accident with injury	City Limit District	1
9/5/2021	2021-00367	0000355	321	EMS call, excluding vehicle accident with injury	City Limit District	1
9/7/2021	2021-00368	0000356	554	Assist invalid	City Limit District	1
9/7/2021	2021-00369	0000357	735	Alarm system sounded due to malfunction	City Limit District	1
9/9/2021	2021-00370	0000358	111	Building fire	Out of County Aid	1
9/10/2021	2021-00371	0000359	321	EMS call, excluding vehicle accident with injury	County District	1
9/12/2021	2021-00372	0000360	611	Dispatched & canceled en route	County District	1
9/12/2021	2021-00373	0000361	321	EMS call, excluding vehicle accident with injury	County District	1
9/13/2021	2021-00374	0000362	162	Outside equipment fire	City Limit District	1
9/14/2021	2021-00375	0000363	424	Carbon monoxide incident	City Limit District	1
9/15/2021	2021-00376	0000364	611	Dispatched & canceled en route	County District	1
9/17/2021	2021-00377	0000365	140	Natural vegetation fire, other	City Limit District	1
9/18/2021	2021-00378	0000366	321	EMS call, excluding vehicle accident with injury	County District	1
9/18/2021	2021-00379	0000367	554	Assist invalid	County District	1
9/19/2021	2021-00380	0000368	321	EMS call, excluding vehicle accident with injury	County District	1
9/19/2021	2021-00381	0000369	321	EMS call, excluding vehicle accident with injury	City Limit District	1
9/20/2021	2021-00383	0000370	142	Brush or brush-and-grass mixture fire	County Mutual Aid	1
9/21/2021	2021-00384	0000371	321	EMS call, excluding vehicle accident with injury	Out of County Aid	1
9/23/2021	2021-00385	0000372	561	Unauthorized burning	County District	1

9/24/2021	2021-00388	0000373	322	Motor vehicle accident with injuries	County District	1
9/25/2021	2021-00389	0000374	322	Motor vehicle accident with injuries	City Limit District	1
9/26/2021	2021-00390	0000375	321	EMS call, excluding vehicle accident with injury	County District	1
9/27/2021	2021-00391	0000376	561	Unauthorized burning	City Limit District	1
9/27/2021	2021-00392	0000377	321	EMS call, excluding vehicle accident with injury	City Limit District	1
9/29/2021	2021-00393	0000378	412	Gas leak (natural gas or LPG)	County District	1
9/29/2021	2021-00394	0000379	140	Natural vegetation fire, other	City Limit District	1
9/30/2021	2021-00395	0000380	631	Authorized controlled burning	County District	1
9/30/2021	2021-00396	0000381	611	Dispatched & canceled en route	Out of County Aid	1
9/30/2021	2021-00397	0000382	611	Dispatched & canceled en route	City Limit District	1
9/30/2021	2021-00398	0000383	322	Motor vehicle accident with injuries	County District	1

North East Texas Inspections

638 Chisholm Ranch Dr. Rockwall, Texas 75032, 972-998-3415

There were 1 new single family residential homes in September, 2021. The attached addendum reflects the home address, valuation, square footage and name of the Builder.

There were 21 new accessory projects permitted including single trades, swimming pools, outdoor living, shop buildings and other accessory endeavors that are also attached.

Permits to date: 45

Thank you for choosing North East Texas Inspections for your Building Services provider.

September 2021

David Ellis, Building Official

September 2021 New SFR	Valuation	Square ft.	Fee	Builder
1510 vista crt	\$ 822,640.00	7280	\$ 1,025.00	j. anthony
			\$ 1,025.00	

Accessory permits September 2021	Project	Valuation	Fee
98 windsor	pool	\$ 99,000.00	\$375.00
1719 voltera	pool	\$99,999.00	\$375.00
1809 bellagio	grill station	\$10,000.00	\$225.00
1809 ballagio	pool	\$99,999.00	\$375.00
539 smith rd.	pool	\$80,000.00	\$375.00
9 greenhollow	water heater	\$9,100.00	\$75.00
790 e fm 550	electric panel	\$10,000.00	\$75.00
1073 kingsbridges	concrete	\$10,000.00	\$75.00
267 partridge dr.	hvac	\$15,500.00	\$75.00
970 fm 1139	patio	\$9,000.00	\$225.00
103 parade point	pool	\$70,000.00	\$375.00
805 abbington way	driveway	\$2,500.00	\$75.00
1901 recioto	solar	\$11,740.00	\$150.00
parcel 69591	demolition	\$1.00	\$0.00
parcel 53879	demolition	\$1.00	\$0.00
parcel 53878	demolition	\$1.00	\$0.00
parcel 46003	demolition	\$1.00	\$0.00
parcel 10852	demolition	\$1.00	\$0.00
parcel 10850	demolition	\$1.00	\$0.00
parcel 51678	demolition	\$1.00	\$0.00
parcel 10850	demolition	\$1.00	\$0.00
parcel 10852	demolition	\$1.00	\$0.00
parcel 46003	demolition	\$1.00	\$0.00
parcel 53878	demolition	\$1.00	\$0.00
parcel 53879	demolition	\$1.00	\$75.00
1539 via toscana	outdoor kitchen	\$80,000.00	\$375.00
			\$3,300.00

September 2021 Onsite inspections actual

1631 salvatore	frame mep
1635 salvatore	frame mep
49 fireside	frame mep
1502 siena	gas meter
1502 siena	electric meter
1628 vista crt.	belly steel
3079 w. fm 550	plmbg rough
772 kensington	pool electric
1502 siena	gas meter
1729 puglia	frame mep
1652 vista crt.	plmbg rough
1110 warwick	t-pole
1729 amarone	gas meter
772 kensington	pool electric
firestation	wall rough
1513 corrara	frame mep
1119 cambridge	electric meter
1200 artesia	pool electric
1652 vista crt.	plmbg rough
1706 puglia	flatwork
1941 recioto	final co
1762 connie	solar
1729 amarone	flatwork
1502 siena	final co
1729 amarone	gas meter
407 cattlebarron	pool electric
1600 amalfi	pergola piers
1300 siena	pool electric
1706 puglia	electric meter
1706 puglia	gas meter
1615 salvatore	electric meter
1615 salvatore	gas meter
1829 bellagio	pool gas
1719 voltera	pool gas
1706 puglia	gas meter
1615 salvatore	elect meter
1615 salvatore	gas meter
1706 puglia	elect.meter
1721 amarone	elect. Meter
1324 somerset	elect. meter
firestation	above ceiling
1718 puglia	final c.o
1814 abruzzo	gas meter
1814 abruzzo	elect. meter
1710 pieneze	solar
1915 galenda	gas meter

1915 galenda	elect. meter
1210 livorno	final co
1700 bertino	pool gas
1718 puglia	final c.o
1118 via toscana	frame mep
1118 via toscana	t-pole
1431 corrara	belly steel
1844 abruzzo	elect.meter
1110 alvington	pool elect.
1624 salvatore	final c.o
772 kensington	pool gas
1814 abruzzo	gas meter
1122 oxford	flatwork
1919 galenda	gas meter
1733 amarone	patio
1118 via toscana	t-pole
1826 abruzzo	final c.o
1507 livorno	frame mep
1114 newkirk	frame mep
1600 amalfi	arbor piers
1701 pieneze	pool gas
1709 puglia	final c.o
1701 pieneze	p-trap
1200 artesia	pool deck bond
1110 alvington	pool gas
1646salvatore	frame mep
9 greenhollow	water heater
1136 via toscana	frame mep
1612 amalfi	foundation
1136 via toscana	frame mep
1200 artesia	deck bond
1550 vista crt	foundation
1814 abruzzo	gas meter
1814 abruzzo	elect.meter
407 cattlebarron	deck bond
1647 salvatore	final co
1742 amarone	electric meter
1110 alvington	deck bond
1919 galenda	flatwork
1742 amarone	flatwork
1612 amalfi	patio cover
1646 salvatore	frame mep
1507 corrara	frame mep

Location	Notes	Code
Sep 28, 2021 3:23 PM	we responded to a call for a stray pot bellied pig, the pig was transported to the shelter	Animal Control
Sep 28, 2021 3:22 PM 700 kensington dr	we responded to a barking dog complaint at this residence	Animal Control
Sep 27, 2021 3:19 PM 1223 e f m 550	we picked up and transported the three St Bernards that belong to the owner in the county outside the city limits	Animal Control
Sep 21, 2021 11:13 AM 1371 w fm 550	Patrolled city focusing on stray animals. spoke to shelly	Animal Control
Sep 15, 2021 10:33 AM 700 kensington dr	Responded to a barking dog complaint. The owner were not home so a door hanger was left for the to call us about the issue.	Animal Control
Sep 14, 2021 5:24 PM 1371 w fm 550	Patrolled city focusing on stray animals. spoke to Shelly	Animal Control
Sep 7, 2021 1:14 PM 1371 w fm 550	Patrolled city focusing on stray animals. spoke to shelly at city hall	Animal Control
Sep 1, 2021 3:02 PM 851 s h 205	we picked up a contained stray dog from this address	Animal Control



Community Waste Disposal Monthly Report to the City of McLendon-Chisholm

Jason Roemer *Municipal Coordinator*





Municipal Recycling Program



Single Stream Recycling

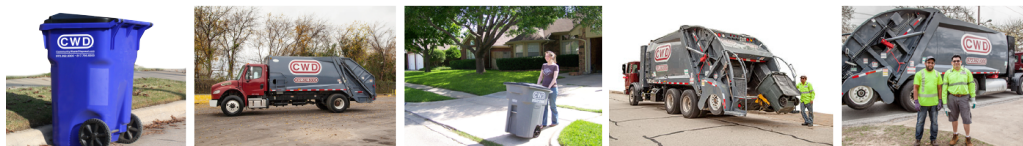
Participation in the Residential Curbside Recycling Program continues to demonstrate that residents of the City of McLendon-Chisholm are dedicated to the preservation of the Texas environment for future generations.

The chart below details the statistics of the CWD Residential Curbside Recycling Program.

	Sep-2021	Aug-2021	Jul-2021	Jun-2021	May-2021	Apr-2021	Mar-2021	Feb-2021	Jan-2021	Dec-2020	Nov-2020	Oct-2020
Homes	1,186	1,186	1,192	1,192	1,196	1,196	1,146	1,146	1,146	965	965	965
Resi Recy Tonnage	58.34	27.22	34.21	26.00	36.83	65.28	29.24	23.30	50.18	36.07	38.47	20.45
Pounds / Home / Month	98.38	45.90	57.40	43.62	61.59	109.16	51.03	40.66	87.57	74.76	79.73	42.38



Municipal Service Inquiries



Residential Solid Waste Services

The Solid Waste Industry has a standard service inquiry ratio of 1.0 inquiries per 1,000 service opportunities.

	Sep-2021	Aug-2021	Jul-2021	Jun-2021	May-2021	Apr-2021	Mar-2021	Feb-2021	Jan-2021	Dec-2020	Nov-2020	Oct-2020
Service Opportunities	10,270	10,270	10,322	10,322	10,357	10,357	9,924	0	9,924	8,356	8,356	8,356
Service Inquiries	7	6	10	8	8	25	15	0	8	6	8	12
Per 1,000 Service Opps	0.68	0.58	0.97	0.78	0.77	2.41	1.51	0.00	0.81	0.72	0.96	1.44



Customer Service Inquiries - Detail



Good Service is Good Business

CWD's Customer Service Community is available to provide solutions via phone or online. Our efficient team is here to support the City of McLendon-Chisholm and we continually strive for top-notch performance to ensure residents receive the most value out of their waste and recycling services.

City Account Grievances for the Period of 09/01/2021 - 09/30/2021

Date	Account	Address	Service Type	Service Code
09/23/2021	108255-620	CLEVERLY, DENNIS & SHARON	RESI-BULK	RESI R/L BULK
Total RESI-BULK: 1				
09/02/2021	108255-1529	JEFF CURRIN	RESI-RECYCLE	SERVICE RCYCART
09/23/2021	108255-1560	MAURICE & ROSE JENKINS	RESI-RECYCLE	SERVICE RCYCART
Total RESI-RECYCLE: 2				
09/10/2021	108255-1561	CARL ANSLEY - ** DO NOT USE**	RESI-TRASH	SERVICE TRASH CART
09/10/2021	108255-339	DAVIDSON NELDA JEAN	RESI-TRASH	SERVICE TRASH CART
09/17/2021	108255-1245	KAREN MORGAN	RESI-TRASH	SERVICE TRASH CART
09/24/2021	108255-1025	CARMEN RIDER	RESI-TRASH	SERVICE TRASH CART
Total RESI-TRASH: 4				
09/21/2021	108255-516	LANDIS RONNY & BEVERLY	RESI-YARD	RESI YARD WASTE
Total RESI-YARD: 1				
Total Inquiries: 8				

ROCKWALL COUNTY SHERIFF
972 TL TOWNSEND ROCKWALL , TX 75087

CC.IncDate Between '09/01/2021' And '09/30/2021' AND CC.District = '41' AND
IsNull(CC.Jurisdiction, 'Default') = 'Default'

CFS History Search
Public Report

CFS #	Create When	Location	CallType Disposition
2021-026851	9/30/2021 2:30:11 PM		MEET COMPLAINANT ASSIGNMENT CO
2021-026704	9/29/2021 2:35:16 PM		FIRE GRASS ASSIGNMENT COMPLETE
2021-026703	9/29/2021 2:34:22 PM		HARASSMENT/THREAT RSO REPORT T
2021-026677	9/29/2021 1:19:04 PM		ASSIST ARREST - RCPD/DPS
2021-026596	9/28/2021 10:31:01 PM		SHOTS FIRED ASSIGNMENT COMPLETE
2021-026521	9/28/2021 7:09:09 AM		ALARM FALSE ALARM
2021-026471	9/27/2021 9:09:20 PM		SUSPICIOUS PERSON/VEHICLE ASSIGN
2021-026456	9/27/2021 4:21:25 PM		SEX OFFENSE RSO REPORT TAKEN
2021-026445	9/27/2021 2:39:02 PM		LIFT ASSIST ASSIGNMENT COMPLETE
2021-026384	9/27/2021 6:48:46 AM		BURGLARY VEHICLE RSO REPORT TAK
2021-026275	9/26/2021 12:01:23 AM		DISTURBANCE NOISE ASSIGNMENT CC
2021-026274	9/25/2021 11:37:38 PM		DISTURBANCE NOISE ASSIGNMENT CC
2021-026243	9/25/2021 7:25:24 PM		DISTURBANCE NOISE ASSIGNMENT CC
2021-026240	9/25/2021 7:00:24 PM		ANIMAL LOOSE LIVESTOCK ASSIGNME
2021-026165	9/24/2021 11:48:20 PM		SUSPICIOUS PERSON/VEHICLE ASSIGN
2021-026149	9/24/2021 8:25:27 PM		DISTURBANCE NOISE ASSIGNMENT CC
2021-026066	9/24/2021 5:08:07 AM		DISTURBANCE NOISE ASSIGNMENT CC
2021-025936	9/22/2021 5:38:52 PM		DISTURBANCE ASSIGNMENT COMPLETE
2021-025899	9/22/2021 12:25:48 PM		WELFARE CHECK ASSIGNMENT COMPI
2021-025884	9/22/2021 9:48:18 AM		THEFT NO REPORT
2021-025878	9/22/2021 8:24:15 AM		RUNAWAY ASSIGNMENT COMPLETE
2021-025833	9/21/2021 7:42:19 PM		RECKLESS DRIVER UTL

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CFS #	Create When	Location	CallType Disposition
2021-025820	9/21/2021 4:52:44 PM		HARASSMENT/THREAT ASSIGNMENT C
2021-025811	9/21/2021 3:39:19 PM		ACCIDENT HIT & RUN ACCIDENT REPO
2021-025781	9/21/2021 11:41:54 AM		ALARM FALSE ALARM
2021-025720	9/20/2021 7:01:04 PM		ACCIDENT HIT & RUN ASSIGNMENT CO
2021-025689	9/20/2021 12:51:36 PM		CRIMINAL MISCHIEF ASSIGNMENT COM
2021-025664	9/20/2021 8:33:08 AM		ANIMAL VISCIOUS ASSIGNMENT COMP
2021-025616	9/19/2021 6:12:26 PM		MEDICAL CALL ASSIGNMENT COMPLET
2021-025592	9/19/2021 3:46:04 AM		MEDICAL CALL ASSIGNMENT COMPLET
2021-025010	9/14/2021 2:24:22 AM		ALARM RESIDENTIAL FIRE ASSIGNMEN
2021-024920	9/13/2021 7:21:06 AM		SUSPICIOUS ACTIVITY NO REPORT
2021-024874	9/12/2021 12:29:40 PM		MEDICAL CALL ASSIGNMENT COMPLET
2021-024819	9/11/2021 9:45:57 PM		ALARM FALSE ALARM
2021-024445	9/8/2021 6:38:17 AM		SUSPICIOUS PERSON/VEHICLE NO REI
2021-024406	9/7/2021 5:59:54 PM		ANIMAL VISCIOUS RSO REPORT TAKEN
2021-024403	9/7/2021 5:18:24 PM		ALARM ASSIGNMENT COMPLETE
2021-024375	9/7/2021 12:58:14 PM		ALARM RESIDENTIAL FIRE FALSE ALAF
2021-024326	9/7/2021 2:40:44 AM		LIFT ASSIST ASSIGNMENT COMPLETE
2021-024288	9/6/2021 4:27:07 PM		WELFARE CHECK NO ALERT
2021-024258	9/6/2021 8:35:15 AM		ALARM FALSE ALARM
2021-024191	9/5/2021 8:10:25 AM		RECKLESS DRIVER ARREST
2021-024082	9/3/2021 4:48:17 PM		ALARM FALSE ALARM
2021-023993	9/2/2021 12:34:42 PM		UUMV RSO REPORT TAKEN
2021-023985	9/2/2021 8:44:47 AM		PERSON W/ GUN ARREST
2021-023965	9/2/2021 1:23:08 AM		WELFARE CHECK RSO REPORT TAKEN
Total: 46			

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CITY OF MCLENDON-CHISHOLM, TEXAS
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

MURREY PASCHALL & CAPERTON, P.C.
Certified Public Accountants

CITY OF MCLENDON-CHISHOLM, TEXAS
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M **Murrey Paschall & Caperton PC**
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of McLendon-Chisholm, Texas
McLendon-Chisholm, Texas

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the City of McLendon-Chisholm, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the City of McLendon-Chisholm, Texas, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

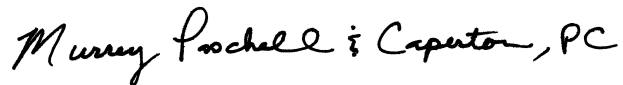
OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and the required GASB 68 and GASB 75 Schedules on pages 5-11 and pages 40-45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2021, on our consideration of the City of McLendon-Chisholm, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of McLendon-Chisholm, Texas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of McLendon-Chisholm, Texas's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Murrey Paschall & Caperton, PC". The signature is written in a cursive, flowing style.

Murrey Paschall & Caperton, P.C.
Forney, Texas
August 31, 2021

CITY OF MCLENDON-CHISHOLM, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Within this section of the City of McLendon-Chisholm, Texas' annual financial report, the City's management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. The discussion focuses on the City's primary government.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by \$25,928,186 (net assets) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$17,181,933. This includes contributed assets received as part of the Phase 1 and 2 agreement with the developer of the Sonoma Verde planned community, MC 550 Investors, L.P. Total developer contributed assets to the city now total \$19,798,320.
- Total net assets are comprised of the following:
 - 1) Capital assets, net of related debt, of \$18,461,392.
 - 2) Restricted for debt service funds of \$249,930.
 - 3) Unrestricted net assets of \$7,216,864 represent the portion available to maintain the City's continuing obligations to citizens.
- The City's general fund reported total ending fund balance of \$6,642,090 this year. This compares to the prior year ending fund balance of \$1,227,633, showing an increase of \$5,414,457 during the current year. Note this is primarily the \$4,551,087 received from TxDot for the Fire Station Project in 2021.
- The City's liabilities are accounts payable, sewer tap rebates and long-term debt.
- The City has implemented GASB Statement No. 68 which requires the City to record its Net Pension Asset \$48,070. The City also implemented GASB Statement No. 75 which requires the City to record its OPEB Liability (\$10,482). Both of these also require related deferred outflows and inflows of resources per TMRS reporting guides.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the financial statements.

Government-Wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

CITY OF MCLENDON-CHISHOLM, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The first of these government-wide statements is the *Statement of Net Assets*. This is the citywide statement of financial position presenting information that includes all the City's assets and liabilities, with the difference reported as *net assets*. Over time, the increases or decreases of net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and fees and on occasion grants from state and federal sources. Governmental activities include general government, public safety, public services, and culture and recreation. Business-type activities include airports, water utilities, solid waste management, storm water drainage, golf courses, fairgrounds and stadium, ground transportation, and parking. Fiduciary activities such as employee pension plans are not included in government-wide statements since these assets are not available to fund City programs. During 2020, the City continued collecting sewer tap fees which are considered business-type funds. See further discussion in the notes to the financial statements.

The City's financial reporting includes the funds of the City (primary government). There are currently no component units.

The government-wide financial statements are presented on pages 12-13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City taken as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. The City of McLendon-Chisholm, Texas has governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of expendable resources during the year and balances of expendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of the expendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and

CITY OF MCLENDON-CHISHOLM, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

changes in fund balances provide reconciliation to the government-wide statements to assist in understanding the differences between the two perspectives.

The City maintains several individual governmental funds organized according to their type (general fund, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, and the debt service fund, all of which are considered to be major funds.

The basic governmental fund financial statements are presented on pages 14-17 of this report.

Proprietary funds are used to report the same functions presented as business-type funds to account for its utility operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. See reporting on pages 18-20.

The City adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary schedule provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The statement shows multiple columns: 1) the original and final budget as amended by the Council (if any changes); 2) the actual resources, charges to appropriations, and ending balances in the General Fund and 3) the difference or variance between the final budget and the actual resources and charges.

The budgetary comparison statement can be found on page 40-41 of this report.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements on page 21 of this report.

CITY OF MCLENDON-CHISHOLM, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As year-to year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

Comparative data is accumulated and presented to assist analysis. The City's net assets at fiscal year-end are \$25,928,186. This is a \$8,746,253 increase from last year's net assets of \$17,181,933.

A large portion of the City's net assets (71.20%) reflects its investments in capital assets (e.g. contributed capital assets, land, furniture, equipment and leasehold improvements). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The city received Bond proceeds during 2015 in the amount of \$2,150,000 for the primary purpose of constructing a new city hall which was completed in 2016. During 2018 the city voted to establish an escrow account for an early bond redemption. As of September 30, 2020, the funds in this escrow account were \$257,321 and are expected to be applied against debt principal.

The remaining balance of unrestricted net assets of \$7,216,864 may be used to meet the government's ongoing obligation to citizens and creditors.

CITY OF MCLENDON-CHISHOLM, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

	Governmental Activities		Business-Type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 7,075,903	\$ 1,600,312	\$ 937,069	\$ 480,174	\$ 8,012,972	\$ 2,080,486
Capital and deferred outflows	13,047,196	12,514,103	7,246,971	4,861,536	20,294,167	17,375,639
Total assets and def. outflows	20,123,099	14,114,415	8,184,040	5,341,710	28,307,139	19,456,125
Long-term bonds outstanding	1,605,000	1,695,000	-	-	1,605,000	1,695,000
Other liabilities and def. inflows	497,998	487,842	275,955	91,350	773,953	579,192
Total liabilities and def. inflows	2,102,998	2,182,842	275,955	91,350	2,378,953	2,274,192
Net assets						
Invested in capital assets, net of debt	11,214,421	10,594,811	7,246,971	4,861,536	18,461,392	15,456,347
Restricted	249,930	278,882	-	-	249,930	278,882
Unrestricted (deficit)	6,555,750	1,057,880	661,114	388,824	7,216,864	1,446,704
Total net assets	\$ 18,020,101	\$ 11,931,573	\$ 7,908,085	\$ 5,250,360	\$ 25,928,186	\$ 17,181,933

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Program revenues						
Charges for services	\$ 5,949,232	\$ 1,492,004	\$ 748,808	\$ 445,408	\$ 6,698,040	\$ 1,937,412
Ad Valorem Tax	718,015	652,096	-	-	718,015	652,096
Franchise & Sales Tax	594,575	404,194	-	-	594,575	404,194
Investment Income	33,408	20,777	6,461	9,259	39,869	30,036
Other Sources	-	-	-	-	-	-
Total revenues	7,295,230	2,569,071	755,269	454,667	8,050,499	3,023,738
Program expenses						
General government	2,107,695	1,654,643	-	-	2,107,695	1,654,643
Cultural & Recreation	7,290	156	-	-	7,290	156
Infrastructure	31,160	21,800	-	-	31,160	21,800
Public Safety	145,367	110,501	-	-	145,367	110,501
Debt Service	48,500	49,920	-	-	48,500	49,920
Utilities	-	-	779,103	478,265	779,103	478,265
Total expenses	2,340,012	1,837,020	779,103	478,265	3,119,115	2,315,285
Excess (deficiency) before transfers	4,955,218	732,051	(23,834)	(23,598)	4,931,384	708,453
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets	4,955,218	732,051	(23,834)	(23,598)	4,931,384	708,453
Plus Prior Period Adjustment	-	(55,046)	-	-	-	(55,046)
Plus CIP - PID	-	4,134,060	-	-	-	4,134,060
Plus Developer Contribution	1,133,310	426,675	2,681,559	185,403	3,814,869	612,078
Total Change in Net Assets	\$ 6,088,528	\$ 5,237,740	\$ 2,657,725	\$ 161,805	\$ 8,746,253	\$ 5,399,545

CITY OF MCLENDON-CHISHOLM, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of expendable resources. Governmental funds reported ending fund balances of \$6,892,020. Of this year-end total, \$6,642,090 is unassigned indicating availability for continuing City service requirements while the remaining \$249,930 is to be applied to debt service.

Major Governmental Funds

General Fund – The City does levy property taxes. Other revenues that are received are from such miscellaneous sources as state sales tax sharing, franchise taxes, etc. The basic expenses of a governmental nature involve the maintaining of a city hall and the associated expenses of the city government.

Proprietary Fund - The City has a component utility unit: the sewer system of the Sonoma Verde Development. Although a part of the city, this operates primarily as a business selling the services provided to the public. The business-type activities operated at a net loss of \$23,834 (after depreciation expense) in 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

The general fund budget for fiscal year 2020 was expected to be a gain of \$228,322. The actual net gain was higher \$5,385,505 primarily due to the \$4.5M received from TxDot as discussed above. Budgetary comparisons are found on page 35-36 of this report.

CAPITAL ASSETS

The City's investment in capital assets for its governmental activities, net of depreciation and related debt, as of September 30, 2020 is \$18,461,392. These include land, furniture, equipment, fire department assets, leasehold improvements and developer contributed assets in Sonoma Verde. Additions during the year related to further progress on the new City Hall property and Sonoma Verde infrastructure (water lines, sewer lines, roads and drainage improvements).

At the end of the current fiscal year, the City had total bond debt outstanding of \$1,695,000.

Additional information regarding the City of McLendon-Chisholm's capital assets can be found in Note IV on page 26.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET CONSIDERATIONS

The rapid growth of Rockwall County will continue to foster additional home starts in the area, thus increasing City income from permits, inspections and filings.

General Fund expenses for the 2020-2021 fiscal year are budgeted to increase compared to the 2019-2020 budget. The major difference for 2020-2021 will be increases in income and related expenses for building permits/inspections, septic fees, professional fees, road repairs and sales tax revenue are all expected to increase. Also with the establishment in September 2018 of the McLendon Chisholm Fire & Rescue department, expenses will include staffing fire fighters, purchasing needed equipment and

CITY OF MCLENDON-CHISHOLM, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

renovating fire department facilities. To help offset these costs, the City has been awarded a \$621,600 SAFER (Staffing for Adequate Fire and Emergency Response) grant to be split over the next 3 years. Additionally, the City received \$4.5M from TxDot for the development of a new city fire station. The project is expected to be completed in 2021. For more information see the announcement on the city website.

Population growth in the City and County has been an important topic for City leaders and citizenry for several decades. The City has seen an increase in retail establishments and single-family homes. The City expects its population to continue to increase and is working to plan for the needs of the citizens and generating revenues to support those needs. This is a primary focus of the City. Additionally, the City sees its ability to balance the need for professional services (such as planning, engineering, legal and, financial) with population growth as a challenge in the future.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrates the City's commitment to public accountability. If you have questions regarding this report or would like to request additional information, you may submit a request to the City Secretary at 1371 West FM 550, McLendon-Chisholm, Texas 75032.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2020

	PRIMARY GOVERNMENT		
	Government Activities	Business-Type Activities	Total
Assets			
Cash & Equivalents	\$ 6,658,997	\$ 937,069	\$ 7,596,066
Miscellaneous Receivables and Prepaids	322,313	-	322,313
Sales Tax Receivable	89,411	-	89,411
Development Revenue Receivable	5,182	-	5,182
Total Current Assets	<u>7,075,903</u>	<u>937,069</u>	<u>8,012,972</u>
Capital Assets (Note IV)			
Furniture & Equipment - City	153,698	-	153,698
Equipment & Gear - Fire Dept	885,568	-	885,568
Leasehold Improvements	25,985	-	25,985
Building	2,170,689	-	2,170,689
Infrastructure	11,952,762	7,845,558	19,798,320
Land	322,511	-	322,511
Construction in Progress	4,560	-	4,560
Accumulated Depreciation	(2,523,710)	(598,587)	(3,122,297)
Total Capital Assets	<u>12,992,063</u>	<u>7,246,971</u>	<u>20,239,034</u>
Other Assets and Deferred Outflows			
Bond Cost, net amortization	-	-	-
Net Pension and OPEB Asset	48,070	-	48,070
Deferred Outflows - Pension and OPEB	7,063	-	7,063
Total Other Assets and Deferred Outflows	<u>55,133</u>	<u>-</u>	<u>55,133</u>
Total Assets and Deferred Outflows	<u>20,123,099</u>	<u>8,184,040</u>	<u>28,307,139</u>
Liabilities			
Account Payable	176,297	275,955	452,252
Sonoma Verde Repairs Reserve	72,294	-	72,294
Net Pension and OPEB Liability	10,472	-	10,472
Deferred Inflows - Pensions and OPEB	2,385	-	2,385
Accrued Bond Interest	7,586	-	7,586
Bond Premium, net amortization	82,642	-	82,642
Current - Notes Payable (Note V)	90,000	-	90,000
Long-term - Leased Equipment (Note V)	56,322	-	56,322
Long-term - Notes Payable (Note V)	1,605,000	-	1,605,000
Total Liabilities and Deferred Inflows	<u>2,102,998</u>	<u>275,955</u>	<u>2,378,953</u>
Net Assets			
Investment in Capital Assets, net of related debt	11,214,421	7,246,971	18,461,392
Restricted for Debt Service	249,930	-	249,930
Unrestricted	6,555,750	661,114	7,216,864
Total Net Assets	<u>\$ 18,020,101</u>	<u>\$ 7,908,085</u>	<u>\$ 25,928,186</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

PROGRAM REVENUE			
	Expenses	Charges for Services	Net Revenue (Expense)
Primary Government			
Government Activities			
Culture and Recreation	\$ 7,290	\$ -	\$ (7,290)
General Government	2,107,695	5,949,232	3,841,537
Infrastructure	31,160	-	(31,160)
Public Safety	145,367	-	(145,367)
Debt Service	48,500	-	(48,500)
	<u>2,340,012</u>	<u>5,949,232</u>	<u>3,609,220</u>
Business Type:			
Utility	<u>779,103</u>	<u>748,808</u>	<u>(30,295)</u>
Total Business-Type Activities	<u>779,103</u>	<u>748,808</u>	<u>(30,295)</u>
	Governmental Activities	Business-Type Activities	Total
Change in Net Assets:			
Net (Expense) / Revenue	3,609,220	(30,295)	3,578,925
Ad Valorem Tax	718,015	-	718,015
Sales Tax	400,448	-	400,448
Franchise	194,127	-	194,127
Investment Income	33,408	6,461	39,869
Change in Net Assets	<u>4,955,218</u>	<u>(23,834)</u>	<u>4,931,384</u>
Net Assets: Beginning	11,931,573	5,250,360	17,181,933
Prior Period Adjustment:	-	-	-
Plus Developer Contribution:	<u>1,133,310</u>	<u>2,681,559</u>	<u>3,814,869</u>
Net Assets: Ending	<u>\$ 18,020,101</u>	<u>\$ 7,908,085</u>	<u>\$ 25,928,186</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
Assets			
Cash & Equivalents	\$ 6,401,481	\$ 257,516	\$ 6,658,997
Miscellaneous Receivables and Prepaids	322,313	-	322,313
Sales Tax Receivable	89,411	-	89,411
Development Revenue Receivable	5,182	-	5,182
Total Current Assets	<u>6,818,387</u>	<u>257,516</u>	<u>7,075,903</u>
 Total Assets	 <u>\$ 6,818,387</u>	 <u>\$ 257,516</u>	 <u>\$ 7,075,903</u>
 Liabilities			
Account Payable	\$ 176,297	\$ -	\$ 176,297
Accrued Liabilities	-	7,586	7,586
Total Current Liabilities	<u>176,297</u>	<u>7,586</u>	<u>183,883</u>
 Fund Balance			
Restricted for Debt Service	-	249,930	249,930
Unassigned	6,642,090	-	6,642,090
Total Fund Balances	<u>6,642,090</u>	<u>249,930</u>	<u>6,892,020</u>
 Total Liabilities and Fund Balance	 <u>\$ 6,818,387</u>	 <u>\$ 257,516</u>	 <u>\$ 7,075,903</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2020

Total Fund Balance - Total Governmental Funds	\$ 6,892,020
Amounts reported for government assets in the Statement of Net Assets are different because:	
Capital Assets of \$10,080,757, net of Depreciation of \$1,742,983 are not financial resources and, therefore are not reported in the funds. See note IV for additional detail	12,992,063
Net other post employment benefit obligation in governmental activities does not require current financial resources and therefore is not reported in the governmental funds balance sheet.	42,276
Bond Premiums, net are not due and payable and, therefore are not reported in the funds.	(82,642)
Long-term liabilities including bonds payable, notes payable, total OPEB, and net pension liability, are not due in the current period and therefore, are not reported in the funds.	<u>(1,823,616)</u>
Net Assets of Governmental Activities	<u><u>\$ 18,020,101</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Ad Valorem Tax	\$ 599,920	\$ 118,095	\$ 718,015
Sales Tax	400,448	-	400,448
Franchise	194,127	-	194,127
Investment Income	27,474	5,934	33,408
Service Revenue	5,949,232	-	5,949,232
Debt proceeds	-	-	-
	<u>7,171,201</u>	<u>124,029</u>	<u>7,295,230</u>
Expenditures			
Culture and Recreation	7,290	-	7,290
General Government	1,330,374	5,100	1,335,474
Infrastructure	31,160	-	31,160
Public Safety	145,367	-	145,367
Capital Expenditures	188,415	-	188,415
Debt Service: Principal	54,138	90,000	144,138
Debt Service: Gross Interest	-	57,881	57,881
	<u>1,756,744</u>	<u>152,981</u>	<u>1,909,725</u>
Net Change in Fund Balance	5,414,457	(28,952)	5,385,505
Fund Balance: Beginning	<u>1,227,633</u>	<u>278,882</u>	<u>1,506,515</u>
Fund Balance: Ending	<u>\$ 6,642,090</u>	<u>\$ 249,930</u>	<u>\$ 6,892,020</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Net Change in Fund Balance - Total Governmental Funds	\$ 5,385,505
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Amounts reported for government activities
in the Statement of Activities are
different because:

Governmental funds report capital outlays as expenditures. However, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeds depreciation in the current period is (less depr. \$780,726 add purchase of \$17,883.)	(592,311)
--	-----------

Governmental funds report all payments to pension benefits as expenditures. However in the government-wide statement of activities the pension expense is actuarially determined. (Paid to TMRS - Actuary Expense)	8,505
--	-------

The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term consumes the current financial resources of government funds. Neither transaction however, has any effect on the net position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.	<u>153,519</u>
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Change Net Assets of Governmental Activities	<u><u>\$ 4,955,218</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF NET ASSETS - PROPRIETARY FUND
SEPTEMBER 30, 2020

	Business-Type Activities (Utility Fund)
Assets	
Cash & Equivalents	\$ 937,069
Total Current Assets	<u>937,069</u>
Infrastructure	7,845,558
(less) Accumulated Depreciation	<u>(598,587)</u>
Total Capital Assets	<u>7,246,971</u>
Total Assets	<u><u>\$ 8,184,040</u></u>
Liabilities	
Sewer Tap Rebates	\$ 88,200
Payables	<u>187,755</u>
Total Liabilities	<u>275,955</u>
Net Assets	
Investment in Capital Assets, net of related debt	7,246,971
Unrestricted	<u>661,114</u>
Total Net Assets	<u>7,908,085</u>
Total Liabilities and Net Assets	<u><u>\$ 8,184,040</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE PROPRIETARY
FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities (Utility Operations Fund)
Revenues	
Sewer Connection Fees	\$ 447,000
Sewer Customer Service	301,808
Interest Income	6,461
Total Revenues	<u>755,269</u>
Expenses	
Sewer Connection Developer Fee	268,200
Septic Maintenance	306,772
Legal and Professional	57,769
Depreciation	146,362
Total Expenses	<u>779,103</u>
Change in Net Assets	(23,834)
Net Assets: Beginning	5,250,360
Plus Developer Contribution:	2,681,559
Net Assets: Ending	<u><u>\$ 7,908,085</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities (Utility Operations Fund)
Cash flows from operating activities:	
Receipts from customers and users	\$ 755,269
Payments to suppliers	(298,374)
Payments to employees	-
Net cash provided by operating activities	<u>456,895</u>
Cash flows from noncapital financing activities:	
Transfers In (Out) from Other Funds	-
Net cash provided (used) by noncapital financing activities	<u>-</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets paid by City	-
Net cash provided (used) by capital and related financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	456,895
Cash and cash equivalents at beginning of year	<u>480,174</u>
Cash and cash equivalents at end of year	<u>\$ 937,069</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ (23,834)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	146,362
Increase (decrease) in accounts current liabilities	<u>334,367</u>
Total adjustments	<u>480,729</u>
Net cash provided by operating activities	<u>\$ 456,895</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the City of McLendon-Chisholm, Texas (City) are discussed in subsequent sections of this Note. The remaining notes are organized to provide explanations, including required disclosures of the City's financial activities for the fiscal year ended September 30, 2020.

B. Financial Reporting Entity

Incorporated in 1969, the City of McLendon-Chisholm, Texas is a General Law Municipality in which citizens elect the mayor at large and five council members at large. The accompanying financial statements present the City's primary government.

Based on the primary accountability for fiscal matter, authority to make decisions, appoint administrators and managers, and significantly influence operations, the City meets the definition of a "Financial Reporting Entity" as defined by GASB statement 14.

The accompanying financial statements present the City's primary government.

C. Basis of Presentation

Government-Wide and Fund Financial Statements

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the individual fund of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Government-Wide Financial Statements

The government-wide financial statements include the statements of net assets and the statement of activities. These statements report financial information of the City as a whole. The government has a Proprietary Fund other than the General Fund and no component units. Therefore, the statements distinguish between governmental and business type activities, one being generally supported by taxes and City general revenues, while the other is generally financed with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities that capture the expenses and program revenues associated with a distinct functional activity. Program revenue includes charges for services, which report fees and other charges to users of the City's services (specifically permit fees). Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Fund Financial Statements

Fund financial statements are provided for governmental funds and proprietary funds.

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in the other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general obligation long-term debt paid from taxes levied by the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City has one custodial fund, the Sonoma Verde Public Improvement District (PID), to account for bond proceeds, assessments, and related debt associated with the issuance of bonds issued by the City as an agent for the District.

D. Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting thus relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statement uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. However, expenditures related to claims and judgments are recorded only when payment is due and payable shortly after year end as required by GASB Interpretations No. 6.

Program revenues as reported in the Statement of Activities include 1) charges to customers for goods, services, or privileges provided and 2) capital grants. Other revenues received by

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

the City that are internally dedicated by their purpose are reported as general revenues rather than program revenues. In this respect, all tax revenues are included in general revenues.

Sales tax and franchise tax revenues recorded in the General Fund are recognized under the susceptible to accrual concept. License and permits, charges for services, and miscellaneous revenues are recorded as revenues when received in cash, as the related receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements are used as guidance.

Allocation of indirect expenses: The City currently has no indirect expenses.

Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect certain reported amounts. Accordingly, actual results could differ from those estimates.

The General Fund and the Debt Service fund are the only two operating funds of the City.

E. Financial Statement Amounts

Cash and Equivalents – The City’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables – Ad valorem taxes are levied by October 1 on the assessed value listed with and established by Rockwall Central Appraisal District. The Rockwall County Tax Assessor/Collector bills and collects the City’s taxes. Taxes are due upon receipt of the bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Other receivables include sales taxes collected within 60 days of year end and other miscellaneous balances due to the city.

Investments – Accounting pronouncement GASB Statement 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, applied to investments in external investing pools, investments purchased with maturities greater than one year, mutual funds, and certain investment agreements. Generally, governmental entities are required to report the “fair market” changes for these investments at year-end and record these gains and losses on their income statement. Investments with maturities less than one year at the time of purchase are stated at cost or amortized cost. The fair value of the City’s position in these investment pools is the same as the value of the pool shares.

Capital Assets – The City’s capital assets with useful lives of more than one year are stated at historical cost if purchased or constructed and comprehensively reported in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value at the date of donation. The City generally capitalizes purchases of \$1,000 or more as outlays occur. Other costs incurred for repairs and maintenance are expensed. Capital assets are being depreciated using the straight-line method over periods between 5 and 15 years.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Impairment of Long-lived Assets – the City reviews potential impairments of long-lived assets when there is evidence that events or changes in circumstances have made the recovery of an asset's carrying value unlikely. An impairment loss is recognized if the sum of the expected, undiscounted future cash flows is less than the net book value of the asset. Generally, the amount of the impairment loss is measured as the excess of the net book value of the assets over the estimated fair value. As of September 30, 2020, no impairment of long-lived assets is necessary.

Long-Term Obligations – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position. Bond premium or discount as well as issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the related bond premiums or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premium received on debt issuances is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Deferred outflows related to pensions, which arise only under an accrual basis of accounting, is reported only in the government-wide and proprietary statements of net position. This amount is deferred and amortized over the actuarial determined recognition period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under an accrual basis of accounting that qualifies for reporting in this category. This amount is deferred and amortized over the actuarial determined recognition period.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Fund Equity – GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – includes the portion of net resources that cannot be spent because of their forms (i.e., inventory, long-term debt, or prepaid items) or because they must remain intact such as the principle of an endowment.
- *Restricted fund balance* – includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e., externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – includes the portion of net resources on which the City Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a resolution of the City Council. The resolution must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.
- *Assigned fund balance* – includes the portion of net resources for which an intended use has been established by the City Council or the City official authorized to do so by the City Council. Assignment of fund balance is much less formal than commitments and do not require formal action for their imposition or removal.
- *Unassigned fund balance* – includes the amounts in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first and then unrestricted resources as needed.

NOTE II. COMPLIANCE AND ACCOUNTABILITY

Finance-Related Legal and Contractual Provisions

- In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures,” violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not applicable

Deficit Fund Balance or Fund Net Position of Individual Funds

- Following are funds having deficit fund balances or net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
None	None

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Budgets and Budgetary Accounting

- The Texas Uniform Budget Law requires each mayor or city manager to prepare a budget each year to cover all the expenditures of the municipality for the succeeding year. The budget should be prepared at least 30 days prior to the setting of a tax levy by the city. Not less than 15 days prior to the levying of taxes a public hearing should be held, after being duly advertised. After this the Council should adopt the budget. The City complied with state requirements.

NOTE III. DEPOSITS AND INVESTMENTS

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. At year-end, the City's bank accounts are at a federally insured institution and the balances amounted to \$7,596,066, all of which is covered by federal depository insurance and pledged securities.

Investments - Public funds of the City of McLendon-Chisholm, Texas may be invested in the following: (1) obligations of the United States Government or its agencies and instrumentalities, (2) fully insured or collateralized certificates of deposit from any bank domiciled in the State of Texas, (3) repurchase agreements not to exceed 180 days to stated maturity, (4) AAA-rated, no-load, SEC registered money market funds, and (5) AAA-rated, constant dollar Texas Local Government.

Deposits and Investments are comprised of the following:

	<u>VALUE</u>	<u>PERCENTAGE</u>
Alliance Bank	\$ 773,157	30.20%
Logic	6,546,454	54.73%
Bond Early Redemption Escrow	257,321	14.04%
TexPool	<u>19,134</u>	<u>1.03%</u>
Total	<u>\$ 7,596,066</u>	<u>100.00%</u>

Pledged Securities through Alliance Bank: market valued at \$1,030,234 as of September 30, 2021.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE IV. CAPITAL ASSETS

The following tables provide a summary of changes in capital assets:

Capital Assets Activity - Governmental

	<u>09/30/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>09/30/20</u>
Capital Assets				
Land	\$ 322,511	\$ -	\$ -	\$ 322,511
Buildings	2,170,689	-	-	2,170,689
Furniture & Equipment	152,100	1,598	-	153,698
Fire & Rescue Equipment	873,843	11,725	-	885,568
Improvements	25,985	-	-	25,985
Infrastructure	6,535,629	5,417,133	-	11,952,762
CIP	4,134,060	4,560	(4,134,060)	4,560
Total Depreciable:	14,214,817	5,435,016	(4,134,060)	15,515,773
Less Accumulated Depreciation	(1,742,983)	(780,726)	-	(2,523,709)
Total Capital Assets	<u>\$ 12,471,834</u>	<u>\$ 4,654,290</u>	<u>\$ (4,134,060)</u>	<u>\$ 12,992,064</u>

Capital Assets Activity - Business Type

	<u>09/30/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>09/30/20</u>
Capital Assets				
Infrastructure	\$ 5,313,761	\$ 2,531,797	\$ -	\$ 7,845,558
Total Depreciable:	5,313,761	2,531,797	-	7,845,558
Less Accumulated Depreciation	(452,225)	(146,362)	-	(598,587)
Total Fixed Assets	<u>\$ 4,861,536</u>	<u>\$ 2,385,435</u>	<u>\$ -</u>	<u>\$ 7,246,971</u>

During 2020, the City purchased more Fire Department Equipment and began work on the new fire station to be completed in FY2021.

The city also received additional infrastructure assets from MC 550 Investors, L.P. who are developing the Sonoma Verde planned community. The City received Improvement Area 2 additions after approval from the City engineer. Sonoma PID (not the City) is expected to reimburse the developer for these cost while the City continues to pay each lot's sewer tap rebates.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE V. LONG-TERM OBLIGATIONS

Government-Type Activities

New City Hall Bond - The City of McLendon-Chisholm, Texas Combination Tax and Limited Surplus Revenue Certificate of Obligation, Series 2015 were issued January 27, 2015, in the amount of \$2,090,000 and bear interest at the rate of 2% - 4%. Principal payments began in February 2016. Expected payoff 2035.

Principal and interest payments projected for the following five years:

	<u>Principal</u>	<u>Interest</u>
2021	\$ 90,000	\$ 56,313
2022	95,000	54,463
2023	95,000	52,563
2024	95,000	50,544
2025 and subsequent years	<u>1,325,000</u>	<u>306,138</u>
TOTAL	\$ 1,695,000	\$ 520,019

It is noted that the Sonoma Public Improvement District issued \$7,600,000 in Certificate of Obligation Bonds in April of 2015 in the City of McLendon-Chisholm's name for Phase I improvements. These Phase I improvements were also funded by a long-term developer reimbursement note for \$3,100,000. Additionally, in 2019, the PID issued \$6,225,000 in Certificate of Obligation Bonds in the City's name for Phase II Improvements. These Phase II improvements were also funded by a long-term developer reimbursement note for \$1,290,079. All PID debt is expected to be paid with additional property assessment fees in the Sonoma Verde planned development with expected payoff by 2049. The City has no obligation to pay the PID Bonds from any other sources.

The other long-term debt of the City is a Master Equipment Lease Purchase Agreement with Community First National Bank which the City used to purchase new equipment for the Fire & Rescue Department. The agreement dated 6/1/2018 was for \$162,500 and has the remaining 2 payments due in the upcoming year:

	<u>Principal</u>	<u>Interest</u>
12/1/2020	\$ 27,884	\$ 1,125
6/1/2021	<u>28,439</u>	<u>568</u>
TOTAL	\$ 56,323	\$ 5,569

NOTE VI. DEBT SERVICE FUND

According to generally accepted accounting principles, when taxes are assessed to service the interest and principle payments of a debt obligation, a debt service fund should be established and used for this purpose. The current year's financial statements reflect the Debt Service Fund and the accounting of appropriate activities through it.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE VII. EMPLOYEE PENSION PLAN

A. Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Deposit Rate:	5%
City's Full Retirement Rate:	2019/8.53%; 2020/1.52%
Matching Ratio (City to Employee):	1 to 1
Years Required for Vesting:	5 years
Service Retirement Eligibilities:	5 yrs/age 60; 20 yrs/any age
Employees covered by benefit terms.	

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>7</u>
	10

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 8.53% and 1.52% in calendar years 2019 and 2020, respectively. The city's contributions to TMRS for the year ended September 30, 2020 were \$16,170 and were equal to the required contributions.

D. Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.3%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.0%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$ 116,702	\$ 126,184	\$ (9,482)
Changes for the year:			
Service cost	31,030	-	31,030
Interest	8,599	-	8,599
Change of benefit terms	-	-	-
Difference between expected and actual experience	3,072	-	3,072
Changes of assumptions	(1,219)	-	(1,219)
Contributions - employer	-	38,136	(38,136)
Contributions - employee	-	22,356	(22,356)
Net investment income	-	19,692	(19,692)
Benefit payments, including refunds of employee contributions	(9,660)	(9,660)	-
Administrative expense	-	(110)	110
Other changes	-	(4)	4
Net changes	\$ 31,822	\$ 70,410	\$ (38,588)
Balance at 12/31/2019	\$ 148,524	\$ 196,594	\$ (48,070)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ (28,990)	\$ (48,070)	\$ (63,687)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the city recognized pension expense of \$6,760.

At September 30, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 714	\$ -
Changes in actuarial assumptions	-	201
Difference between projected and actual investment earnings	-	6,210
Contributions subsequent to the measurement date	5,617	-
Total	\$ 6,331	\$ 6,411

\$5,617 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec 31:	
2020	\$ (2,040)
2021	\$ (1,635)
2022	\$ (853)
2023	\$ (2,037)
2024	\$ 197
Thereafter	\$ 671
Total	\$ (5,697)

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

F. Other Post Employment Benefit (SDBF)

Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated). This is a single employer defined benefit plan.

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms.

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms established by City Ordinance:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	7
	9

Changes in OPEB	Total OPEB Liability
Balance at 12/31/2018	\$ 8,151
Changes for the year:	
Service cost	626
Interest on Total OPEB	313
Change of benefit terms	-
Difference between expected and actual experience	79
Changes of assumptions or other inputs	1,358
Benefit payments, including refunds of employee contributions	(45)
Net changes	\$ 2,331
Balance at 12/31/2019	\$ 10,482

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Summary of Actuarial Assumptions:

Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Discount Rate *	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.*

***Note: The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.*

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease (1.75%)	Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB liability	\$ 12,381	\$ 10,482	\$ 8,927

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

OPEB Expense	Total OPEB Expense
Service Cost	\$ 626
Interest on Total OPEB	313
Change of benefit terms	-
Employer administrative costs	-
Recognition of deferred outflows/inflows of resources	
Differences between expected and actual expense	(58)
Changes in assumptions or other inputs	124
Total OPEB Expense	\$ 1,005

Deferred (Inflows) / Outflows of Resources	Deferred (INFLOWS) of resources	Deferred OUTFLOWS of resources
Differences between expected and actual experience	\$ (67)	\$ -
Changes in assumptions and other inputs	-	1,091
Net Total		1,024
Contributions made subsequent to measurement date	-	75

Deferred Outflows and Deferred Inflows of Resources, by year, to be recognized in future OPEB expense (excluding city-provided contributions made subsequent to the measurement date):

Year ended Dec 31:	NET deferred out/(in)
2020	\$ 66
2021	(50)
2022	123
2023	138
2024	138
Thereafter	609
Total	\$ 1,024

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Schedule of Contributions - (Retiree-only portion of the rate, for OPEB):		
Plan / Calendar Year	Total SDB Contribution Rate	Retiree portion SDB Contribution Rate
2020	0.08%	0.02%
2019	0.79%	0.01%
2018	0.81%	0.00%
2017	0.77%	0.00%

Note 1: Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

*Note 2: In order to determine the retiree portion of the City's Supplemental Death Benefit Plan contributions (that which is considered OPEB), the City should perform the following calculation:
Total covered payroll * Retiree Portion of SDB Contribution (Rate)*

NOTE VIII. RISK MANAGEMENT COVERAGE

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above coverage. The City continues to carry commercial coinsurance for other risk of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three years.

NOTE IX. LITIGATION

Currently management is not aware of any outstanding litigation. During the year ended September 30, 2020 there was one lawsuit that was settled and the City was scheduled to be reimbursed for all related cost over 3 years. (\$50,000 in 2018 has been received, \$50,000 in 2019 has been received, and \$30,000 in 2020 has been received for a total reimbursement of \$130,000)

NOTE X. COMMITMENTS

Developer

- On May 27, 2014, the city entered an agreement with the developer of Sonoma Verde to establish a utility fund to track sewer tap fees \$3,000 per connection. The developer funded the account \$15,000 and the city reimburses the developer 60% of each fee collected. Per the agreement, funds are restricted to utility related operation and maintenance.

CITY OF MCLENDON-CHISHOLM, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Public Safety

- Fire: Previously this was provided by the McLendon-Chisholm Volunteer Fire Department through a contract with the City. In October of 2018, the City merged the VFD into the City to form the McLendon Chisholm Fire & Rescue department to provide fire-fighting and other related emergency services to residents of the city.
- Police: Provided by Rockwall County Sheriff's Department.
- Emergency: Rockwall County EMS provides ambulance service to Rockwall County residents, which includes the residents of the City of McLendon-Chisholm.

Infrastructure

The City has four city streets that it maintains. Since the City does not have a road maintenance department, it contracts with Rockwall County to maintain these roads. The State of Texas maintains the State Highway and Farm to Market Roads. Private roads are maintained by the residents of those roads. Repairs are open to outside bids.

Utilities

- Sewer for all citizens outside of the Sonoma Verde Development is not provided by the City. Septic systems are individually owned by residents.
- Water is provided by RCH Water Supply Corporation and High Point WSC.
- Electric service is provided by Oncor and Farmers Electric.
- Gas service is not provided by the City. Residents may privately own propane tanks.
- Trash collection is not provided by the City. However, the city contracted with CWD for trash pickup for the city residents and businesses.

NOTE XI. PID CUSTODIAL FUND

The City has one custodial fund, the Sonoma Verde Public Improvement District (PID), to account for bond proceeds, assessments, and related debt associated with the issuance of bonds by the City as an agent for the District. The PID was created for the acquisition, construction, and development of public improvements to include roads, drainage, water distribution, sanitary sewer system and other costs associated with the development and financing of these improvements. All special assessments are collected by the Rockwall CAD with funds held in various Wilmington Trust accounts. As of September 30, 2020, the PID reported an unaudited balance of \$3,286,169 cash on hand at Wilmington Trust and total outstanding long-term debt of \$15,485,000. The City does not have any direct or contingent liability or moral obligation for the payment of this debt. The table below shows the breakdown between Phase 1 and Phase 2 PID assets and debt:

	Phase 1	Phase 2	Total
Cash	\$ 2,786,777	\$ 499,392	\$ 3,286,169
Debt	\$ 9,260,000	\$ 6,225,000	\$ 15,485,000

NOTE XII. SUBSEQUENT EVENTS

The City has evaluated all events or transactions that occurred after September 30, 2020 up through August 31, 2021, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure.

Required Supplementary Information

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	NON-GAAP BUDGETARY BASIS						
	Budget Original General	Budget Original Debt Service	Budget Original Total	Actual General	Actual Debt Service	Actual Total	Total Variance
Revenues							
Ad Valorem Tax	\$ 537,708	\$ 107,427	\$ 645,135	\$ 599,920	\$ 118,095	\$ 718,015	\$ 72,880
Sales Tax	205,750	-	205,750	400,448	-	400,448	194,698 *
Franchise	187,000	-	187,000	194,127	-	194,127	7,127
Investment Income	18,500	3,250	21,750	27,474	5,934	33,408	11,658
Service Revenue	676,805	-	676,805	5,949,232	-	5,949,232	5,272,427 **
	<u>1,625,763</u>	<u>110,677</u>	<u>1,736,440</u>	<u>7,171,201</u>	<u>124,029</u>	<u>7,295,230</u>	<u>5,558,790</u>
Expenditures							
Culture and Recreation	500	-	500	7,290	-	7,290	6,790
General Government	657,450	-	657,450	1,330,374	5,100	1,335,474	678,024 ***
Infrastructure	26,000	-	26,000	31,160	-	31,160	5,160
Public Safety	626,055	-	626,055	145,367	-	145,367	(480,688) ***
Capital Expenditures	50,000	-	50,000	188,415	-	188,415	138,415
Bond Principal	-	90,000	90,000	54,138	90,000	144,138	54,138
Bond Interest	-	58,113	58,113	-	57,881	57,881	(232)
	<u>1,360,005</u>	<u>148,113</u>	<u>1,508,118</u>	<u>1,756,744</u>	<u>152,981</u>	<u>1,909,725</u>	<u>401,607</u>
Debt Service Proceeds	-	-	-	-	-	-	-
Net Change in Fund Balance	<u>265,758</u>	<u>(37,436)</u>	<u>228,322</u>	<u>5,414,457</u>	<u>(28,952)</u>	<u>5,385,505</u>	<u>5,157,183</u>
Fund Balance: Beginning	<u>1,227,633</u>	<u>278,882</u>	<u>1,506,515</u>	<u>1,227,633</u>	<u>278,882</u>	<u>1,506,515</u>	
Fund Balance: Ending	<u>\$ 1,493,391</u>	<u>\$ 241,446</u>	<u>\$ 1,734,837</u>	<u>\$ 6,642,090</u>	<u>\$ 249,930</u>	<u>\$ 6,892,020</u>	

* Significant growth in Sales Tax primarily attributed to treatment of sales tax for online purchases.

** \$4.5M TxDot proceeds received for new fire station not included in budget.

*** All employee payroll included in General Government for financials. Budget splits out.

See independent auditor's report.

CITY OF MCLENDON-CHISHOLM, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

NON-GAAP BUDGETARY BASIS

	Budget Original	Budget Amendments	Budget Final	Actual	Variance
Revenues					
Sewer Connection Fees & Service	\$ 309,010	\$ -	\$ 309,010	\$ 755,269	\$ 446,259 *
	<u>309,010</u>	<u>-</u>	<u>309,010</u>	<u>755,269</u>	<u>446,259</u>
Expenses					
Sewer Connection Developer Fee	43,200	-	43,200	268,200	225,000 *
Septic Maintenance	301,364	-	301,364	306,772	5,408
Office and Admin	14,000	-	14,000	57,769	43,769
Depreciation	-	-	-	146,362	146,362
	<u>358,564</u>	<u>-</u>	<u>358,564</u>	<u>779,103</u>	<u>420,539</u>
Transfers In (Out)	-	-	-	-	-
Net Change in Fund Balance	<u>(49,554)</u>	<u>-</u>	<u>(49,554)</u>	<u>(23,834)</u>	<u>25,720</u>
Fund Balance: Beginning	5,250,360	-	5,250,360	5,250,360	
Plus Developer Contribution:	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,681,559</u>	
Fund Balance: Ending	<u>\$ 5,200,806</u>	<u>\$ -</u>	<u>\$ 5,200,806</u>	<u>\$ 7,908,085</u>	

* Significant overages in Sewer Tap Fees and related Rebates related to Sonoma Verde development.

See independent auditor's report.

CITY OF MCLENDON-CHISHOLM, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS*

	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Total Pension Liability					
Service Cost	\$ 8,673	\$ 11,982	\$ 13,095	\$ 19,267	\$ 31,030
Interest (on the Total Pension Liability)	3,726	4,394	5,520	6,905	8,599
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(4,993)	(64)	(167)	(1,303)	3,072
Change of assumptions	2,804	-	-	-	(1,219)
Benefit payments, including refunds of employee contributions	-	-	(383)	(1,648)	(9,660)
Net Change in Total Pension Liability	10,210	16,312	18,065	23,221	31,822
Total Pension Liability - Beginning	48,894	59,104	75,416	93,481	116,702
Total Pension Liability - Ending (a)	\$ 59,104	\$ 75,416	\$ 93,481	\$ 116,702	\$ 148,524
Plan Fiduciary Net Position					
Contributions - Employer	\$ 9,266	\$ 11,521	\$ 14,385	\$ 52,439	\$ 38,136
Contributions - Employee	5,932	6,847	7,457	11,835	22,356
Net Investment Income	7	1,298	5,397	(1,978)	19,692
Benefit payments, including refunds of employee contributions	-	-	(383)	(1,648)	(9,660)
Administrative Expense	(4)	(15)	(29)	(38)	(110)
Other	-	(1)	(1)	(2)	(4)
Net Change in Plan Fiduciary Net Position	15,201	19,650	26,826	60,608	70,410
Plan Fiduciary Net Position - Beginning	3,899	19,100	38,750	65,576	126,184
Plan Fiduciary Net Position - Ending (b)	\$ 19,100	\$ 38,750	\$ 65,576	\$ 126,184	\$ 196,594
Net Pension Liability - Ending (a) - (b)	<u>\$ 40,004</u>	<u>\$ 36,666</u>	<u>\$ 27,905</u>	<u>\$ (9,482)</u>	<u>\$ (48,070)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	32.32%	51.38%	70.15%	108.12%	132.37%
Covered Employee Payroll	\$ 118,650	\$ 136,938	\$ 149,143	\$ 236,696	\$ 447,115
Net Pension Liability as a Percentage of Covered Employee Payroll	33.72%	26.78%	18.71%	-4.01%	-10.75%

* Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

CITY OF MCLENDON-CHISHOLM, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

The Schedule of Changes in the City's Net Pension Liability and Related Ratios shows the changes in Total Pension Liability less the changes in Fiduciary Net Position, resulting in the net pension liability calculation for the city. Note that this is a 10-year schedule, to be created by the city prospectively, over the next 10-year period. This schedule is provided in the GRS Reporting Package (for the current period).

The Schedule of Employer Contributions shows the city's required annual contributions from the actuarial valuation, compared with the actual contributions remitted. This schedule is based on the city's respective fiscal year-end, and should be created by the city, and built over the next 10-year period. The city should also provide the Notes to Schedule of Contributions, including the methods and assumptions used to determine the contribution rates and information about benefit changes during the year, if any. Information to complete the Notes to Schedule of Contributions is provided in the GRS Reporting Package.

LAST 10 FISCAL YEARS WILL ULTIMATELY BE DISPLAYED

Fiscal year ending September 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 10,809	\$ 11,647	\$ 14,268	\$ 15,347	\$ 22,060
Contributions in relation to the actuarially determined contribution	<u>\$ (10,809)</u>	<u>\$ (11,647)</u>	<u>\$ (14,268)</u>	<u>\$ (15,347)</u>	<u>\$ (22,060)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 114,086	\$ 132,555	\$ 136,938	\$ 149,143	\$ 236,696
Contributions as a percentage of covered employee payroll	9.47%	8.78%	10.42%	10.29%	9.32%
Fiscal year ending September 30,	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially Determined Contribution	\$ 16,170				
Contributions in relation to the actuarially determined contribution	<u>\$ (16,170)</u>				
Contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 447,115				
Contributions as a percentage of covered employee payroll	3.62%				

CITY OF MCLENDON-CHISHOLM, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information	1) There were no benefit changes during the year.

CITY OF MCLENDON-CHISHOLM, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS

LAST 10 FISCAL YEARS*

	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
Total OPEB Liability				
Service Cost	\$ -	\$ 761	\$ 1,325	\$ 626
Interest on total OPEB	-	236	266	313
Changes of benefit terms	-	-	-	-
Benefit payments / refunds of employee contributions	-	-	-	(45)
Recognition of deferred outflows/inflows	-	-	-	-
Differences between expected and actual	-	509	(270)	79
Changes in assumptions or other inputs	-	-	(533)	1,358
Net Changes	-	1,506	788	2,331
Total OPEB Liability - Beginning	-	5,857	7,363	8,151
Total OPEB Liability - Ending	\$ 5,857	\$ 7,363	\$ 8,151	\$ 10,482
Covered Employee Payroll	\$ 136,938	\$ 149,143	\$ 236,696	\$ 447,115
Total OPEB Liability as a Percentage of Covered Employee Payroll	4.28%	4.94%	3.44%	2.34%

NOTE: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits

* Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

M **Murrey Paschall & Caperton PC**
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

To the Honorable Mayor and Members of the City Council
City of McLendon-Chisholm, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of McLendon-Chisholm, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of McLendon-Chisholm, Texas' basic financial statements as listed in the table of contents, and have issued our report thereon dated August 31, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City of McLendon-Chisholm, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of McLendon-Chisholm, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of McLendon-Chisholm, Texas' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

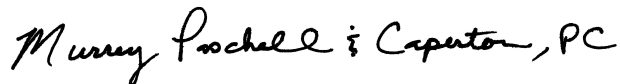
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City of McLendon-Chisholm, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Murrey Paschall & Caperton, P.C." The signature is written in a cursive, flowing style.

Murrey Paschall & Caperton, P.C.
Forney, Texas
August 31, 2021

M **Murrey Paschall & Caperton PC**
Certified Public Accountants

August 31, 2021

To the Honorable Mayor and Members of the City Council
City of McLendon-Chisholm, Texas

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the City of McLendon-Chisholm, Texas, for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 4, 2020. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of McLendon-Chisholm, Texas are described in Note I to the financial statements. There were no new accounting principle implemented in 2020.

We noted no transactions entered into by the City of McLendon-Chisholm, Texas during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City of McLendon-Chisholm, Texas's financial statements was:

Management's estimate of the depreciation of the City's fixed assets is based upon management's estimate of the specific assets useful life and the cost of the assets is depreciated accordingly. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Long-term Obligations in Note V to the financial statements as these represent significant future debt payments in the form of interest and principal.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of

management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of McLendon-Chisholm, Texas's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of McLendon-Chisholm, Texas's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

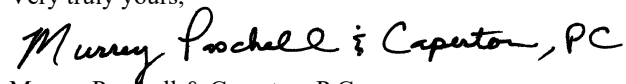
Other Matters

We applied certain limited procedures to the MD&A, Budget and Actual schedules by fund type, as well as the GASB 68 and GASB 75 Pension/OPEB Liability schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

RESTRICTION ON USE

This information is intended solely for the use of the Honorable Mayor and City Council and management of the City of McLendon-Chisholm, Texas and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,


Murrey Paschall & Caperton, P.C.



CITY OF MCLENDON-CHISHOLM, TEXAS

DATE: October 21, 2020
TO: Lisa Palomba, City Administrator
FROM: Michael R. Coker, City Planner

REQUEST:

Assessment of potential conflicts between the McLendon-Chisholm Comprehensive Plan and the Huffines Development Agreement

Note: Some planner comments are related to existing zoning or subdivision ordinance requirements, but may not be addressed in the Comprehensive Plan specifically.

General note: Most of the graphic exhibits are too small and virtually impossible to read. Full sized exhibits should be attached to the DA prior to adoption by the City Council.

Development Agreement

Article II, Development Regulations DA page 4, Section 2.2 Concept Plan Revisions. "Revisions to the street layout and the location and configuration of open space areas shown on **Exhibit C** are permitted without City approval provided such revisions comply with all other Governing Regulations. In addition, any amendment to the Concept plan that is approved on a plat is deemed to be a City-approved amendment to the Concept Plan. All other revisions to the Concept Plan require the approval of the City Council, which shall not be unreasonably withheld."

The City Zoning ordinance Section 5-1 PD Planned Development District, Subsection D Conceptual and development plan, requires significantly more detail than that provided in Exhibit C Concept Plan of the DA. Further, Subsection D of the McLendon Chisholm Zoning Ordinance requires city review prior to amendment and is written as follows:

Conceptual and development plan. In establishing a Planned Development District, the city council shall approve and file as part of the amending ordinance appropriate plans and standard for each Planned Development District. During the review and public hearing process, the city council shall require a conceptual plan and a development plan (or detail site plan).

1. Conceptual plan. This plan shall be submitted by the applicant. The plan shall show the applicant's intent for the use of the land within the proposed Planned Development District in a graphic manner and shall be supported by written documentation of proposals and standards for development.

(a) A conceptual plan for residential land use shall show general use, thoroughfares, and preliminary lot arrangements. For residential development which does not propose platted lots, the conceptual plan shall set forth the size, type, and location of buildings and building sites, access, density, building height, fire lanes, screening, parking areas, landscaped areas, and other pertinent development data.

(b) A conceptual plan for uses other than residential uses shall set forth the land use proposals in a manner to adequately illustrate the type and nature of the proposed development. Data which may be submitted by the applicant, or required by the city council, may include but is not limited to the types of use(s), topography, and boundary of the PD area, physical features of the site, existing streets, alleys, and easements, location of future public facilities, building heights and locations, parking ratios, and other information to adequately describe the proposed development and to provide data for approval which is to be used in drafting the final development plan.

(c) Changes of detail which do not alter the basic relationship of the proposed development to adjacent property and which do not alter the uses permitted or increase the density, building height, or coverage of the site and which do not decrease the off-street parking ratio, reduce the yards provided at the boundary of the site, or alter the landscape plans as indicated on the approved conceptual plan may be authorized by the mayor or his/her designee. If an agreement cannot be reached regarding whether or not a detail site plan conforms to the original concept plan, the city council shall determine the conformity.

Planner Comment: The DA should be amended to include the current Zoning Ordinance language for the detail required with the Concept Plan and for the method by which the Concept Plan may be amended. This amendment to the DA provides more opportunity for review and comment. Section 7.5 of the DA should be amended to require amendments to the Concept Plan are to be retained by the City Secretary.

Article II, Development Regulations, Page 3, subsection 2.1(c) includes all the adopted construction code and agrees that both the property and in-city property comply with these regulations. They did not include the 2018 version of the International Fire Code as adopted by the City of McLendon-Chisholm and the DA goes so far in the following paragraph on page 4 to exclude enforcement of the adopted fire code. "With the exception of zoning regulations that apply to the In-City Property, the Governing Regulations are exclusive, and no other City-adopted ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City after the Effective Date) apply to the development of the Property or the In-City Property."

Planner Comment: The adopted Fire Code should be included in the regulations applicable to this project.

Article III, Development Process DA, Subsection 3.3 Public Infrastructure. Subsection (b) Inspections. "...The engineer for the District shall perform inspections of all Public Infrastructure and issue certifications to confirm compliance with City requirements and TCEQ requirements, and file copies of his or her reports with the City. Alternatively, at the City's option, the City's engineer may perform all inspections of Public Infrastructure, in which case the City shall require its engineer to issue certifications to confirm compliance with City requirements and TCEQ requirements."

Planner Comment: The City Engineer should be the inspecting authority.

DA page 5: "Article III, Subsection 3.5 Certificate of Substantial Completion: Except for model homes, no Structure may be occupied until a certificate of substantial completion has been issued by the City certifying that the Structure has been constructed in compliance with the applicable regulations, which certificates shall not be unreasonably withheld, conditioned, or delayed. Model homes may be occupied for the sole purpose of sales and marketing; however, no model home may be sold to or occupied by an End-Buyer until a certificate of substantial completion has been issued."

McLendon Chisholm Zoning Ordinance Section 1-12 Building permits and certificates of occupancy. Subsection A. " General requirements. No permanent structure may be constructed within the city limits prior to issuance of a building permit by the mayor or a designee. No permanent structure constructed or otherwise located within the city limits may be occupied prior to issuance of a certificate of occupancy by the mayor or a designee. No change in the existing conforming use of a permanent structure, or of land to a use of a different classification under this ordinance, and no change in the legally conforming use of a permanent structure or of land may take place prior to issuance of a certificate of occupancy by the mayor or a designee."

Planner Comment: The DA subsection 3.5 should be amended to say Certificate of Occupancy rather than Certificate of Substantial Completion.

DA Exhibit D Development Regulations.

Planner comment: My understanding is that these development regulations will be converted into a planned development district for the project. The planned development district language should include the maximum number of dwelling units by lot size and they should be shown on the Concept Plan. A portion of the residential lots within the city limits are supposed to be one-acre minimums.

Subsection 3. Permitted uses, subsection b. Should read: The following uses shall be permitted in the area designate "Commercial Zone" and at any other location on the Concept Plan.

Subsection 4.h. requires two enclosed garage parking spaces for each single family detached home, but does not define the minimum size of an enclosed garage parking space.

Planner recommendation: an enclosed parking space should be a minimum of 20 feet long and 10 feet wide. With these dimensions there is sufficient maneuvering room inside the garage with two cars parked inside.

Subsection 6. F. defines a collector road as a road having a divided two-lane boulevard.

Planner comment: what is a divided two-lane boulevard? There is no cross-section provided and no definition of how the two lanes may be divided. Median, painted median?

Subsection 7. Non-Residential Landscaping and Screening. Subsection a. "A minimum of 20 percent of each platted lot developed with a non-residential use shall be landscaped with a combination of grass, shrubs and trees. Where the construction is to be a single phase of a multi-phase development, only the area being constructed in the current phase need be subject to the landscape regulations. However, each phase will be required to meet the landscaping requirements as they are being developed."

Planner recommendation: the City should require more specificity as to the types of shrubs and trees, grass too, and the review and approval of a landscape plan for each non-residential construction project coincident with the application for a building permit.

Subsection 8. Parks and Open Space. a. In the eighth line "City Manager" is used, but it should be City Administrator.

Subsection 8.b. and 8. g. should include accessibility as part of the construction standard.

Types of acceptable shrubs and trees should be included somewhere in the DA. Refer to the City's Tree Preservation Code or the most current edition of "American Standards for nursery Stock" as published by the American Association of Nurserymen.

DA Page 7 Exhibit E, Item 34. "A six-inch thickness of concrete pavement on a compacted subbase shall be required for street paving. The concrete must have a 28-day compressive strength of 3,600 pounds per square inch (psi). All steel reinforcing shall be deformed No. 3 bars on 18-inch centers both ways."

Planner comment: This standard for construction of streets in the project may be inconsistent with the requirements of the fire code. The Fire Code as adopted by the City of McLendon Chisholm requires fire apparatus access roads to have a fire apparatus load bearing capacity of 75,000 pounds.

Planner comment: Didn't find anywhere in the DA where there was a definition on how many residential units were anticipated, nor any commitment to retain one-acre lot minimum sizes in the in-city property.

Comprehensive Plan Assessment

Page 12: There may be times when it is in the City's best interest to compromise on lot sizes, density, or other requirements or standards when negotiating with developers who control large tracts, either partially or entirely within the city's ETJ, in an attempt to obtain a greater outcome overall (ex. amenities provided, design considerations, school sites, etc.), but that does not mean that the City cannot ask for the vision that McLendon-Chisholm wants to see in its undeveloped areas.

Dark Sky Community Designation [CP page 24]

Exhibit D of the DA, Section 4-Residential Development Standards, Subsection 4. D. “All streets shall have street lights chosen from the standard street lighting guide of the electric provider.”

Comment: Not all electric providers provide for street lighting that conforms to the requirements of Dark Sky Community standards. The commitment here should be for street lights that conform to the standards established by the International Dark-Sky Association.

Page 36: Through the maintenance of predominantly rural residential development and limiting commercial development to the primary corridors through the city, McLendon Chisholm intends to balance its rural nature with competitive market pressure for new development.

Page 38 is the Future Land Use Plan [Map] showing the subject property [both inside the city limits and within the ETJ] as “Master Planned Community”.

Page 39, The Future Land Use Plan defines the Master Planned Community residential density as: “(1) Minimum lot size of one acre, exclusive of floodplains and rights-of-way (Master Planned Community)”

Planner comment: The Huffines development includes 179 acres within the city limits and 575 acres within the ETJ for a total of 754 acres of land.

Then again on page 44 the following:

“Desired Development Characteristics:

- Minimum lot size of one acre for residential uses, exclusive of floodplains and rights-of-way. Drainage areas and waterways should be within HOA-maintained common areas and not included on individual lots where applicable.
- Minimum 150-foot lot width for residential uses;
- Preserved open space integrated into the neighborhood, including use of floodplains and existing greenbelts to create attractive common areas that showcase a rural feel;
- Where commercial uses are included, at least 90 percent of gross land area per development should be residential and/or green space/floodplain/park;
- Peaceful and quiet design that portrays a retreat from urban life through various elements, such as water features, calm colors, sophisticated architecture, and luxurious “off spots” for informal sitting and dining;
- Development that *Diversifies the Tax Base* and provides areas for people to enjoy *Grassroots Community Events* or entertainment where the noise or activity can be appropriately distanced from residential uses;
- Shaded, lighted, and landscaped trail system to connect destinations and neighborhoods.
- One story typical with two stories maximum. “

Table 1 [Development Standards Table] in the DA shows the development standards for four residential types: SF D2 through SF D4. None of these lots have the minimum lot size of one acre or the 150 foot minimum width.

Planner comment: The proposed development is inconsistent with the language of the Comprehensive Plan. See the text from the Comprehensive Plan below:

Overall Land Use and Design Policies

Provided below are standards to be utilized in the review of development proposals and improvements within the city, in addition to those provided within each Future Land Use Designation above and other components of the Plan contained herein. The City, the community, and developers should consider the entire Comprehensive Plan as a vision and utilize the policies below to further guide decisions for McLendon-Chisholm's future:

- A. Proposed developments should generally conform to the Comprehensive Plan.
- B. Lots larger than one acre are highly encouraged with new development.
- C. Positively contribute to the City's character and vision through design and land use.
- D. Incorporate existing natural systems, such as mature trees and green infrastructure, into design elements. Ensure new development preserves and enhances all floodplain, creeks, and high-quality tree stands/wooded areas.
- E. Provide elements and design that can positively contribute to the rural and country feel.
- F. Provide multimodal connections, such as trails and sidewalks throughout the development and to any adjacent properties. Ensure new development provides a continuous pedestrian and biking system, extensive landscaping consistent with native Texas foliage, and access between properties.
- G. Promote tree preservation and landscaping to positively contribute to McLendon-Chisholm's green spaces.
- H. Provide high quality and unique development, including amenities, that promotes the uniqueness of the City.
- I. Encourage low intensity retail, restaurant, entertainment, and office uses along SH 205 and FM 550, in addition to modest and quaint pockets in master planned communities, as outlined in each associated Future Land Use Designation or the particular property or properties.
- J. Ensure new development is compatible with existing and adjacent land uses in terms of height, noise, traffic, and screening.
- K. Preserve agricultural or heritage-related resources whenever and wherever possible. Partner with developers and property owners to encourage highlighting these resources for the community. Create and maintain a vibrant community that retains and improves property values, enhances the quality of life for the citizens, and retains the rural visual feel.
- L. Providing and maintaining green zones and buffers to protect established residential areas.

Planner comment: While the Huffines project does not conform to all of the standards of the adopted Comprehensive Plan, the project does comply with several of the guiding principles. Additionally, the project is a master planned community

The recently adopted Thoroughfare Plan shows three new proposed major collectors through the Huffines project that are not reflected on the Concept Plan as presented.

Planner comment: The DA precludes enforcement of the Comprehensive Plan. See **Article II, Development Regulations, Page 3, subsection 2.1(c)**



APPLICANT RESPONSES ARE IN RED CALL CAPS

CITY OF MCLENDON-CHISHOLM, TEXAS

DATE: October 21, 2020
TO: Lisa Palomba, City Administrator
FROM: Michael R. Coker, City Planner

REQUEST:

Assessment of potential conflicts between the McLendon-Chisholm Comprehensive Plan and the Huffines Development Agreement

Note: Some planner comments are related to existing zoning or subdivision ordinance requirements, but may not be addressed in the Comprehensive Plan specifically.

General note: Most of the graphic exhibits are too small and virtually impossible to read. Full sized exhibits should be attached to the DA prior to adoption by the City Council. **EXHIBITS ARE FORMATTED AS LETTER SIZE IN BLACK AND WHITE BECAUSE THE AGREEMENT IS REQUIRED TO BE RECORDED IN COUNTY DEED RECORDS. LARGER EXHIBITS CAN BE PROVIDED UPON REQUEST, BUT NOTE THAT THE COUNTY WILL NOT RECORD THEM IN THAT FORMAT.**

Development Agreement

Article II, Development Regulations DA page 4, Section 2.2 Concept Plan Revisions. "Revisions to the street layout and the location and configuration of open space areas shown on **Exhibit C** are permitted without City approval provided such revisions comply with all other Governing Regulations. In addition, any amendment to the Concept plan that is approved on a plat is deemed to be a City-approved amendment to the Concept Plan. All other revisions to the Concept Plan require the approval of the City Council, which shall not be unreasonably withheld."

The City Zoning ordinance Section 5-1 PD Planned Development District, Subsection D Conceptual and development plan, requires significantly more detail than that provided in Exhibit C Concept Plan of the DA. Further, Subsection D of the McLendon Chisholm Zoning Ordinance requires city review prior to amendment and is written as follows:

Conceptual and development plan. In establishing a Planned Development District, the city council shall approve and file as part of the amending ordinance appropriate plans and standard for each Planned Development District. During the review and public hearing process, the city council shall require a conceptual plan and a development plan (or detail site plan).

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1. Conceptual plan. This plan shall be submitted by the applicant. The plan shall show the applicant's intent for the use of the land within the proposed Planned Development District in a graphic manner and shall be supported by written documentation of proposals and standards for development.

(a) A conceptual plan for residential land use shall show general use, thoroughfares, and preliminary lot arrangements. For residential development which does not propose platted lots, the conceptual plan shall set forth the size, type, and location of buildings and building sites, access, density, building height, fire lanes, screening, parking areas, landscaped areas, and other pertinent development data.

(b) A conceptual plan for uses other than residential uses shall set forth the land use proposals in a manner to adequately illustrate the type and nature of the proposed development. Data which may be submitted by the applicant, or required by the city council, may include but is not limited to the types of use(s), topography, and boundary of the PD area, physical features of the site, existing streets, alleys, and easements, location of future public facilities, building heights and locations, parking ratios, and other information to adequately describe the proposed development and to provide data for approval which is to be used in drafting the final development plan.

(c) Changes of detail which do not alter the basic relationship of the proposed development to adjacent property and which do not alter the uses permitted or increase the density, building height, or coverage of the site and which do not decrease the off-street parking ratio, reduce the yards provided at the boundary of the site, or alter the landscape plans as indicated on the approved conceptual plan may be authorized by the mayor or his/her designee. If an agreement cannot be reached regarding whether or not a detail site plan conforms to the original concept plan, the city council shall determine the conformity.

Planner Comment: The DA should be amended to include the current Zoning Ordinance language for the detail required with the Concept Plan and for the method by which the Concept Plan may be amended. This amendment to the DA provides more opportunity for review and comment. Section 7.5 of the DA should be amended to require amendments to the Concept Plan are to be retained by the City Secretary. **THE PROPERTY IS IN THE ETJ AND IS NOT ZONED TODAY. THE DEVELOPER MUST HAVE THE CERTAINTY THAT THE PROPERTY CAN BE DEVELOPED AS INTENDED BEFORE AGREEING TO ANNEXATION, AND THIS IS A FUNDAMENTAL COMPONENT OF THE BUSINESS DEAL.**

Article II, Development Regulations, Page 3, subsection 2.1(c) includes all the adopted construction code and agrees that both the property and in-city property comply with these regulations. They did not include the 2018 version of the International Fire Code as adopted by the City of McLendon-Chisholm and the DA goes so far in the following paragraph on page 4 to exclude enforcement of the adopted fire code. **"With the exception of zoning regulations that apply to the In-City Property, the Governing Regulations are exclusive, and no other City-adopted ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City after the Effective Date) apply to the development of the Property or the In-City Property."**

Planner Comment: The adopted Fire Code should be included in the regulations applicable to this project. **IT HAS BEEN ADDED.**

Article III, Development Process DA, Subsection 3.3 Public Infrastructure. Subsection (b) Inspections. "...The engineer for the District shall perform inspections of all Public Infrastructure and issue certifications to confirm compliance with City requirements and TCEQ requirements, and file copies of his or her reports with the City. Alternatively, at the City's option, the City's engineer may perform all inspections of Public Infrastructure, in which case the City shall require its engineer to issue certifications to confirm compliance with City requirements and TCEQ requirements."

Planner Comment: The City Engineer should be the inspecting authority. **THERE IS NO CITY ENGINEER EMPLOYED BY THE CITY CURRENTLY IF THE CITY OPTS TO HAVE A CITY ENGINEER PERFORM INSPECTIONS, THE CITY CAN DO SO, BUT THE INSPECTIONS MUST ALSO CONFIRM COMPLIANCE WITH TCEQ REQUIREMENTS, OTHERWISE THE DEVELOPER WILL HAVE TO PAY FOR TWO SETS OF INSPECTIONS – ONE TO CITY STANDARDS AND ONE TO TCEQ STANDARDS, AND THE DEVELOPER IS UNWILLING TO DO SO.**

DA page 5: "Article III, Subsection 3.5 Certificate of Substantial Completion: Except for model homes, no Structure may be occupied until a certificate of substantial completion has been issued by the City certifying that the Structure has been constructed in compliance with the applicable regulations, which certificates shall not be unreasonably withheld, conditioned, or delayed. Model homes may be occupied for the sole purpose of sales and marketing; however, no model home may be sold to or occupied by an End-Buyer until a certificate of substantial completion has been issued."

McLendon Chisholm Zoning Ordinance Section 1-12 Building permits and certificates of occupancy. Subsection A. "General requirements. No permanent structure may be constructed within the city limits prior to issuance of a building permit by the mayor or a designee. No permanent structure constructed or otherwise located within the city limits may be occupied prior to issuance of a certificate of occupancy by the mayor or a designee. No change in the existing conforming use of a permanent structure, or of land to a use of a different classification under this ordinance, and no change in the legally conforming use of a permanent structure or of land may take place prior to issuance of a certificate of occupancy by the mayor or a designee."

Planner Comment: The DA subsection 3.5 should be amended to say Certificate of Occupancy rather than Certificate of Substantial Completion. **THIS CHANGE HAS BEEN MADE**

DA Exhibit D Development Regulations.

Planner comment: My understanding is that these development regulations will be converted into a planned development district for the project. The planned development district language should include the maximum number of dwelling units by lot size and they should be shown on the Concept Plan. **THE DEVELOPER CANNOT SHOW A LOT LAYOUT OR PREDICT THE EXACT NUMBER OF DWELLING UNITS BY LOT SIZE AT THIS TIME. THE PROJECT IS TOO LARGE TO SHOW THIS LEVEL OF DETAIL AT THIS TIME.** A portion of the residential lots within the city limits are supposed to be one-acre minimums. **A SEPARATE PD ORDINANCE FOR THE IN-CITY LAND HAS ALREADY BEEN DRAFTED, AND IT HAS BEEN UPDATED TO REFLECT ONE ACRE LOTS. IT WILL BE FILED WITH THE CITY WITHIN THE NEXT WEEK.**

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Subsection 3. Permitted uses, subsection b. Should read: The following uses shall be permitted in the area designate "Commercial Zone" and at any other location on the Concept Plan. **THIS CHANGE HAS BEEN MADE**

Subsection 4.h. requires two enclosed garage parking spaces for each single family detached home, but does not define the minimum size of an enclosed garage parking space.

Planner recommendation: an enclosed parking space should be a minimum of 20 feet long and 10 feet wide. With these dimensions there is sufficient maneuvering room inside the garage with two cars parked inside. **STANDARD HOME BUILDER GARAGES ARE 18X20 FOR TWO CAR GARAGES, AND WE WOULD LIKE TO MAINTAIN THIS STANDARD.**

Subsection 6. F. defines a collector road as a road having a divided two-lane boulevard.

Planner comment: what is a divided two-lane boulevard? There is no cross-section provided and no definition of how the two lanes may be divided. Median, painted median? **WE HAVE REVISED THE AGREEMENT TO CLARIFY THIS IS A RAISED MEDIAN.**

Subsection 7. Non-Residential Landscaping and Screening. Subsection a. "A minimum of 20 percent of each platted lot developed with a non-residential use shall be landscaped with a combination of grass, shrubs and trees. Where the construction is to be a single phase of a multi-phase development, only the area being constructed in the current phase need be subject to the landscape regulations. However, each phase will be required to meet the landscaping requirements as they are being developed."

Planner recommendation: the City should require more specificity as to the types of shrubs and trees, grass too, and the review and approval of a landscape plan for each non-residential construction project coincident with the application for a building permit. **WE WILL INCLUDE AN APPROVED PLANTING LIST**

Subsection 8. Parks and Open Space. a. In the eighth line "City Manager" is used, but it should be City Administrator. THIS CHANGE HAS BEEN MADE

Subsection 8.b. and 8. g. should include accessibility as part of the construction standard. THIS REQUIREMENT HAS BEEN ADDED.

Types of acceptable shrubs and trees should be included somewhere in the DA. Refer to the City's Tree Preservation Code or the most current edition of "American Standards for nursery Stock" as published by the American Association of Nurserymen. WE WILL INCLUDE AN APPROVED PLANTING LIST

DA Page 7 Exhibit E, Item 34. "A six-inch thickness of concrete pavement on a compacted subbase shall be required for street paving. The concrete must have a 28-day compressive strength of 3,600 pounds per square inch (ppsi). All steel reinforcing shall be deformed No. 3 bars on 18-inch centers both ways."

Planner comment: This standard for construction of streets in the project may be inconsistent with the requirements of the fire code. The Fire Code as adopted by the City of McLendon Chisholm requires fire apparatus access roads to have a fire apparatus load bearing capacity of 75,000 pounds. **THIS REQUIREMENT HAS BEEN ADDED.**

Planner comment: Didn't find anywhere in the DA where there was a definition on how many residential units were anticipated, nor any commitment to retain one-acre lot minimum sizes in the in-city property. **ONE ACRE LOTS WILL BE ADDRESSED IN THE PD DOCUMENT FOR THE IN-CITY LAND, NOT IN THE ETJ DEVELOPMENT AGREEMENT. THE EXACT NUMBER OF LOTS IS NOT KNOWN AT THIS TIME.**

Comprehensive Plan Assessment

Page 12: There may be times when it is in the City's best interest to compromise on lot sizes, density, or other requirements or standards when negotiating with developers who control large tracts, either partially or entirely within the city's ETJ, in an attempt to obtain a greater outcome overall (ex. amenities provided, design considerations, school sites, etc.), but that does not mean that the City cannot ask for the vision that McLendon-Chisholm wants to see in its undeveloped areas.

Dark Sky Community Designation [CP page 24]

Exhibit D of the DA, Section 4-Residential Development Standards, Subsection 4. D. "All streets shall have street lights chosen from the standard street lighting guide of the electric provider."

Comment: Not all electric providers provide for street lighting that conforms to the requirements of Dark Sky Community standards. The commitment here should be for street lights that conform to the standards established by the International Dark-Sky Association. **WE WILL COMPLY WITH ONCOR STANDARDS. WE ARE CONFIRMING THAT ONCOR HAS STREET LIGHTS THAT CONFORM TO DARK SKY STANDARDS.**

Page 36: Through the maintenance of predominantly rural residential development and limiting commercial development to the primary corridors through the city, McLendon Chisholm intends to balance its rural nature with competitive market pressure for new development.

Page 38 is the Future Land Use Plan [Map] showing the subject property [both inside the city limits and within the ETJ] as "Master Planned Community".

Page 39, The Future Land Use Plan defines the Master Planned Community residential density as: "(1) Minimum lot size of one acre, exclusive of floodplains and rights-of-way (Master Planned Community)"

Planner comment: The Huffines development includes 179 acres within the city limits and 575 acres within the ETJ for a total of 754 acres of land.

Then again on page 44 the following:

"Desired Development Characteristics:

- Minimum lot size of one acre for residential uses, exclusive of floodplains and rights-of-way. Drainage areas and waterways should be within HOA-maintained common areas and not included on individual lots where applicable.
- Minimum 150-foot lot width for residential uses;
- Preserved open space integrated into the neighborhood, including use of floodplains and existing greenbelts to create attractive common areas that showcase a rural feel;

- Where commercial uses are included, at least 90 percent of gross land area per development should be residential and/or green space/floodplain/park;
- Peaceful and quiet design that portrays a retreat from urban life through various elements, such as water features, calm colors, sophisticated architecture, and luxurious “off spots” for informal sitting and dining;
- Development that *Diversifies the Tax Base* and provides areas for people to enjoy *Grassroots Community Events* or entertainment where the noise or activity can be appropriately distanced from residential uses;
- Shaded, lighted, and landscaped trail system to connect destinations and neighborhoods.
- One story typical with two stories maximum. “

Table 1 [Development Standards Table] in the DA shows the development standards for four residential types: SF D2 through SF D4. None of these lots have the minimum lot size of one acre or the 150 foot minimum width.

Planner comment: The proposed development is inconsistent with the language of the Comprehensive Plan. See the text from the Comprehensive Plan below: **THIS PROJECT WILL NOT WORK WITH ONE ACRE LOTS. THE DEVELOPER HAS CONSISTENTLY EXPLAINED THE DENSITY THAT MUST BE ACHIEVED TO MAKE THIS A VIABLE PROJECT FOR ANNEXATION INTO THE CITY, AND THAT DENSITY IS REFLECTED IN THE CURRENT DRAFT OF THE AGREEMENT. THE PROJECT IS CONSISTENT WITH OTHER CITED PRINCIPLES OF THE COMPREHENSIVE PLAN THAT ARE NOT RELATED TO LOT SIZE.**

Overall Land Use and Design Policies

Provided below are standards to be utilized in the review of development proposals and improvements within the city, in addition to those provided within each Future Land Use Designation above and other components of the Plan contained herein. The City, the community, and developers should consider the entire Comprehensive Plan as a vision and utilize the policies below to further guide decisions for McLendon-Chisholm’s future:

- A. Proposed developments should generally conform to the Comprehensive Plan.
- B. Lots larger than one acre are highly encouraged with new development.
- C. Positively contribute to the City’s character and vision through design and land use.
- D. Incorporate existing natural systems, such as mature trees and green infrastructure, into design elements. Ensure new development preserves and enhances all floodplain, creeks, and high-quality tree stands/wooded areas.
- E. Provide elements and design that can positively contribute to the rural and country feel.
- F. Provide multimodal connections, such as trails and sidewalks throughout the development and to any adjacent properties. Ensure new development provides a continuous pedestrian and biking system, extensive landscaping consistent with native Texas foliage, and access between properties.
- G. Promote tree preservation and landscaping to positively contribute to McLendon-Chisholm’s green spaces.
- H. Provide high quality and unique development, including amenities, that promotes the uniqueness of the City.
- I. Encourage low intensity retail, restaurant, entertainment, and office uses along SH 205 and FM 550, in addition to modest and quaint pockets in master planned communities, as outlined in each associated Future Land Use Designation or the particular property or properties.
- J. Ensure new development is compatible with existing and adjacent land uses in terms of height, noise, traffic, and screening.

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K. Preserve agricultural or heritage-related resources whenever and wherever possible. Partner with developers and property owners to encourage highlighting these resources for the community. Create and maintain a vibrant community that retains and improves property values, enhances the quality of life for the citizens, and retains the rural visual feel.

L. Providing and maintaining green zones and buffers to protect established residential areas.

Planner comment: While the Huffines project does not conform to all of the standards of the adopted Comprehensive Plan, the project does comply with several of the guiding principles. Additionally, the project is a master planned community

The recently adopted Thoroughfare Plan shows three new proposed major collectors through the Huffines project that are not reflected on the Concept Plan as presented. THIS ISSUE HAS BEEN STUDIED CAREFULLY, AND THE PROJECT AS PLANNED WILL NOT WORK WITH THREE MAJOR COLLECTORS CRISSCROSSING IT. THIS COMMUNITY WILL BE A WALKABLE COMMUNITY, AND AS PART OF THAT DESIGN, A DIFFERENT THOROUGHFARE PLAN HAS BEEN PROPOSED AS PART OF THIS DEVELOPMENT AGREEMENT.

Planner comment: The DA precludes enforcement of the Comprehensive Plan. See **Article II, Development Regulations, Page 3, subsection 2.1(c)** THE COMPREHENSIVE PLAN IS A PLANNING DOCUMENT, NOT A CITY CODE, AND IT IS INTENDED TO BE A DOCUMENT THAT IS ADJUSTED AND EVOLVES OVER TIME. THE DEVELOPMENT AGREEMENT CONTAINS THE SPECIFIC PLAN FOR THIS ETJ PROPERTY AND WOULD CONTROL OVER THE MORE GENERAL COMPREHENSIVE PLAN.

DEVELOPMENT AGREEMENT (TRILOGY)

This Development Agreement (this "Agreement") is executed between MC Trilogy Texas, LLC, a Texas limited liability company (the "Owner") and the City of McLendon-Chisholm (the "City"), each a "Party" and collectively the "Parties" to be effective upon the Owner's acquisition of fee simple title to the Property and the In-City Property, both of which are hereinafter defined (the "Effective Date"). If the Owner does not acquire fee simple title to the Property and the In-City Property by December 31, 2022, this Agreement shall be null and void and of no further force or effect on such date.

ARTICLE I RECITALS

WHEREAS, the Owner is the owner of that certain tract of land described on **Exhibit A** (the "Property") located wholly within the extraterritorial jurisdiction ("ETJ") of the City and not within the ETJ or corporate limits of any other town or city, and that certain tract of land described on **Exhibit B** (the "In-City Property") located wholly within the City's corporate limits; and

WHEREAS, pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the City will have and exercise exclusive governmental jurisdiction over the subdivision and platting of the Property and the design and construction of water, wastewater, drainage, roadway, and other public infrastructure to serve the Property and the In-City Property in accordance with this Agreement ("Public Infrastructure"), and Rockwall County will have and exercise no jurisdiction over such matters; and

WHEREAS, the Parties intend that the Property be developed: (i) as a quality, master-planned, mixed-use community including parkland, open space, and other public and private amenities that will benefit and serve the present and future citizens of the City; and (ii) pursuant to binding, contractual development regulations that are approved by Owner and the City, that are recorded in the deed records of Rockwall County (so as to bind Owner and all future owners of the Property or any portion thereof), and that will provide regulatory certainty during the term of this Agreement; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide, or participate in the cost of, the Public Infrastructure that will allow the Parties' intended development of the In-City Property and the Property; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide full municipal services for the Parties' intended development of the In-City Property or the Property; and

WHEREAS, to facilitate the Parties' intended development of the In-City Property and the Property in a cost-effective and market-competitive manner, Owner submitted written petitions to the City Council of the City (the "City Council") dated _____ October 8,

2021 requesting that the City Council consent to the creation of a municipal utility district encompassing the In-City Property and the subsequent addition of the Property into such district (whether one or more, the "District") that will design, construct and install the Public Infrastructure necessary for the Parties' intended development of the In-City Property and the Property; and

WHEREAS, the City Council adopted ~~Ordinance~~Resolution No. ~~_____~~2021-11 dated ~~_____~~October 13, 2021 consenting to the creation of the District and ~~Ordinance~~Resolution No. ~~_____~~2021-10 dated ~~_____~~October 13, 2021 consenting to the District's addition of the Property into the boundaries of the District (collectively, the "Consent ~~Ordinance~~Resolution"); and

WHEREAS, the City has also consented to the creation of the District and the addition of the Property to the District as set forth in this Agreement; and

WHEREAS, the Parties intend that the consent given by the City (both in the ~~ordinance~~resolutions referenced above and in this Agreement) to the creation of the District shall be unconditional and irrevocable and are given in full satisfaction of all statutory and regulatory requirements including, but not limited to, any applicable requirement for consent contained in the Texas Water Code, the Texas Local Government Code, or any rule, regulation, or policy promulgated by the Texas Commission on Environmental Quality (the "TCEQ") and by the Attorney General of the State of Texas (the "AG"); and

WHEREAS, the Parties intend that the District, or Owner as appropriate, will design, construct and install the Public Infrastructure: (i) at no cost or expense to the City; (ii) in accordance with the "Governing Regulations" as defined in this Agreement; and (iii) in accordance with the applicable requirements of the Texas Water Code, and the rules, regulations and policies of the TCEQ; and

WHEREAS, the Parties intend that the District, or Owner as appropriate, will design, construct and install the Public Infrastructure using funds advanced to the District by Owner; and that the District will thereafter reimburse Owner for such advances using the proceeds of bonds issued by the District and secured solely by ad valorem taxes levied on property within the District and by other funds legally available to the District (with the City having no responsibility or liability whatsoever for any District bonds); and

WHEREAS, RCH Water Supply Corporation ("RCH") currently holds the water certificate of convenience and necessity ("CCN") over the Property and a portion of the In-City Property; and

WHEREAS, no entity holds the wastewater certificate of convenience and necessity over the Property or the In-City Property; and

WHEREAS, the Parties intend that the City will be the retail provider of wastewater service to the Property and the In-City Property; and

International Residential Code (2018 edition), the International Energy Conservation Code (2018 edition), the International Mechanical Code (2018 edition), the International Plumbing Code (2018 edition), the International Fuel Gas Code (2018 edition), the International Property Maintenance Code (2018 edition), ~~and~~ the National Electrical Code (2020 edition), the International Fire Code (2018 edition) excluding all cul-de-sac size and dimension requirements, as well as amendments thereto adopted by Ordinance No. 2020-03 (the "Building Codes"), which shall apply to both the Property and the In-City Property; and

(d) the subdivision regulations of the City in effect on the Effective Date (the "Subdivision Regulations"), as amended by the special regulations set forth on **Exhibit E** (the "Special Regulations"), both of which shall apply to the Property and the In-City Property.

With the exception of zoning regulations that apply to the In-City Property, the Governing Regulations are exclusive, and no other City-adopted ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City after the Effective Date) apply to the development of the Property or the In-City Property. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties agree that the Governing Regulations shall include the City's exercise of exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of Public Infrastructure.

2.2 Concept Plan Revisions. Revisions to the street layout and the location and configuration of open space areas shown on **Exhibit C** are permitted without City approval provided such revisions comply with all other Governing Regulations. In addition, any amendment to the Concept plan that is approved on a plat is deemed to be a City-approved amendment to the Concept Plan. All other revisions to the Concept Plan require the approval of the City Council, which shall not be unreasonably withheld.

2.3 Conflicts. In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement shall control. In the event of a conflict between this Agreement (including any exhibit attached hereto) and the Building Codes or the Subdivision Regulations, this Agreement (including all exhibits attached hereto) shall control.

ARTICLE III **DEVELOPMENT PROCESS**

3.1 Jurisdiction. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties intend that the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats, and the design, construction, installation, and inspection of Public Infrastructure, and that Rockwall County shall have and exercise no jurisdiction over such matters during the term of this Agreement.

3.2 Plat Approval. Subdivision of the Property and the In-City Property requires approval of plats by the City in accordance with the Governing Regulations and this Agreement.

3.3 Public Infrastructure. The following requirements apply to both the In-City Property and the Property:

(a) The Public Infrastructure must be designed to comply with the Subdivision Regulations as amended by the Special Regulations, and no construction or installation of Public Infrastructure shall begin until plans and specifications have been approved by the City (which approvals must not be unreasonably withheld or delayed). Nothing herein is intended to waive or modify any applicable requirements for retail or wholesale providers to review and approve any water or wastewater construction plans.

(b) Inspections. The City acknowledges that all Public Infrastructure must be inspected as required by the rules of the TCEQ to the extent the costs and expenses paid or incurred by Owner in connection with such infrastructure will be reimbursable to Owner from bonds issued by the District or other funds legally available to the District. In order to avoid the duplication of time and expense of dual inspection and testing of Public Infrastructure, the Parties have agreed for inspection and testing of the Public Infrastructure as set forth in this section. The engineer for the District shall perform inspections of all Public Infrastructure and issue certifications to confirm compliance with City requirements and TCEQ requirements, and file copies of his or her reports with the City. Alternatively, at the City's option, the City's engineer may perform all inspections of Public Infrastructure, in which case the City shall require its engineer to issue certifications to confirm compliance with City requirements and TCEQ requirements.

3.4 Building Permits. No permanent structure (as such term may be defined, from time to time, by the District, but in any event, including every structure designed or intended for human occupancy and every accessory structure intended for human occupancy (a "Structure") shall be constructed unless a building permit has been issued by the City. Building permits shall not be unreasonably withheld, conditioned, or delayed. A building permit must be issued for any structure that complies with the applicable regulations. Except for model homes, no building permit may be issued for a Structure unless a final plat has been recorded for the lot on which the Structure is being constructed. Building permits must be issued for model homes prior to the recordation of a final plat if the Public Infrastructure to serve the model homes has been completed and inspected as required by Section 3.3 (including fire protection and excluding sewer); however, no model home may be sold to any end-buyer of a fully developed and improved lot within the Property ("End-Buyer") until a final plat has been recorded.

3.5 Certificate of ~~Substantial Completion~~Occupancy. Except for model homes, no Structure may be occupied until a ~~certificate of substantial completion~~Certificate of Occupancy has been issued by the City certifying that the Structure has been constructed in compliance with the applicable regulations, which certificates shall not be unreasonably withheld, conditioned, or delayed. Model homes may be occupied for the sole purpose of

sales and marketing; however, no model home may be sold to or occupied by an End-Buyer until a ~~certificate of substantial completion~~Certificate of Occupancy has been issued.

ARTICLE IV **DEVELOPMENT CHARGES**

4.1 Plat Review Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the following fees (the "Plat Review Fees"): (a) for a preliminary plat, \$280 per acre (or fraction thereof) within the plat plus the City's costs to hire a consultant to review the preliminary plat if City staff is not able to review the plat; and (b) for a final plat, \$250 plus \$5 per lot within the final plat, plus the City's costs to hire a consultant to review the final plat if City staff is not able to review the plat.

4.2 Plan Review Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the reasonable and lawful costs to hire a consultant to review the District's plans and specifications for Public Infrastructure (the "Plan Review Fees").

4.3 Building Permit Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the reasonable and lawful fees and charges applicable to the City's review of building construction plans, issuance of building permits, inspection of buildings, and issuance of certificates of substantial completion (the "Building Permit Fees") according to the fee schedule adopted by the City Council and in effect on the date of submittal of a building permit application. The fee schedule applicable to the Property and the In-City Property shall be uniformly applicable to all development within the corporate limits of the City.

4.4 Flood Study Fee. A fee equal to the actual cost of the City's engineer's review of a new flood study for the In-City Property and the Property shall be paid to the City in connection with the City's analysis of any new flood study that is required by the Governing Regulations (the "Flood Study Fee"), which fee is required to be a reasonable market rate fee for a licensed professional engineer to review a flood study of a comparable scope.

4.5 City Fees. The Parties agree that the City may collect a \$1,500 wastewater fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Wastewater City Fees"), which is a fee that shall be used to fund administrative and facility operation and maintenance costs associated with providing wastewater service to the Property and the In-City Property. If the City is the retail water provider to the Property and the In-City Property, the Parties agree that the City may collect a \$1,000 water fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Water City Fees"), which is a fee that shall be used to fund administrative and facility operation and maintenance costs associated with providing water service to the Property and the In-City Property. The City agrees that no impact fees adopted pursuant to Chapter 395 of the Texas Local Government

to support the issuance of a discharge permit to allow the construction and maintenance for a temporary wastewater treatment plant for such purpose.

(c) If necessary for the City to provide adequate wastewater service to the Full Development, on behalf of and at no cost to the City, the Owner or the District may construct at a location approved by Owner and the City, with such approval not to be unreasonably withheld, delayed or conditioned, a temporary wastewater treatment plant to serve all or a portion of the Full Development, and the City consents to, and agrees to apply for and support the issuance of, a discharge permit to the City to allow the construction and maintenance of a temporary wastewater treatment plant for such purpose.

ARTICLE VI **CONSENT TO DISTRICT**

6.1 Consent to the District Creation. This Agreement constitutes the irrevocable and unconditional consent of the City to the creation of the District thereof pursuant to the authority of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. The City further consents (a) to the authority of the District to include road powers pursuant to Section 54.234, Texas Water Code, as amended (by petition to and approval of the TCEQ or otherwise); (b) to expansions, from time to time, of the authority of the District (by special acts of the Texas legislature or otherwise) to include additional powers to exercise eminent domain, the right to divide, or other powers that are authorized by the Texas Constitution or by the laws of the State of Texas, as amended; and (c) the District's addition of the Property subsequent to the District's creation and following the City's annexation of the Property. The City further consents to divisions of the Districts and to boundary adjustments among the resulting districts in the form of exclusions and additions of land within the In-City Property and the Property.

6.2 Consent ~~Ordinances~~Resolutions; Other Documents. The City agrees to adopt such further ordinances or resolutions and execute such further documents as may reasonably be requested by Owner, the TCEQ, the AG, or the District to evidence the City's consents as set forth in this Agreement and in the Consent ~~Ordinance~~Resolution.

6.3 No Limitation of Powers. Nothing in this Article VI is intended to limit, impair, or conflict with the authority of or powers granted to the District by the Texas Constitution, Texas Water Code, Texas Local Government Code, or any other current or future statute applicable to the District.

6.4 Full Satisfaction. The consents contained in this Article VI and in the Consent ~~Ordinance~~Resolution (the "District Consents") are given by the City: (a) in full satisfaction of any requirements for district consents contained in any statute or otherwise required by law, rule, regulation or policy including, but not limited to, consents required by the Texas Water Code, as amended, the Texas Local Government Code, as amended, any rules, regulations, or policies of the TCEQ, or any rules, regulations, or policies of the Texas AG; (b) with the understanding that the District Consents are irrevocable and cannot be withdrawn or modified in any way by the City or by any action of the City Council without the prior written approval

Agreement (the "Facilities Agreement"), and the Consent Resolution, including for the issuance of Bonds. This obligation is conditional upon the acquisition and construction of such Public Infrastructure by a developer, in lieu of the District, in the manner required by the Developer Reimbursement Agreement. This Section 6.5 survives the termination or expiration of this Agreement and the Facilities Agreement.

(c) Should the City determine to proceed with dissolving the District, the City shall give the District and Owner and all other owners of land within the District nine (9) months advance written notice of its intent prior to initiation of formal dissolution proceedings. Upon receipt of such notice, the Parties will meet with the City to confirm the status of the outstanding obligations of each of the Parties under this Agreement.

(d) The Parties intend for the obligations of the District under this Agreement to constitute "obligations" of the District within the meaning of Section 43.074, Local Government Code. The Parties further intend in the event that the City adopts an ordinance dissolving the District, the City shall assume all of the obligations of the District, including those set forth in this Agreement, to the fullest extent permitted by law and the terms of the Development Agreement, Facilities Agreement, and this Agreement.

6.6 Notice. Pursuant to Section 49.452 of the Texas Water Code, purchasers of land within the District will receive notices in a format that is substantially the same as the one attached as **Exhibit R** in compliance with such statute.

ARTICLE VII **ADDITIONAL PROVISIONS**

7.1 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

7.2 Term. The term of this Agreement shall be 45 years after the Effective Date ("Term").

7.3 Annexation and Zoning; Public Safety Site Dedication Following Annexation.

(a) The Property shall remain in the ETJ of the City and be immune from full purpose annexation until such time the Owner submits a notarized request for voluntary annexation of the Property to the City, which the Owner shall do within 30 days after all of the following conditions have been satisfied: (i) the In-City Property has been zoned as a planned development district with regulations consistent with those that apply to the Property pursuant to this Agreement (excluding commercial land use regulations, which shall not apply to the In-City Property) and the Governing Regulations, ~~which planned~~

~~development zoning ordinance must be approved by the City Council on the Effective Date of this Agreement in order for this condition precedent to annexation of the Property to be satisfied;~~ (ii) the City and the owners of the Property and the In-City Property have entered into the Facilities Agreement; (iii) the ~~City Council has adopted the Consent Ordinance, which shall occur on the Effective Date of this Agreement;~~ (d) the District has been created by the TCEQ; and (iv) ~~the City Council has adopted an ordinance consenting to the District's annexation of the Property in a form reasonable approved by the Owner and the District, which shall occur within 45 days after the date the Owner presents a written request for such consent to the City;~~ and (v) District elections have been held confirming the creation of the District and its initial directors and authorizing the District to levy a maintenance tax. Nothing in this subsection shall be construed as requiring the City Council to adopt a particular zoning ordinance for the In-City Property, and part (i) of this subsection merely constitutes a condition precedent to annexation of the Property. Annexation of the Property by the City shall not impact the Term of this Agreement or the continued applicability of this Agreement.

(b) Within 30 days after the annexation of the Property, the City agrees to consider zoning the Property as a planned development district with regulations consistent with this Agreement; however, this Agreement shall control in the event of any conflict between this Agreement and the future zoning of the Property.

(c) Within 180 days after the annexation of the Property in accordance with this Section 7.3, the Owner and the City shall mutually approve the location of a minimum two-acre public safety site within the Property or the In-City Property, which approval shall not be unreasonably withheld by either Party, and the Owner shall dedicate such site to the City at no cost to the City. If the Parties cannot agree on the location of the public safety site, the 180-day period shall be extended automatically until the Parties reach an agreement and the site is dedicated to the City. The deed conveying the public safety site to the City may contain restrictions limiting the use of such land to public safety purposes and may contain reversion language that causes ownership of the land to revert to the Owner if the City does not construct a public safety building on the public safety site within ten years after the conveyance to the City.

7.4 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 10th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by E-mail; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail (with a confirming copy sent by E-mail). Notices given pursuant to this section shall be addressed as follows:

To the City:

Attn: City Administrator
City of McLendon-Chisholm

- (i) limit the Term.

7.8 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its governmental powers, immunities, or rights except as follows:

(a) The City waives its governmental immunity from suit and immunity from liability as to any action brought by a Party (or by the District) to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. Nothing in this section shall waive any claims, defenses or immunities that the City has with respect to suits against the City by persons or entities other than the District or a Party to this Agreement.

(b) Nothing in this Agreement is intended to delegate or impair the performance by the City of its governmental functions, and the City waives any claim or defense that any provision of this Agreement is unenforceable on the grounds that it constitutes an impermissible delegation or impairment of the City's performance of its governmental functions.

(c) It is also expressly agreed by the Parties that the City shall be immune from, and the Owner hereby waives, any claim for failure on the part of the City to perform, or the manner of performance, of any of its traditional governmental functions as defined and contained in Section 101.0215(a) of the Texas Civil Practice and Remedies Code, but only to the extent such immunity and waiver are consistent with the provisions of Texas Local Government Code Section 212.172, as amended, and Section 7.8(d) below. It is further expressly agreed by the Parties that this paragraph is a material term for the City, without which the City would not have entered into this Agreement.

(d) The Parties agree that nothing in this Agreement waives any provision of Texas Local Government Code Section 212.172, as amended, or any other federal or state law, and nothing herein waives the rights of either Party to seek relief for any violation of any federal or state law.

7.9 Assignment by Owner to the District. Owner has the right to assign to the District those portions of this Agreement concerning the provision of water and/or wastewater service to the Property and the design, construction, installation, maintenance, and repair of parks or open space and any Public Infrastructure, including, but not limited to, water, wastewater, stormwater, roadway, and detention Public Infrastructure. Thereafter, for the limited purposes of such assignment, the District shall be considered an "Assignee," and therefore a Party, for purposes of this Agreement. Each assignment shall be in writing executed by Owner and the District and shall obligate the District to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the District for the performance of all obligations assigned to the District and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the District's failure to perform the assigned obligations; provided, however, if a copy of the

this Agreement: (a) are not required to be located on a platted lot; (b) do not require a building permit; (c) do not require a ~~certificate of substantial completion~~Certificate of Occupancy; (d) do not otherwise have to comply with the Governing Regulations in the case of the Property or zoning regulations in the case of the In-City Property; (e) do not require any permit or other approval by the City; (f) are not subject to payment of any of the Fees; and (g) will be promptly removed when no longer needed for the creation or administration of the District. Manufactured homes must have adequate access for fire protection.

7.17 Water Wells. Water wells may be drilled within the In-City Property and the Property to provide irrigation water and water for domestic use, including, but not limited to, use by the residents of the manufactured housing described in Section 7.16 above; subject, however, to all applicable rules and regulations of Rockwall County and the TCEQ.

7.18 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

7.19 Authority and Enforceability. The City represents and warrants that this Agreement has been approved ~~by ordinance duly~~and adopted by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individual executing this Agreement on behalf of Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.172 of the Texas Local Government Code.

7.20 Entire Agreement; Severability. This Agreement, together with the Facilities Agreement, constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, Owner does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Owner does then own, and (b) if it is determined, as of the Effective Date, that any portion of the Property is not

- iv. Accessory uses and structures, including, but not limited to buildings, garages, patio covers, pergolas, decks, carports, fences, signs, swimming pools, spas, antenna, satellite dishes, game courts, flagpoles).
 - v. Accessory dwelling units that are accessory to single family detached uses located on lots with a width greater than 59 feet. An accessory dwelling unit shall not exceed 750 square feet in floor area, and shall be located on the same lot as the principal use. A separate meter is permitted, but not required, for the accessory secondary living units.
 - vi. Accessory home occupations, which shall conform to the City's zoning ordinance in effect on the Effective Date with respect to regulations specific to accessory home occupations.
 - vii. Sales office.
 - viii. Amenity Centers. Accessory private community center is permitted as an accessory use to an amenity center. An accessory private community center may include a restaurant or coffee shop open to members and their guests and may include a banquet facility that may be rented for special occasions, such as wedding receptions and parties. This use may include recreational uses and amenities, including, but not limited to, swimming pools and tennis courts. An amenity center may include one or more food trucks.
 - ix. Temporary Residential Sales Office, Temporary Construction Office, and Model Homes. A residential real estate sales office and/or construction office, located on a platted lot, may be permitted within a subdivision for which building permits have been issued and may be located either in a model home, in a temporary building, or in a portable trailer. Model homes are permitted within a subdivision for which building permits have been issued. A permit for a temporary residential sales office, construction office, or a model home may be issued for no more than one year, but shall be automatically extended for so long as the builder maintains active and continuous sales or construction activities within the subdivision and a minimum of five lots in the subdivision remain unsold. Such sales office shall be used for sales in the subject subdivision only and not for sales in any other subdivision.
 - x. Farmers market.
- b. The following uses shall be permitted in the area designated "Commercial Zone" ~~at~~and at any other location on the Concept Plan:
- i. All uses permitted by right in the NC Neighborhood Commercial District pursuant to the City's comprehensive zoning ordinance in effect on the Effective Date are permitted by right without conditions

- ii. All uses permitted by SUP in the NC Neighborhood Commercial District pursuant to the City's comprehensive zoning ordinance in effect on the Effective Date are permitted by SUP
 - iii. All uses permitted in the "Residential Zone" designated on the Concept Plan
 - iv. Restaurant, drive-in or drive-thru
 - v. Restaurant/refreshment stand (temporary or seasonal)
 - vi. Retail uses of any type and size
 - vii. Service uses of any type, such as nail salons, hair salons and similar uses providing services to the public
 - viii. Pharmacy
 - ix. Office (business, professional, or medical)
 - x. Fuel sales, with or without convenience store
 - xi. Furniture repair
 - xii. Bank or other financial institution
 - xiii. Accessory banking
 - xiv. Florist
 - xv. Veterinary clinic or hospital with or without outside kennels and boarding
 - xvi. Day care
 - xvii. Farmers market
- c. In the area designated "Open Space" on the Concept Plan, parks, trails, active and passive open space, and other recreational amenities, uses, and improvements are permitted, including, but not limited to, all uses and structures referenced in Section 8 below.
- d. Agricultural uses are permitted at any location within the Property, and may include, but are not limited to, raising crops and livestock, livestock services (including horses), and landscape/horticulture services.
- e. Real estate development field offices and sales offices are permitted at any location without any time limit.
- f. Temporary construction yards are permitted during ongoing construction within the Property, and the locations shall be approved by the City ~~Manager~~[Administrator](#) with such approval not to be unreasonably withheld, conditioned or delayed.
- g. Concrete or asphalt batch plant, temporary associated with development of the Property, are permitted at any location, and the locations shall be approved by the City ~~Manager~~[Administrator](#) with such approval not to be unreasonably withheld, conditioned or delayed.
4. Residential Development Standards. The requirements in this Section 4 shall apply to residential development:
- a. Table 1 below contains the exclusive lot size, setback, lot coverage, density, garage orientation, building height, and dwelling unit size requirements for

- d. The maximum building height shall be two stories and 40 feet.
 - e. An amenity center is considered non-residential development for purposes of this Section 5.
6. Residential Landscaping, Fencing, and Screening. The following requirements shall be the exclusive landscaping requirements applicable to residential development:
- a. Except as otherwise provided below in this paragraph, chain link, barbed wire, pipe, and razor wire fences are prohibited. This restriction does not apply to temporary construction fencing, fencing around a lift station or other utility uses, barbed wire fencing around cattle or other agricultural uses. The City Administrator may permit these materials for limited use in other specific circumstances if the Director finds the use of these materials to be appropriate. Vinyl and polywood fencing and manufactured fencing materials are permitted on residential lots. Vinyl coated chain link fencing is permitted in connection with a dog park or open space. Wrought iron fencing or similar open metal fencing is required where lots abut an open space or park ~~designed~~designated on a final plat.
 - b. A minimum of one three-inch caliper canopy tree shall be planted on each residential lot or in the adjacent parkway, except that on each residential lot that is larger than 60 feet in width, a minimum of two three-inch caliper canopy trees shall be planted.
 - c. In addition to the requirements in subsection (a) above, each corner lot with a single family detached home shall have landscape enhancements along the side street as follows:
 - i. At least two minimum three-inch caliper trees shall be planted per lot within the parkway, and a minimum of one five-gallon evergreen shrub shall be planted every five feet on center along the fence facing the side street.
 - ii. Trees may be planted between a sidewalk and curb. When trees are planted within the parkway, there shall be a minimum of five feet between the curb and sidewalk.
 - d. Shrubs are required to be planted in the areas shown on Exhibit Q.
 - e. Berms, shrubs, trees, and groundcover are permitted in medians.
 - f. When the back or side of a single family residence abuts a collector road, screening will be provided in the form of a minimum six-foot tall board on board fence with the finished side facing the street, which shall be constructed by the home builder and shall have consistent materials and a consistent design along all collector streets. A collector road shall be defined as a road having a divided

two-lane boulevard connecting major off-site roadways. The term "divided" means divided by a raised median.

- g. A minimum of one three-inch caliper ornamental or canopy tree, or three eight-foot tall ornamental trees, shall be planted for every 50 linear feet of street frontage or fraction thereof along perimeter arterial and collector thoroughfares in the parkway. Trees may be planted in clusters to create a natural appearance along perimeter arterial and collector streets.
- h. Entryways into and exits from the Property shall be landscaped with grass, shrubs, and trees.
- i. Landscaping at entryways into the Property shall be designed so as to avoid an impairment of visibility of operators of motor vehicles entering and exiting the subdivision when the plant materials reach full maturity.
- j. The developer and/or a homeowners' association shall be responsible for the perpetual maintenance and upkeep of all landscaped areas that are not contained within residential lots or within District-owned property.
- k. Landscaped areas at entryways into the Property shall be planted with at least one shade tree (minimum four inches in caliper measured at four feet above natural grade and 16 feet in height at time of planting) for each 55 linear feet or portion thereof of adjacent exposure.
 - a. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article, but shall be permitted in addition to required landscaping. Synthetic or artificial lawn or plant material shall be permitted within an amenity center lot.
 - b. All required landscaped area shall be permanently landscaped with living plant material, and shall have an irrigation system installed.
 - c. Landscaped areas shall be kept free of trash, litter, weeds, and other such material or plants not a part of the landscaping.
 - d. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
 - e. Plant materials which die shall be replaced with plant material of similar variety and size within 90 days period, with a one time extension not exceeding 90 days being provided upon approval of the city council.
 - f. All landscaping shall be completed and installed in accordance with the landscape plan within 90 days of a certificate of occupancy being granted. A one-time

extension not to exceed 90 days may be granted upon approval of the City Administrator or his/her designee.

g. All required landscaping shall be from the approved plant list on Table 2 of this Exhibit D. The City Administrator may approve the use of additional plants that are not on Table 2 to satisfy landscaping requirements.

7. Non-Residential Landscaping and Screening. The following requirements shall be the exclusive landscaping requirements applicable to non-residential development:

- a. A minimum of 20 percent of each platted lot developed with a non-residential use shall be landscaped with a combination of grass, shrubs and trees. Where the construction is to be a single phase of a multi-phase development, only the area being constructed in the current phase need be subject to the landscape regulations. However, each phase will be required to meet the landscaping requirements as they are being developed.
- b. A minimum of ten percent of the gross area within a parking lot shall be planted with living plant material. Gross parking area shall be measured from the edge of the parking and/or driveway paving and sidewalks. Such landscaping shall be counted towards satisfaction of the requirements in Section 7(a) above. Landscape material which is located within the interior of a parking lot shall be surrounded by a curb of four inches in height.
- c. All required landscaped area shall be permanently landscaped with living plant material, and shall have an irrigation system installed. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article, except for an amenity center lot.
- d. Landscaped areas shall be kept free of trash, litter, weeds, and other such material or plants not a part of the landscaping.
- e. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
- f. Plant materials which die shall be replaced with plant material of similar variety and size within 90 days period, with a one time extension not exceeding 90 days being provided upon approval of the city council.
- g. All landscaping shall be completed and installed in accordance with the landscape plan within 90 days of a certificate of occupancy being granted. A one-time extension not to exceed 90 days may be granted upon approval of the City Administrator or his/her designee.
- h. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article unless part of an amenity center lot.

i. An amenity center is considered non-residential development for purposes of this Section 7.

j. All required landscaping shall be from the approved plant list on Table 2 of this Exhibit D. The City Administrator may approve the use of additional plants that are not on Table 2 to satisfy landscaping requirements.

8. Parks and Open Space.

- a. Parks and open space areas shall be designated on approved preliminary and final plats and shall generally comply with the Parks, Open Space, and Trail Plan attached as **Exhibit I**. The exact locations of trails and other amenities shown on **Exhibit I** is conceptual and subject to modification by the developer at the time of final design and platting. The Owner shall have the right to move park and open space locations shown on **Exhibit I** without City approval provided all dwelling units within the Property are located within 1,500 feet of a park or open space area (meaning an open space area designated on a final plat). City ~~Manager~~Administrator approval of park design to confirm compliance with the requirements of this Agreement shall be required for any park that will be owned and maintained by the City, which approval shall not be unreasonably withheld, conditioned, or delayed. City approval of the park design and amenities for privately owned and maintained open space and parks shall not be required other than standard approval of plats, building permits, and inspections in accordance with the Governing Regulations.
- b. Trails will be constructed in phases with each plat. As each phase of the project is platted, any portion of a trail required within the platted phase shall be completed with the other improvements required as part of the plat approval, and if a gap in trail connections is less than 750 feet, the connection shall be constructed with the platted phase under construction (otherwise, the connection shall be constructed with the completion of the next phase adjacent to the gap).
- c. Either the property owner, the District or a homeowners association will be responsible for maintaining parks, open space, and trails within the Property, as well as the amenities listed below in this Section 8; however, the City shall maintain the City Park identified on **Exhibit I**. The Owner shall make payments to the City in accordance with this subsection to assist with funding the maintenance of the City Park identified on **Exhibit I**, which payments shall be used by the City for the sole purpose of such maintenance. The Owner shall pay to the City \$25,000 per year for a five-year period commencing 30 days after the date the City delivers written notice to the Owner of the City's acceptance of the City Park identified on **Exhibit I** following the Owner's completion of the development of the park, which notice shall meet the notice requirements of this Agreement. Any lakes will be maintained by the District. Floodplain areas will be owned and maintained by the District, and may be used for crops and other agricultural uses, an amphitheater or other event space, dog parks, and other similar uses. Areas containing 100-year floodplain shall be maintained in the

- iv. Trash cans;
 - v. Park signage; and
 - vi. A minimum of one shade structure per park.
- f. Open space amenities not specifically listed above, but of a similar type and nature to those listed above, are permitted.
- g. Except as otherwise provided in this paragraph, every dwelling unit shall be located within 1,500 feet of a park or open space designated on a final plat that includes a community trail system with a minimum width of six feet, as generally shown on **Exhibit I**. For purposes of this paragraph, open space is any open space that can be used by residents and is improved with any of the following: outdoor seating, playground equipment, a dog park, a play structure, a picnic table, a park bench, a dog clean up station, or a trail. The City Administrator has authority to allow a phase of homes to be constructed without meeting the requirements in this paragraph provided the subsequent plat will include the park or open space, including a community trail system with a minimum width of six feet necessary to serve the prior phase of homes.
- h. Required trails shall be constructed of concrete and follow standards of the Engineering Design Manual [and applicable ADA standards](#).
- i. Subject to all applicable laws and permit requirements, lakes may be recharged from rain collection or wells and used for irrigation.
- j. Open space areas that do not include existing trees shall be landscaped with one tree that is a minimum of three inches in caliper for every 50 feet of street frontage or fraction thereof. Trees may be planted in clusters to create a natural appearance.
- k. The requirements of this Section 8 are the exclusive requirements for parks and open space, and no other park land dedication, park fee, or park improvement requirements shall apply to the Property.
9. Street Sections. Non-standard street sections are permitted as shown on **Exhibit J**. Minimum median width may be ten feet.
10. Street Signs.
- a. Street signs shall be maintained by the homeowners association or the District until the subdivision is accepted by the City or if damaged by construction activities.
 - b. Alternative street signs may include a non-standard color, font, and text size that varies from standard City street signs. Alternative street signs shall be reviewed

When the rear yard of a front entry single family residential lot is contiguous to the lot line of a developed single family residential lot located outside the PD boundaries, a minimum rear yard building setback of 25 feet shall be required.

Exception to minimum setback: Minimum side yard building setback to detached garages or accessory buildings may be reduced to three feet when a greater setback would otherwise be required.

Permitted encroachments into minimum building setbacks: porches (up to eight feet into front yard setback and corner side yard setback, provided, however, no less than a 12-foot setback from the property line shall be permitted on any lot that requires a 12-foot or larger front yard setback); fireplaces and box windows up to two feet into all setbacks; balconies, awnings, overhang eaves up to two feet into all setbacks); bay windows up to four feet into front and rear yard setbacks; stoops and stairs up to five feet into front and rear yard setbacks; suspended planter or flower boxes up to 24 inches into all setbacks; and foundation encroachments of up to six inches in all setbacks for architectural details such as brick ledges.

Swimming pools shall have a minimum five-foot setback from rear and side property lines; however, such setback only applies to the swimming pool, and not to associated decking or paving around a swimming pool.

Plats for zero lot line homes shall designate the side with the zero-foot building setback and the side with the minimum ten-foot building setback. A five-foot maintenance easement shall also be provided along the lot line adjacent to a neighboring lot's zero setback side. The maintenance easement shall include a drainage easement to allow for lot-to-lot drainage.

Table 2
Approved Plant Species List

<u>Approved/Recommended Plant List¹</u>	
<u>Common Name</u>	<u>Scientific Name</u>
<u>Canopy Trees</u>	
<u>Ash, Texas</u>	<u>Fraxinus texensis</u>
<u>Cedar Elm</u>	<u>Ulmus crassifolia</u>
<u>Cedar, Eastern Red</u>	<u>Juniperus virginiana</u>
<u>Cypress, Bald</u>	<u>Taxodium distichum</u>
<u>Elm*, Lace Bark</u>	<u>Ulmus parvifolia</u>
<u>Magnolia, Southern</u>	<u>Magnolia grandiflora</u>
<u>Maple, Bigtooth</u>	<u>Acer gradidentatum</u>
<u>Maple, Caddo</u>	<u>Acer saccharum</u>
<u>Oak, Bur</u>	<u>Quercus macrocarpa</u>
<u>Oak, Chinquapin</u>	<u>Quercus muhlenbergii</u>
<u>Oak, Escarpment Live</u>	<u>Quercus fusi formis</u>
<u>Oak, Lacey</u>	<u>Quercus glaucoides</u>
<u>Oak, Live</u>	<u>Quercus virginiana (Escarpment)</u>
<u>Oak, Post</u>	<u>Quercus stellata</u>

¹ The list in Table 2 also includes cultivars of all listed plant types.

<u>Oak, Red</u>	<u>Quercus shumardi</u>
<u>Oak, Texas Red</u>	<u>Quercus texana</u>
<u>Osage Orange</u>	<u>Maclura pomifera (thornless and fruitless)</u>
<u>Pecan (native)</u>	<u>Carya illinoensis</u>
<u>Pistache*, Chinese</u>	<u>Pistacia chinensis</u>
<u>Soapberry, Western</u>	<u>Sapindus drummondii</u>
<u>Walnut, Black</u>	<u>Juglans nigra</u>
<u>Ornamental Trees</u>	
<u>Buckeye, Mexican</u>	<u>Ungnadia speciosa</u>
<u>Buckeye, Texas</u>	<u>Aesculus glabra var. arguta</u>
<u>Buckthorn, Carolina</u>	<u>Rhamnus caroliniana</u>
<u>Chaste Tree*</u>	<u>Vitex agnus-castus</u>
<u>Crabapple, Prairie</u>	<u>Pyrus ioensis</u>
<u>Crape Myrtle*</u>	<u>Lagerstroemia indica</u>
<u>Eves Necklace</u>	<u>Sophora affinis</u>
<u>Goldenball Leadtree</u>	<u>Leucaena rietusa</u>
<u>Hawthorne*</u>	<u>Crataegus phaenopyrum</u>
<u>Hawthorne*</u>	<u>Crataegus crus-galli</u>
<u>Hawthorne*</u>	<u>Crataegus reverchonii</u>
<u>Holly, Possumhaw</u>	<u>Ilex deciduas</u>
<u>Indigo, False</u>	<u>Amorpha fruticosa var. angustipolia</u>
<u>Mountain Laurel, Texas</u>	<u>Sophora secundiflora</u>

<u>Persimmon, Texas</u>	<u>Diospyros texana</u>
<u>Plum, Mexican</u>	<u>Prunus mexicana</u>
<u>Redbud</u>	<u>Cercis canadensis</u>
<u>Smoketree</u>	<u>Cotinus obovatus</u>
<u>Smoketree*</u>	<u>Cotinus caggyria</u>
<u>Sumac, Prairie Flame-leaf</u>	<u>Rhus lanceolata</u>
<u>Viburnum, Rusty Blackhow</u>	<u>Viburnum rufidulum</u>
<u>Wax Myrtle</u>	<u>Myrica cerifera</u>
<u>Willow, Desert</u>	<u>Chilopsis linearis</u>
<u>Yaupon Holly</u>	<u>Ilex vomitoria</u>
<u>Brodie Juniper</u>	<u>Eastern Red Cedar</u>
<u>Arizona Cypress</u>	<u>Spartan Juniper</u>
<u>Taylor Juniper</u>	<u>Canaert Juniper</u>
<u>Shrubs</u>	
<u>Agarita</u>	<u>Berberis trifoliolata</u>
<u>Althea</u>	<u>Hibiscus syriacus</u>
<u>American Beautyberry</u>	<u>Callicarpa americana`</u>
<u>Aspidistra</u>	<u>Aspidistra eliator</u>
<u>Barberry, Red</u>	<u>Berberis thunbergii</u>
<u>Barberry, Texas</u>	<u>Berberis thunbergii</u>
<u>Bayberry</u>	<u>Myrica pensylvanica</u>
<u>Bird of Paradise</u>	<u>Caesalpinia gilliesii</u>

<u>Burning Bush</u>	<u>Euonymus alata compacta</u>
<u>Butterfly Bush</u>	<u>Buddleia sp.</u>
<u>Cactus, Prickly Pear</u>	<u>Opuntia phaeacantha</u>
<u>Cenizo</u>	<u>Leucophyllum frutescens</u>
<u>Chokeberry, Red</u>	<u>Aronia arbutifolia</u>
<u>Coralberry</u>	<u>Symphoricarpos obiculatus</u>
<u>Dogwood, Rough Leaf</u>	<u>Cornus drummondii</u>
<u>Elaeagnus</u>	<u>Elaeagnus macrophylla</u>
<u>Forsythia</u>	<u>Forsythia sp.</u>
<u>Germander, Upright</u>	<u>Teucrium chamaedrys</u>
<u>Holly, Dazzler</u>	<u>Ilex cornuta 'Dazzler'</u>
<u>Holly, Dwarf yaupon</u>	<u>Ilex vomitoria</u>
<u>Holly, Nellie R. Stevens</u>	<u>Ilex x 'Nellie R. Stevens'</u>
<u>Honeysuckle, Bush</u>	<u>Lonicera fragrantissima</u>
<u>Hydrangea, Oakleaf</u>	<u>Hydrangea quercifolia</u>
<u>Hypericum, Upright</u>	<u>Hypericum patulum</u>
<u>Jasmine, Italian</u>	<u>Jasmine nudiflorum</u>
<u>Lantana</u>	<u>Lantana horrida</u>
<u>Mahonia, Leatherleaf</u>	<u>Mahonia bealei</u>
<u>Mimosa, Fragrant</u>	<u>Mimosa borealis</u>
<u>Nandina, Compact</u>	<u>Nandina domestica compacta</u>
<u>Nandina, Gulfstream</u>	<u>N.d. 'Gulfstream'</u>

<u>Nandina, Standard</u>	<u>N. domestica</u>
<u>Pavonia</u>	<u>Pavonia lasiopetala</u>
<u>Photinia, Chinese</u>	<u>Photinia serrulata</u>
<u>Privet, Southern River</u>	<u>Ligustrum vulgare</u>
<u>Privet, Variegated</u>	<u>Ligustrum luicidum 'variegata'</u>
<u>Quince, Flowering</u>	<u>Chaenomeles japonica</u>
<u>Sage, Cherry</u>	<u>Salvia greggii</u>
<u>Spiraea, Bridal Wreath</u>	<u>Spiraea sp.</u>
<u>Spiraea, Anthony Waterer</u>	<u>Spiraea x bumalda 'goldflame'</u>
<u>Spiraea, Goldflame</u>	<u>Spiraea x bumalda 'goldflame'</u>
<u>Spiraea, Little Princess</u>	<u>Spiraea x bumalda 'Little Princess'</u>
<u>Spiraea, Shirobana</u>	<u>Spiraea japonica 'Shirobana'</u>
<u>Sumac, Aromatic</u>	<u>Rhus aromatica</u>
<u>Sumac, Evergreen</u>	<u>Rhus virens</u>
<u>Sumac, Smooth</u>	<u>Rhus glabra</u>
<u>Turk's Cap</u>	<u>Malvaviscus drummondii</u>
<u>Viburnum, Cranberry Bush</u>	<u>Viburnum opulus</u>
<u>Viburnum, Small Leaf</u>	<u>Viburnum obavatum</u>
<u>Viburnum, Snowball</u>	<u>Viburnum opulus</u>
<u>Virginia Sweetspire</u>	<u>Itea virginica</u>
<u>Wax Myrtle, Dwarf</u>	<u>Myrica pusilla</u>
<u>Yucca, Red</u>	<u>Hesperaloe parviflora</u>

<u>Eagleston Holly</u>	<u>Texas Sage</u>
<u>Abelia</u>	<u>Agave varieties</u>
<u>Seagreen juniper</u>	<u>Juniper varieties</u>
<u>Hawthorne</u>	
<u>Ornamental Grasses</u>	
<u>Maiden Grass</u>	<u>Feather Reed Grass</u>
<u>Zebra Grass</u>	<u>Bluestem</u>
<u>Pampass Grass</u>	<u>Liriope</u>
<u>Gulf Muhly</u>	<u>Berkley Sedge</u>
<u>Blue Gramma Grass</u>	<u>Giant Bermuda</u>
<u>Weeping Love Grass</u>	<u>Inland Sea Oats</u>
<u>Vines</u>	
<u>Carolina Jessamine</u>	<u>Asian Jasmine</u>
<u>Butterfly Vine</u>	<u>Purple Wintercreeper</u>
<u>Crosse Vine</u>	<u>Purple Heart Wander Jew</u>
<u>Sweet Autumn Clematis</u>	

[An “ * ” indicates an approved street tree](#)

~~turnaround having an outside roadway diameter of at least 80 feet in areas zoned SF2 and SF3. Cul de sacs shall not be longer than 3,000 feet in areas zoned SF1."~~

34. A six-inch thickness of concrete pavement on a compacted subbase shall be required for street paving. The concrete must have a 28-day compressive strength of 3,600 pounds per square inch (ppsi). All steel reinforcing shall be deformed No. 3 bars on 18-inch centers both ways. Pavement section shall be designed to support a minimum of a 75,000 pound fire apparatus.

35. In the event of a conflict between the Subdivision Regulations and Chapter 212, Texas Local Government Code, as amended, the latter shall control.

36. The park, open space, amenity center, and trail requirements in **Exhibit D** of this Agreement fully satisfy all open space, parkland dedication, and park improvement requirements for the In-City Property and the Property, and no separate open space, parkland dedication, or park improvement ordinances or other regulations outside of this Agreement shall apply to the Property or the In-City Property.

Exhibit F
Product Type Illustrations

~~[separately attach]~~

Exhibit R
District Notice

AFTER RECORDING, RETURN TO:

NOTICE TO PURCHASER
(Pursuant to Texas Water Code §49.452)

The real property, described below, that you are about to purchase is located in _____ Rockwall County Municipal Utility District No. 10. The district has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. [As of this date, the District has not yet levied taxes on real property located within the District. However, the most recent projected rate of tax, as of this date, is \$0.____ on each \$100 of assessed valuation.] [As of this date, the rate of taxes levied by the district on real property located in the district is \$0.____ on each \$100 of assessed valuation.] The total amount of bonds, excluding refunding bonds in any bonds or any portion of bonds issued thereof payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is \$_____, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is \$_____.

The District is located within the corporate boundaries of the City of McClendon-Chisholm (the "City"). The taxpayers of the District are subject to the taxes imposed by the City and by the District until the District is dissolved. By law, a district located within the corporate boundaries of a municipality may be dissolved by municipal ordinance without the consent of the district or the voters of the district.

The purpose of this district is to provide water, sewer, drainage, or flood control facilities and services [and road facilities] within the district through the issuance of bonds payable in whole or in part from property taxes. The cost of these facilities is not included in the purchase price of your property, and these facilities are owned or to be owned by the district. The legal description of the property you are acquiring is as follows:

THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO.

Date: _____

DEVELOPMENT AGREEMENT (TRILOGY)

This Development Agreement (this "Agreement") is executed between MC Trilogy Texas, LLC, a Texas limited liability company (the "Owner") and the City of McLendon-Chisholm (the "City"), each a "Party" and collectively the "Parties" to be effective upon the Owner's acquisition of fee simple title to the Property and the In-City Property, both of which are hereinafter defined (the "Effective Date"). If the Owner does not acquire fee simple title to the Property and the In-City Property by December 31, 2022, this Agreement shall be null and void and of no further force or effect on such date.

ARTICLE I RECITALS

WHEREAS, the Owner is the owner of that certain tract of land described on **Exhibit A** (the "Property") located wholly within the extraterritorial jurisdiction ("ETJ") of the City and not within the ETJ or corporate limits of any other town or city, and that certain tract of land described on **Exhibit B** (the "In-City Property") located wholly within the City's corporate limits; and

WHEREAS, pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the City will have and exercise exclusive governmental jurisdiction over the subdivision and platting of the Property and the design and construction of water, wastewater, drainage, roadway, and other public infrastructure to serve the Property and the In-City Property in accordance with this Agreement ("Public Infrastructure"), and Rockwall County will have and exercise no jurisdiction over such matters; and

WHEREAS, the Parties intend that the Property be developed: (i) as a quality, master-planned, mixed-use community including parkland, open space, and other public and private amenities that will benefit and serve the present and future citizens of the City; and (ii) pursuant to binding, contractual development regulations that are approved by Owner and the City, that are recorded in the deed records of Rockwall County (so as to bind Owner and all future owners of the Property or any portion thereof), and that will provide regulatory certainty during the term of this Agreement; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide, or participate in the cost of, the Public Infrastructure that will allow the Parties' intended development of the In-City Property and the Property; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide full municipal services for the Parties' intended development of the In-City Property or the Property; and

WHEREAS, to facilitate the Parties' intended development of the In-City Property and the Property in a cost-effective and market-competitive manner, Owner submitted written petitions to the City Council of the City (the "City Council") dated October 8, 2021 requesting that the City Council consent to the creation of a municipal utility district encompassing the In-

City Property and the subsequent addition of the Property into such district (whether one or more, the "District") that will design, construct and install the Public Infrastructure necessary for the Parties' intended development of the In-City Property and the Property; and

WHEREAS, the City Council adopted Resolution No. 2021-11 dated October 13, 2021 consenting to the creation of the District and Resolution No. 2021-10 dated October 13, 2021 consenting to the District's addition of the Property into the boundaries of the District (collectively, the "Consent Resolution"); and

WHEREAS, the City has also consented to the creation of the District and the addition of the Property to the District as set forth in this Agreement; and

WHEREAS, the Parties intend that the consent given by the City (both in the resolutions referenced above and in this Agreement) to the creation of the District shall be unconditional and irrevocable and are given in full satisfaction of all statutory and regulatory requirements including, but not limited to, any applicable requirement for consent contained in the Texas Water Code, the Texas Local Government Code, or any rule, regulation, or policy promulgated by the Texas Commission on Environmental Quality (the "TCEQ") and by the Attorney General of the State of Texas (the "AG"); and

WHEREAS, the Parties intend that the District, or Owner as appropriate, will design, construct and install the Public Infrastructure: (i) at no cost or expense to the City; (ii) in accordance with the "Governing Regulations" as defined in this Agreement; and (iii) in accordance with the applicable requirements of the Texas Water Code, and the rules, regulations and policies of the TCEQ; and

WHEREAS, the Parties intend that the District, or Owner as appropriate, will design, construct and install the Public Infrastructure using funds advanced to the District by Owner; and that the District will thereafter reimburse Owner for such advances using the proceeds of bonds issued by the District and secured solely by ad valorem taxes levied on property within the District and by other funds legally available to the District (with the City having no responsibility or liability whatsoever for any District bonds); and

WHEREAS, RCH Water Supply Corporation ("RCH") currently holds the water certificate of convenience and necessity ("CCN") over the Property and a portion of the In-City Property; and

WHEREAS, no entity holds the wastewater certificate of convenience and necessity over the Property or the In-City Property; and

WHEREAS, the Parties intend that the City will be the retail provider of wastewater service to the Property and the In-City Property; and

WHEREAS, the City of Rockwall entered into that certain Wastewater Service Contract with the City dated March 24, 2008 (the "Rockwall Wastewater Agreement"), pursuant to which Rockwall will serve as the wholesale wastewater provider to the City; and

WHEREAS, the City intends to negotiate with the City of Rockwall for amendments to the Rockwall Wastewater Agreement to the extent necessary to allow the City to provide adequate wastewater service for the full development of the Property and the In-City Property for the Term of this Agreement; and

WHEREAS, the Parties' intended development of the Property, including the design, construction and installation of Public Infrastructure, will benefit the City and its current and future citizens, including the creation of substantial future tax base for the City, without any capital investment by the City; and

WHEREAS, the Parties intend that the City will consider an application by the Owner to rezone the In-City Property through the Chapter 211, Texas Local Government Code zoning process to allow a one acre minimum lot size for residential dwelling units on the approximately 179-acre In-City Property, as well as certain non-residential development, and acknowledge that nothing in this Agreement is intended to regulate the zoning or land use of the In-City Property or to require that the City approve any particular zoning of the In-City Property; and

WHEREAS, the Parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code with respect to all provisions in this Agreement that pertain to the Property; and

WHEREAS, the Parties have the authority to enter into this Agreement pursuant to Section 212.172 of the Texas Local Government Code.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE II

DEVELOPMENT REGULATIONS

2.1 Governing Regulations. Development of the Property and the In-City Property shall be governed solely by the following regulations (collectively, the "Governing Regulations"):

(a) the Concept Plan attached as **Exhibit C** as amended from time to time in accordance with this Agreement (the "Concept Plan"), which shall apply only to the Property; and

(b) the development regulations set forth on **Exhibit D** (the "Development Regulations"), which shall apply only to the Property; and

(c) the following building codes adopted by the City and in effect on the Effective Date: the provisions of the International Building Code (2018 edition), the International Residential Code (2018 edition), the International Energy Conservation Code (2018 edition), the International Mechanical Code (2018 edition), the International Plumbing Code (2018 edition), the International Fuel Gas Code (2018 edition), the International Property Maintenance Code (2018 edition), the National Electrical Code

(2020 edition), the International Fire Code (2018 edition) excluding all cul-de-sac size and dimension requirements, as well as amendments thereto adopted by Ordinance No. 2020-03 (the "Building Codes"), which shall apply to both the Property and the In-City Property; and

(d) the subdivision regulations of the City in effect on the Effective Date (the "Subdivision Regulations"), as amended by the special regulations set forth on **Exhibit E** (the "Special Regulations"), both of which shall apply to the Property and the In-City Property.

With the exception of zoning regulations that apply to the In-City Property, the Governing Regulations are exclusive, and no other City-adopted ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City after the Effective Date) apply to the development of the Property or the In-City Property. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties agree that the Governing Regulations shall include the City's exercise of exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of Public Infrastructure.

2.2 Concept Plan Revisions. Revisions to the street layout and the location and configuration of open space areas shown on **Exhibit C** are permitted without City approval provided such revisions comply with all other Governing Regulations. In addition, any amendment to the Concept plan that is approved on a plat is deemed to be a City-approved amendment to the Concept Plan. All other revisions to the Concept Plan require the approval of the City Council, which shall not be unreasonably withheld.

2.3 Conflicts. In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement shall control. In the event of a conflict between this Agreement (including any exhibit attached hereto) and the Building Codes or the Subdivision Regulations, this Agreement (including all exhibits attached hereto) shall control.

ARTICLE III **DEVELOPMENT PROCESS**

3.1 Jurisdiction. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties intend that the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats, and the design, construction, installation, and inspection of Public Infrastructure, and that Rockwall County shall have and exercise no jurisdiction over such matters during the term of this Agreement.

3.2 Plat Approval. Subdivision of the Property and the In-City Property requires approval of plats by the City in accordance with the Governing Regulations and this Agreement.

3.3 Public Infrastructure. The following requirements apply to both the In-City Property and the Property:

(a) The Public Infrastructure must be designed to comply with the Subdivision Regulations as amended by the Special Regulations, and no construction or installation of Public Infrastructure shall begin until plans and specifications have been approved by the City (which approvals must not be unreasonably withheld or delayed). Nothing herein is intended to waive or modify any applicable requirements for retail or wholesale providers to review and approve any water or wastewater construction plans.

(b) Inspections. The City acknowledges that all Public Infrastructure must be inspected as required by the rules of the TCEQ to the extent the costs and expenses paid or incurred by Owner in connection with such infrastructure will be reimbursable to Owner from bonds issued by the District or other funds legally available to the District. In order to avoid the duplication of time and expense of dual inspection and testing of Public Infrastructure, the Parties have agreed for inspection and testing of the Public Infrastructure as set forth in this section. The engineer for the District shall perform inspections of all Public Infrastructure and issue certifications to confirm compliance with City requirements and TCEQ requirements, and file copies of his or her reports with the City. Alternatively, at the City's option, the City's engineer may perform all inspections of Public Infrastructure, in which case the City shall require its engineer to issue certifications to confirm compliance with City requirements and TCEQ requirements.

3.4 Building Permits. No permanent structure (as such term may be defined, from time to time, by the District, but in any event, including every structure designed or intended for human occupancy and every accessory structure intended for human occupancy (a "Structure") shall be constructed unless a building permit has been issued by the City. Building permits shall not be unreasonably withheld, conditioned, or delayed. A building permit must be issued for any structure that complies with the applicable regulations. Except for model homes, no building permit may be issued for a Structure unless a final plat has been recorded for the lot on which the Structure is being constructed. Building permits must be issued for model homes prior to the recordation of a final plat if the Public Infrastructure to serve the model homes has been completed and inspected as required by Section 3.3 (including fire protection and excluding sewer); however, no model home may be sold to any end-buyer of a fully developed and improved lot within the Property ("End-Buyer") until a final plat has been recorded.

3.5 Certificate of Occupancy. Except for model homes, no Structure may be occupied until a Certificate of Occupancy has been issued by the City certifying that the Structure has been constructed in compliance with the applicable regulations, which certificates shall not be unreasonably withheld, conditioned, or delayed. Model homes may be occupied for the sole purpose of sales and marketing; however, no model home may be sold to or occupied by an End-Buyer until a Certificate of Occupancy has been issued.

ARTICLE IV
DEVELOPMENT CHARGES

4.1 Plat Review Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the following fees (the "Plat Review Fees"): (a) for a preliminary plat, \$280 per acre (or fraction thereof) within the plat plus the City's costs to hire a consultant to review the preliminary plat if City staff is not able to review the plat; and (b) for a final plat, \$250 plus \$5 per lot within the final plat, plus the City's costs to hire a consultant to review the final plat if City staff is not able to review the plat.

4.2 Plan Review Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the reasonable and lawful costs to hire a consultant to review the District's plans and specifications for Public Infrastructure (the "Plan Review Fees").

4.3 Building Permit Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the reasonable and lawful fees and charges applicable to the City's review of building construction plans, issuance of building permits, inspection of buildings, and issuance of certificates of substantial completion (the "Building Permit Fees") according to the fee schedule adopted by the City Council and in effect on the date of submittal of a building permit application. The fee schedule applicable to the Property and the In-City Property shall be uniformly applicable to all development within the corporate limits of the City.

4.4 Flood Study Fee. A fee equal to the actual cost of the City's engineer's review of a new flood study for the In-City Property and the Property shall be paid to the City in connection with the City's analysis of any new flood study that is required by the Governing Regulations (the "Flood Study Fee"), which fee is required to be a reasonable market rate fee for a licensed professional engineer to review a flood study of a comparable scope.

4.5 City Fees. The Parties agree that the City may collect a \$1,500 wastewater fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Wastewater City Fees"), which is a fee that shall be used to fund administrative and facility operation and maintenance costs associated with providing wastewater service to the Property and the In-City Property. If the City is the retail water provider to the Property and the In-City Property, the Parties agree that the City may collect a \$1,000 water fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Water City Fees"), which is a fee that shall be used to fund administrative and facility operation and maintenance costs associated with providing water service to the Property and the In-City Property. The City agrees that no impact fees adopted pursuant to Chapter 395 of the Texas Local Government Code will be collected in connection with the development or use of the Property or the In-City Property. This Section 4.5 applies to both the Property and the In-City Property.

4.6 Public Safety Fees. The Parties agree that the City may collect a \$250 public safety fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Public Safety Fees"), which fees shall be used to fund the City's provision of public safety services to the Property and the In-City Property. This Section 4.6 applies to both the Property and the In-City Property.

4.7 Exclusive Fees. Except for Plat Review Fees, Plan Review Fees, Building Permit Fees, Flood Study Fee, and Wastewater City Fees, the Water City Fees, and the Public Safety Fees (collectively, the "Fees"), no other fees or charges of any kind are due and payable to the City in connection with the development of the Property or the In-City Property.

ARTICLE V **RETAIL UTILITY SERVICE**

5.1 Water. The Parties contemplate entering into a separate agreement at a later date regarding water service and water Public Infrastructure to serve the Property and the In-City Property.

5.2 Wastewater.

(a) The City agrees to be the retail provider of wastewater service to the Property and the In-City Property. The City agrees to negotiate in good faith with the City of Rockwall for amendments to the Rockwall Wastewater Agreement, and if necessary, negotiate in good faith with a different wholesale provider of wastewater service, to allow the City to provide adequate wastewater service for the full development of the Property as contemplated by this Agreement and the full development of the In-City Property as contemplated by the Owner's proposed PD zoning of the In-City Property as further described in Section 7.3(a) below (collectively, the "Full Development"), and will reserve such capacity for the Full Development.

(b) If (i) the City is unable or unwilling to provide wastewater service for the Full Development at any time; or (ii) prior to the annexation of the Property by the City the City has not entered into a written extension of the Rockwall Wastewater Agreement that extends the term of the agreement for at least the Term of this Agreement and provides for adequate capacity to provide retail wastewater service for the Full Development, or alternatively, has not entered into a new written wholesale wastewater agreement with the City of Rockwall or a different wholesale provider for a term that is at least the Term of this Agreement and that provides for adequate capacity to provide retail wastewater service for the Full Development, (1) the Owner or the District may construct and maintain a temporary wastewater treatment plant at a location approved by Owner and the City, with such approval not to be unreasonably withheld, delayed or conditioned, to serve all or a portion of the Full Development; and (2) the City consents to, and agrees to support the issuance of a discharge permit to allow the construction and maintenance for a temporary wastewater treatment plant for such purpose.

(c) If necessary for the City to provide adequate wastewater service to the Full Development, on behalf of and at no cost to the City, the Owner or the District may construct at a location approved by Owner and the City, with such approval not to be unreasonably withheld, delayed or conditioned, a temporary wastewater treatment plant to serve all or a portion of the Full Development, and the City consents to, and agrees to apply for and support the issuance of, a discharge permit to the City to allow the construction and maintenance of a temporary wastewater treatment plant for such purpose.

ARTICLE VI

CONSENT TO DISTRICT

6.1 Consent to the District Creation. This Agreement constitutes the irrevocable and unconditional consent of the City to the creation of the District thereof pursuant to the authority of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. The City further consents (a) to the authority of the District to include road powers pursuant to Section 54.234, Texas Water Code, as amended (by petition to and approval of the TCEQ or otherwise); (b) to expansions, from time to time, of the authority of the District (by special acts of the Texas legislature or otherwise) to include additional powers to exercise eminent domain, the right to divide, or other powers that are authorized by the Texas Constitution or by the laws of the State of Texas, as amended; and (c) the District's addition of the Property subsequent to the District's creation and following the City's annexation of the Property. The City further consents to divisions of the Districts and to boundary adjustments among the resulting districts in the form of exclusions and additions of land within the In-City Property and the Property.

6.2 Consent Resolutions; Other Documents. The City agrees to adopt such further ordinances or resolutions and execute such further documents as may reasonably be requested by Owner, the TCEQ, the AG, or the District to evidence the City's consents as set forth in this Agreement and in the Consent Resolution.

6.3 No Limitation of Powers. Nothing in this Article VI is intended to limit, impair, or conflict with the authority of or powers granted to the District by the Texas Constitution, Texas Water Code, Texas Local Government Code, or any other current or future statute applicable to the District.

6.4 Full Satisfaction. The consents contained in this Article VI and in the Consent Resolution (the "District Consents") are given by the City: (a) in full satisfaction of any requirements for district consents contained in any statute or otherwise required by law, rule, regulation or policy including, but not limited to, consents required by the Texas Water Code, as amended, the Texas Local Government Code, as amended, any rules, regulations, or policies of the TCEQ, or any rules, regulations, or policies of the Texas AG; (b) with the understanding that the District Consents are irrevocable and cannot be withdrawn or modified in any way by the City or by any action of the City Council without the prior written approval of Owner; (c) with the understanding that Owner has relied on the District Consents to Owner's material detriment and but for the District Consents Owner would not have entered into this Agreement; and (d) with the understanding that the District Consents shall not be

affected by: (1) any default under this Agreement, whether by Owner or any other person or entity that is or hereafter becomes bound by this Agreement, (2) any other act or omission by Owner or any other person or entity, whether or not related to this Agreement, the In-City Property, or the Property, or (3) any act or omission by the District, whether or not related to this Agreement, the In-City Property, or the Property.

6.5 Dissolution by City.

(a) The City hereby acknowledges and agrees that: (i) the District's purpose and function include the acquisition, construction, and financing of all Public Infrastructure necessary for the full development of the area within the District, including the Property and In-City Property (the "District Area"); (ii) the District currently has no funds legally available for such purpose and function; (iii) the District will enter into obligations to secure funds and perform such purpose and function in the form of one or more developer reimbursement agreements (a "Developer Reimbursement Agreement") with Owner and other developers of land within the District Area; and (iv) the District intends to meet its obligations and perform its function so as to reimburse such developers to the maximum extent permitted for all monies advanced or to be advanced on behalf of the District pursuant to each Developer Reimbursement Agreement and complete the acquisition and construction of all Public Infrastructure necessary for full development of the District Area.

(b) If the City dissolves the District prior to the District's completion of performance of its function and purpose of the acquisition and construction of all Public Infrastructure necessary for full development of the District Area, and reimbursement of each developer for monies advanced to or on behalf of the District for such purposes to the maximum extent permitted under a Developer Reimbursement Agreement, on the effective date of District dissolution the City shall (i) pay in cash to each developer who has advanced monies to or on behalf of the District pursuant to a Developer Reimbursement Agreement, to the maximum extent permitted under the Developer Reimbursement Agreement, an amount equal to actual costs incurred by developer in connection with the Public Infrastructure that has not been reimbursed as of the date of dissolution as required under the terms of the Developer Reimbursement Agreement; and (ii) be deemed to have assumed all of the District's ongoing contractual obligations, including, but not limited to, the District's obligations to reimburse a developer to the maximum extent permitted hereunder for future expenditures to be made subsequent to the date of dissolution for Public Infrastructure in accordance with any then existing Developer Reimbursement Agreement, with the source of funds for the City's payment being proceeds of bonds, notes or other obligations the City determines to issue for such purpose or other legally available funds of the City. All obligations assumed by the City, including obligations to issue bonds, notes or other obligations for the payment to a developer, shall be subject to all conditions, restrictions or other limitations applicable to the District under this Agreement, the Facilities Agreement between the City and the owners of the Property and the In-City Property effective on the Effective Date of this Agreement (the "Facilities Agreement"), and the Consent Resolution, including for the issuance of Bonds. This obligation is conditional upon the acquisition and construction of such Public Infrastructure by a developer, in lieu of the District, in the manner required

by the Developer Reimbursement Agreement. This Section 6.5 survives the termination or expiration of this Agreement and the Facilities Agreement.

(c) Should the City determine to proceed with dissolving the District, the City shall give the District and Owner and all other owners of land within the District nine (9) months advance written notice of its intent prior to initiation of formal dissolution proceedings. Upon receipt of such notice, the Parties will meet with the City to confirm the status of the outstanding obligations of each of the Parties under this Agreement.

(d) The Parties intend for the obligations of the District under this Agreement to constitute "obligations" of the District within the meaning of Section 43.074, Local Government Code. The Parties further intend in the event that the City adopts an ordinance dissolving the District, the City shall assume all of the obligations of the District, including those set forth in this Agreement, to the fullest extent permitted by law and the terms of the Development Agreement, Facilities Agreement, and this Agreement.

6.6 Notice. Pursuant to Section 49.452 of the Texas Water Code, purchasers of land within the District will receive notices in a format that is substantially the same as the one attached as **Exhibit R** in compliance with such statute.

ARTICLE VII **ADDITIONAL PROVISIONS**

7.1 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

7.2 Term. The term of this Agreement shall be 45 years after the Effective Date ("Term").

7.3 Annexation and Zoning; Public Safety Site Dedication Following Annexation.

(a) The Property shall remain in the ETJ of the City and be immune from full purpose annexation until such time the Owner submits a notarized request for voluntary annexation of the Property to the City, which the Owner shall do within 30 days after all of the following conditions have been satisfied: (i) the In-City Property has been zoned as a planned development district with regulations consistent with those that apply to the Property pursuant to this Agreement (excluding commercial land use regulations, which shall not apply to the In-City Property) and the Governing Regulations, (ii) the City and the owners of the Property and the In-City Property have entered into the Facilities Agreement; (iii) the District has been created by the TCEQ; and (iv) District elections have been held confirming the creation of the District and its initial directors and

authorizing the District to levy a maintenance tax. Nothing in this subsection shall be construed as requiring the City Council to adopt a particular zoning ordinance for the In-City Property, and part (i) of this subsection merely constitutes a condition precedent to annexation of the Property. Annexation of the Property by the City shall not impact the Term of this Agreement or the continued applicability of this Agreement.

(b) Within 30 days after the annexation of the Property, the City agrees to consider zoning the Property as a planned development district with regulations consistent with this Agreement; however, this Agreement shall control in the event of any conflict between this Agreement and the future zoning of the Property.

(c) Within 180 days after the annexation of the Property in accordance with this Section 7.3, the Owner and the City shall mutually approve the location of a minimum two-acre public safety site within the Property or the In-City Property, which approval shall not be unreasonably withheld by either Party, and the Owner shall dedicate such site to the City at no cost to the City. If the Parties cannot agree on the location of the public safety site, the 180-day period shall be extended automatically until the Parties reach an agreement and the site is dedicated to the City. The deed conveying the public safety site to the City may contain restrictions limiting the use of such land to public safety purposes and may contain reversion language that causes ownership of the land to revert to the Owner if the City does not construct a public safety building on the public safety site within ten years after the conveyance to the City.

7.4 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 10th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by E-mail; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail (with a confirming copy sent by E-mail). Notices given pursuant to this section shall be addressed as follows:

To the City:

Attn: City Administrator
City of McLendon-Chisholm
1371 West FM 550
McLendon-Chisholm, Texas 75032
E-mail: lisa@mclendon-chisholm.com

With a copy to:

Attn: Michael Halla,
City of McLendon-Chisholm Attorney
12655 North Central Expressway, Ste. 1000
Dallas, Texas 75243
E-mail: mhalla@hallalawfirm.com

To the Owner: Attn: Phillip Huffines
8200 Douglas Avenue, Suite 300
Dallas, Texas 75225
E-mail: pwh@huffinescommunities.com

With a copy to: Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, TX 75218
E-mail: misty.ventura@svlandlaw.com

To the District: Board of Directors
Rockwall County Municipal Utility District No. 10
c/o Crawford & Jordan LLP
19 Briar Hollow Lane, Suite 245
Houston, Texas 77027
E-mail: cjordan@crawlawn.net

With a copy to: Attn: Mr. Christopher Jordan
Crawford & Jordan LLP
19 Briar Hollow Lane, Suite 245
Houston, Texas 77027
E-mail: cjordan@crawlawn.net

7.5 Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement and all amendments hereto (excluding amendments to the Concept Plan, which shall be maintained in a file kept by the City Secretary) shall be recorded in the deed records of Rockwall County. In addition, all assignments to this Agreement shall be recorded in the deed records of Rockwall County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer except for land use and development regulations that apply to specific lots. For purposes of this Agreement, the Parties agree: (a) that the term "End-Buyer" means any owner, developer, tenant, user, or occupant; (b) that the term "fully developed and improved lot" means any lot, regardless of proposed use, for which a final plat has been approved by the City and recorded in the deed records; and (c) that the term "land use and development regulations that apply to specific lots" means all of the Governing Regulations.

7.6 Events of Default. The Owner shall not be in default under this Agreement until the City has given notice of the alleged failure to perform (which notice shall set forth in reasonable detail the nature of the alleged failure) and until the Owner has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than 30 days after written notice of the alleged failure has been given). In addition, the Owner shall not be in default under this

Agreement if, within the applicable cure period, the Owner begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

7.7 REMEDIES. IF A PARTY IS IN DEFAULT, THE AGGRIEVED PARTY MAY, AT ITS OPTION AND WITHOUT PREJUDICE TO ANY OTHER RIGHT OR REMEDY UNDER THIS AGREEMENT, SEEK ANY RELIEF AVAILABLE AT LAW OR IN EQUITY, INCLUDING, BUT NOT LIMITED TO, AN ACTION UNDER THE UNIFORM DECLARATORY JUDGMENT ACT, SPECIFIC PERFORMANCE, MANDAMUS, AND INJUNCTIVE RELIEF. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

- (a) entitle the aggrieved Party to terminate this Agreement; or
- (b) entitle the City to suspend performance under this Agreement unless the portion of the Property for which performance is suspended is the subject of the default (for example, the City shall not be entitled to suspend its performance with regard to the development of "Tract X" by "Developer A" based on the grounds that Developer A is in default with respect to any other tract or based on the grounds that any other developer is in default with respect to any other tract); or
- (c) adversely affect or impair the current or future obligations of the City to provide any service to any portion of the Property; or
- (d) entitle the aggrieved Party to seek or recover exemplary damages; or
- (e) adversely affect or impair the effectiveness or validity of any District Consents; or
- (f) adversely affect or impair the current or future rights, powers or authority of the District (including, but not limited to, the issuance of bonds) or the day-to-day administration of the District; or
- (g) allow the Property to be annexed except as contemplated and authorized by this Agreement;
- (h) entitle either Party to receive attorney's fees; or
- (i) limit the Term.

7.8 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its governmental powers, immunities, or rights except as follows:

- (a) The City waives its governmental immunity from suit and immunity from liability as to any action brought by a Party (or by the District) to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. Nothing in this section shall waive any claims, defenses or immunities that the City has

with respect to suits against the City by persons or entities other than the District or a Party to this Agreement.

(b) Nothing in this Agreement is intended to delegate or impair the performance by the City of its governmental functions, and the City waives any claim or defense that any provision of this Agreement is unenforceable on the grounds that it constitutes an impermissible delegation or impairment of the City's performance of its governmental functions.

(c) It is also expressly agreed by the Parties that the City shall be immune from, and the Owner hereby waives, any claim for failure on the part of the City to perform, or the manner of performance, of any of its traditional governmental functions as defined and contained in Section 101.0215(a) of the Texas Civil Practice and Remedies Code, but only to the extent such immunity and waiver are consistent with the provisions of Texas Local Government Code Section 212.172, as amended, and Section 7.8(d) below. It is further expressly agreed by the Parties that this paragraph is a material term for the City, without which the City would not have entered into this Agreement.

(d) The Parties agree that nothing in this Agreement waives any provision of Texas Local Government Code Section 212.172, as amended, or any other federal or state law, and nothing herein waives the rights of either Party to seek relief for any violation of any federal or state law.

7.9 Assignment by Owner to the District. Owner has the right to assign to the District those portions of this Agreement concerning the provision of water and/or wastewater service to the Property and the design, construction, installation, maintenance, and repair of parks or open space and any Public Infrastructure, including, but not limited to, water, wastewater, stormwater, roadway, and detention Public Infrastructure. Thereafter, for the limited purposes of such assignment, the District shall be considered an "Assignee," and therefore a Party, for purposes of this Agreement. Each assignment shall be in writing executed by Owner and the District and shall obligate the District to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the District for the performance of all obligations assigned to the District and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the District's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not given to the City within 15 days after execution, Owner shall not be released until the City receives the assignment. No assignment by Owner shall release Owner from any liability resulting from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to the District, including a copy of each executed assignment, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity.

7.10 Assignment by Owner. Owner has the right (from time to time without the consent of the City, but upon written notice to the City) to assign this Agreement, in whole or

in part, and including any obligation, right, title, or interest of Owner under this Agreement, to any person or entity (an "Assignee") that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Owner. Each assignment shall be in writing executed by Owner and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, Owner shall not be released until the City receives such assignment. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to Assignees, including a copy of each executed assignment and the Assignee's Notice information as required by this Agreement, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity. An Assignee shall be a "Party" and the "Owner" for purposes of the obligations, rights, title, or interests being assigned. The City shall not assign this Agreement.

7.11 Encumbrance. Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the City. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement, but shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured. The City shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without Owner's prior written consent.

7.12 No Restriction on Property Transfer. No provision of this Agreement shall limit the ability of the Owner or any other person to transfer voluntarily or involuntarily its right, title, or interest in or to all or any portion of the Property.

7.13 Releases. From time to time upon written request of Owner or the District, the City Administrator shall execute, in recordable form, a release of this Agreement if the requirements of this Agreement have been met, subject to the continued application of the Building Codes and Development Regulations.

7.14 Estoppel Certificates. From time to time upon written request of Owner or the District, the City Administrator will execute a written estoppel certificate identifying any obligations of Owner under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; and stating, to the extent true, that to the best knowledge and belief of the City, Owner is in compliance with its duties and obligations under this Agreement.

7.15 RESERVATION OF RIGHTS. THIS AGREEMENT CONSTITUTES A "PERMIT" WITHIN THE MEANING OF CHAPTER 245, TEXAS LOCAL GOVERNMENT CODE. EXCEPT AS PROVIDED IN THIS SECTION, OWNER DOES NOT, BY ENTERING INTO THIS AGREEMENT, WAIVE (AND OWNER EXPRESSLY RESERVES) ANY RIGHT THAT OWNER MAY NOW OR HEREAFTER HAVE WITH RESPECT TO ANY CLAIM: (A) OF "VESTED" OR "PROTECTED" DEVELOPMENT OR OTHER PROPERTY RIGHTS ARISING FROM CHAPTERS 43 OR 245, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, OR OTHERWISE ARISING FROM COMMON LAW OR OTHER STATE OR FEDERAL LAWS; (B) THAT ANY GOVERNING REGULATION DEFINED IN ARTICLE II OF THIS AGREEMENT, ON ITS FACE OR AS APPLIED TO THE PROPERTY OR ANY PORTION THEREOF, VIOLATES ANY LOCAL, STATE, OR FEDERAL LAW; OR (C) THAT AN ACTION BY THE CITY CONSTITUTES A "TAKING" OR INVERSE CONDEMNATION OF ALL OR ANY PORTION OF THE PROPERTY OR THE IN-CITY PROPERTY OR AN ILLEGAL EXACTION.

7.16 Manufactured Housing. Notwithstanding any other provision of this Agreement to the contrary, HUD-certified manufactured homes may be located within the In-City Property and the Property, from time to time, for any purpose necessary for the creation or administration of the District (including, but not limited to, providing qualified voters within the District or qualifying persons to serve on the Board of Directors of the District). Owner will notify the City of the location of, make and model of, HUD number for, and 911 address of each home within 30 days after the home is occupied. Manufactured homes permitted by this Agreement: (a) are not required to be located on a platted lot; (b) do not require a building permit; (c) do not require a Certificate of Occupancy; (d) do not otherwise have to comply with the Governing Regulations in the case of the Property or zoning regulations in the case of the In-City Property; (e) do not require any permit or other approval by the City; (f) are not subject to payment of any of the Fees; and (g) will be promptly removed when no longer needed for the creation or administration of the District. Manufactured homes must have adequate access for fire protection.

7.17 Water Wells. Water wells may be drilled within the In-City Property and the Property to provide irrigation water and water for domestic use, including, but not limited to, use by the residents of the manufactured housing described in Section 7.16 above; subject, however, to all applicable rules and regulations of Rockwall County and the TCEQ.

7.18 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

7.19 Authority and Enforceability. The City represents and warrants that this Agreement has been approved and adopted by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individual executing this Agreement on behalf of Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.172 of the Texas Local Government Code.

7.20 Entire Agreement; Severability. This Agreement, together with the Facilities Agreement, constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, Owner does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Owner does then own, and (b) if it is determined, as of the Effective Date, that any portion of the Property is not within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is then within the City's ETJ.

7.21 Director Qualifying Lots. Notwithstanding any other provision of this Agreement to the contrary, the conveyance, from time to time, by metes and bounds or otherwise of any portion of the In-City Property or the Property to any person for the purpose of qualifying such person to be a member of the board of directors of the District shall not be considered a subdivision of land requiring a plat or otherwise requiring the approval of the City; provided, however, no Structure, other than manufactured housing authorized by this Agreement, shall be constructed on any property conveyed for such purpose unless and until a plat of such portion has been approved by the City in accordance with this Agreement.

7.22 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Rockwall County. Venue for any action to enforce or construe this Agreement shall be in Rockwall County.

7.23 Non Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

7.24 No Third Party Beneficiaries. Except as otherwise provided in this section, this Agreement only inures to the benefit of, and may only be enforced by, the Parties. If the District is not an Assignee, the District shall be considered a third-party beneficiary of this Agreement. An End-Buyer shall be considered a third-party beneficiary of this Agreement, but only for the limited purposes for which an End-Buyer is bound by this Agreement. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

7.25 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care, including, but not limited to, events or circumstances caused by a pandemic or flooding

7.26 Boycott of Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable compliance with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in

Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

7.27 Iran, Sudan and Foreign Terrorist Organizations. Section 2252.151 of the Texas Government Code defines a "governmental contract" as a contract awarded by a governmental entity for general construction, an improvement, a service, or a public works project or for a purchase of supplies, materials, or equipment, and provides that the term includes a contract to obtain a professional or consulting service subject to Chapter 2254 of the Texas Government Code. The Owner represents that, as of the date of this Agreement, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Owner nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Owner (if any) is an entity listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code or identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

7.28 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Owner, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Owner; and, neither the City nor its consultants have verified such information.

7.29 Verification Regarding Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the the Owner to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize,

inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

7.30 Verification Regarding No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the Owner to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions, ‘discriminate against a firearm entity or firearm trade association,’ a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association, ‘firearm entity,’ a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and ‘firearm trade association,’ a term

defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.”

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

7.32 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

7.33 Exhibits. The following Exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Metes and Bounds Description of the In-City Property
Exhibit C	Concept Plan
Exhibit D	Development Regulations
Exhibit E	Special Regulations
Exhibit F	Product Type Illustrations
Exhibit G	Repetition Restrictions
Exhibit H	Mailbox Design
Exhibit I	Parks, Open Space, and Trail Plan
Exhibit J	Street Sections
Exhibit K	Architectural Guidelines
Exhibit L	Trash Can Pads
Exhibit M	Address Plaques
Exhibit N	Fence Design for Single Family Detached
Exhibit O	Realtor and Builder Sign Specifications
Exhibit P	Sidewalks
Exhibit Q	Shrub Planting Locations
Exhibit R	District Notice

Executed by Owner and the City to be effective on the Effective Date.

ATTEST:

CITY OF MCLENDON-CHISHOLM

Name: _____
Title: City Secretary

By: _____
Name: _____
Title: _____

Date: _____

**APPROVED AS TO FORM AND
LEGALITY:**

Name: _____
City Attorney

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on _____, 2021 by _____,
_____ of the City of McLendon-Chisholm Texas on behalf of said city.

Notary Public, State of Texas

OWNER:

MC Trilogy Texas, LLC,
a Texas limited liability company

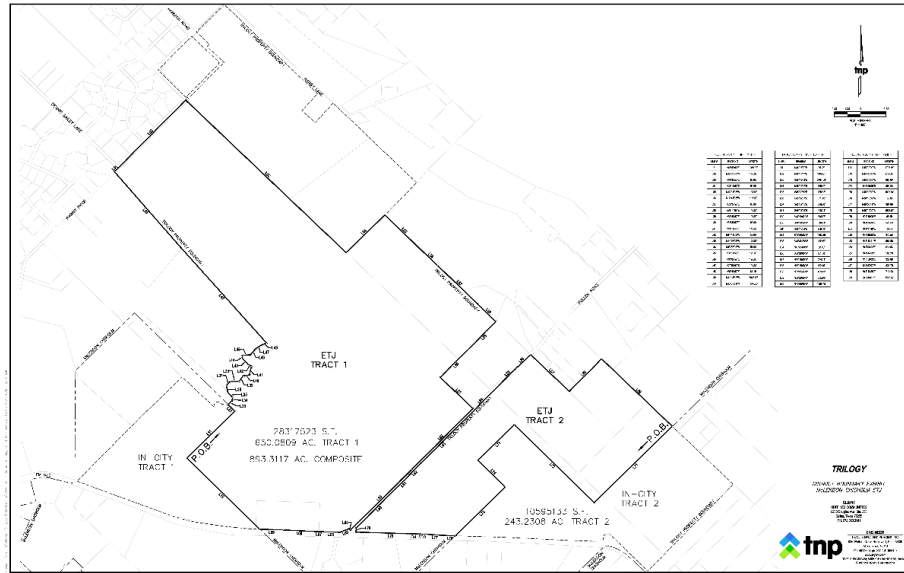
By: _____
Phillip Huffines, Managing Director

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2021 by Phillip Huffines, Managing Director of MC Trilogy Texas, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

Exhibit A
Metes and Bounds Description of the Property



ETJ TRACT 1

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN RABBIT RIDGE ROAD, (A VARIABLE WIDTH RIGHT-OF-WAY), AT THE WEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 44°16'29" E a distance of 89.26'to a point for corner;

THENCE N 44°15'17" E a distance of 1492.27'to a point for corner;

THENCE S 45°49'51" E a distance of 3464.03'to a point for corner;
THENCE N 45°15'27" E a distance of 845.37'to a point for corner;
THENCE S 45°20'50" E a distance of 770.32'to a point for corner;
THENCE S 45°52'07" E a distance of 371.76'to a point for corner;
THENCE S 45°39'45" E a distance of 866.70'to a point for corner;
THENCE S 45°04'02" E a distance of 400.01'to a point for corner;
THENCE S 44°19'52" W a distance of 614.77'to a point for corner;
THENCE S 44°19'52" W a distance of 618.71'to a point for corner;
THENCE S 45°40'08" E a distance of 706.56'to a point for corner;
THENCE S 44°23'53" W a distance of 1352.29'to a point for corner;
THENCE S 44°42'29" W a distance of 1349.67'to a point for corner;
THENCE N 45°05'00" W a distance of 30.40'to a point for corner;
THENCE S 68°20'00" W a distance of 151.80'to a point for corner;
THENCE N 88°15'00" W a distance of 274.51'to a point for corner;
THENCE N 88°15'00" W a distance of 102.49'to a point for corner;
THENCE N 87°05'36" W a distance of 499.42'to a point for corner;
THENCE N 88°20'23" W a distance of 365.10'to a point for corner;
THENCE N 45°00'00" W a distance of 1596.73'to a point for corner;
THENCE N 45°00'00" E a distance of 1050.00'to a point for corner;
THENCE N 45°00'00" W a distance of 150.87'to a point for corner;
THENCE N 48°33'57" E a distance of 83.82'to a point for corner;
THENCE N 08°18'57" E a distance of 54.00'to a point for corner;
THENCE N 43°11'03" W a distance of 104.00'to a point for corner;

THENCE N 12°41'03" W a distance of 111.00'to a point for corner;

THENCE N 39°33'57" E a distance of 93.00'to a point for corner;

THENCE S 89°11'03" E a distance of 140.00'to a point for corner;

THENCE N 33°48'57" E a distance of 108.00'to a point for corner;

THENCE N 81°48'57" E a distance of 98.00'to a point for corner;

THENCE N 13°18'57" E a distance of 143.00'to a point for corner;

THENCE N 61°11'03" W a distance of 57.00'to a point for corner;

THENCE N 44°56'03" W a distance of 123.00'to a point for corner;

THENCE N 08°56'03" W a distance of 57.00'to a point for corner;

THENCE N 86°18'57" E a distance of 129.00'to a point for corner;

THENCE N 40°03'57" E a distance of 128.00'to a point for corner;

THENCE N 57°03'57" E a distance of 110.00'to a point for corner;

THENCE N 69°48'57" E a distance of 81.15'to a point for corner;

THENCE N 41°14'57" W a distance of 2018.90'to a point for corner;

THENCE N 40°35'51" W A DISTANCE OF 1575.68' TO THE POINT OF BEGINNING,
CONTAINING 19,245,590.6 SQUARE FEET, OR 441.818 ACRES OF LAND MORE OR
LESS.

ETJ TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN PULLEN ROAD,(A VARIABLE WIDTH RIGHT-OF-WAY), AT THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 45°52'07" E a distance of 836.75' to a point for corner;

THENCE N 44°13'38" E a distance of 717.19' to a point for corner;

THENCE S 45°44'07" E a distance of 1529.00' to a point for corner;

THENCE S 45°00'00" W a distance of 1708.95' to a point for corner;

THENCE N 45°00'00" W a distance of 1750.00' to a point for corner;

THENCE S 45°00'00" W a distance of 800.00' to a point for corner;

THENCE S 45°00'00" E a distance of 600.00' to a point for corner;

THENCE S 45°00'00" W a distance of 1092.91' to a point for corner;

THENCE N 88°13'09" W a distance of 163.88' to a point for corner;

THENCE N 86°06'41" W a distance of 301.66' to a point for corner;

THENCE N 88°15'00" W a distance of 1073.00' to a point for corner;

THENCE N 01°45'00" E a distance of 65.55' to a point for corner;

THENCE N 44°34'36" E a distance of 928.59' to a point for corner;

THENCE N 44°31'40" E a distance of 151.79' to a point for corner;

THENCE N 43°28'23" E a distance of 346.55' to a point for corner;

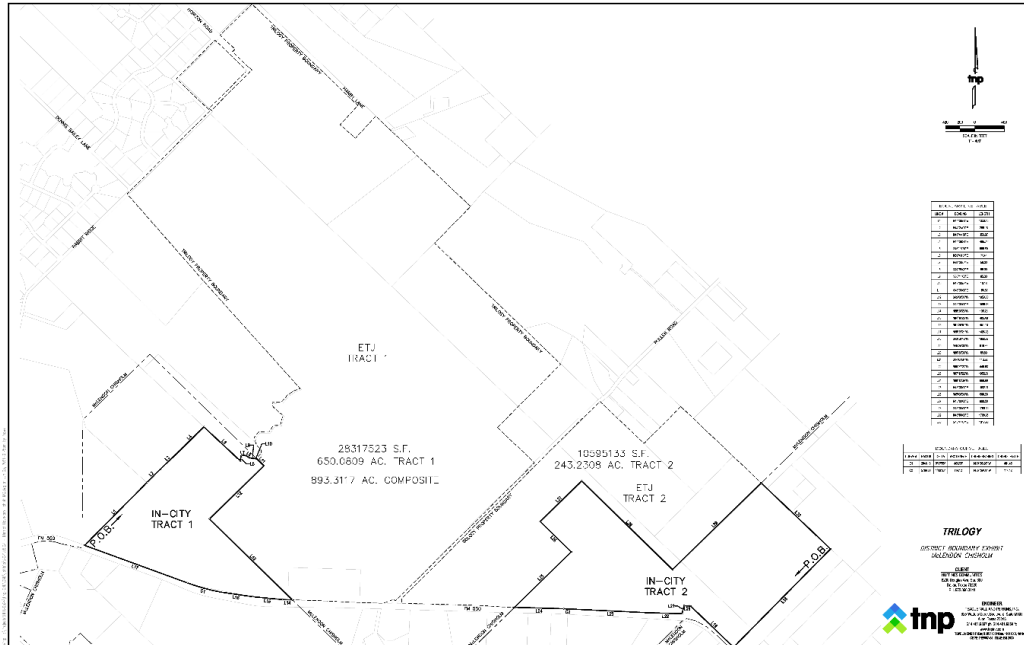
THENCE N 44°43'11" E a distance of 901.86' to a point for corner;

THENCE N 44°06'02" E a distance of 914.03' to a point for corner;

THENCE N 44°44'29" E a distance of 285.28' to a point for corner;

THENCE N 45°50'03" E A DISTANCE OF 322.68' TO THE POINT OF BEGINNING,
CONTAINING 5,807,645.3 SQUARE FEET, OR 133.325 ACRES OF LAND MORE OR
LESS.

Exhibit B
Metes and Bounds Description of the In-City Property



TRACT 1

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550 (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN VOLUME 41 AT PAGES 545 565 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS AT THE RECOGNIZED SOUTHWEST CORNER OF SAID TRACT;

THENCE NORTH 44° 03' 50" EAST A DISTANCE OF 1,220.15 FEET TO A POINT FOR CORNER, SAID POINT BEING THE SOUTH CORNER OF A CALLED 58.110 ACRE TRACT OF LAND DESCRIBED IN DEED TO DONALD R. HOLLOWAY RECORDED UNDER COUNTY CLERKS FILE NUMBER 2011-00444931 (VOL. 6347, PG. 221) OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE NORTH 44° 24' 01" EAST AND FOLLOWING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 258.18 FEET TO A POINT FOR CORNER;

THENCE NORTH 45°44'54" EAST AND CONTINUING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 353.97 FEET TO A POINT FOR CORNER;

THENCE NORTH 44° 38' 21" EAST AND CONTINUING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 485.74 FEET TO A POINT FOR THE MOST EASTERLY CORNER OF SAID HOLLOWAY 58.110 ACRE TRACT AT ITS INTERSECTION WITH THE SOUTHWEST LINE OF A CALLED 89.287 ACRE TRACT OF LAND DESCRIBED IN DEED TO HOLLOWAY FAMILY LIMITED PARTNERSHIP AS RECORDED UNDER COUNTY CLERKS FILE NUMBER 20150000020975 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE SOUTH 46° 15' 24" EAST AND FOLLOWING ALONG THE SOUTHWEST LINE OF SAID HOLLOWAY FAMILY LIMITED PARTNERSHIP 89.287 ACRE TRACT A DISTANCE OF 685.89 FEET TO THE MOST SOUTHERLY CORNER OF SAID 89.287 ACRE TRACT, SAID POINT BEING IN A SOIL CONSERVATION LAKE AND CALLED IN THE OLD MEANDERS OF LONG BRANCH CREEK;

THENCE FOLLOWING ALONG THE SOUTHEASTERLY LINE OF SAID HOLLOWAY FAMILY LIMITED PARTNERSHIP 89.287 ACRE TRACT AND ALONG THE CALLED OLD MEANDERS OF LONG BRANCH CREEK AS FOLLOWS;

- (1) NORTH 09° 48' 57" EAST A DISTANCE OF 71.41 FEET TO A POINT CORNER;
- (2) NORTH 81° 03' 57" EAST A DISTANCE OF 56.00 FEET TO A POINT FOR CORNER;
- (3) SOUTH 56° 56' 03" EAST A DISTANCE OF 69.00 FEET TO A POINT FOR CORNER;
- (4) SOUTH 83° 11' 03" EAST A DISTANCE OF 85.00 FEET TO A POINT FOR CORNER;
- (5) NORTH 48° 33' 57" EAST, A DISTANCE OF 10.18 FEET TO A POINT FOR CORNER;

THENCE DEPARTING THE CALLED OLD MEANDERS OF LONG BRANCH CREEK AND THROUGH THE INTERIOR OF SAID PREMISES AS FOLLOWS;

(1) SOUTH 45° 00' 00" EAST, A DISTANCE OF 150.87 FEET TO A POINT FOR CORNER;

(2) SOUTH 45° 00' 00" WEST, A DISTANCE OF 1050.00 FEET TO A POINT FOR CORNER;

(3) SOUTH 45° 00' 00" EAST, A DISTANCE OF 1596.73 FEET TO A POINT FOR CORNER ON THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550;

THENCE NORTH 88° 20' 23" WEST AND ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 135.23 FEET TO A POINT FOR CORNER;

THENCE NORTH 84° 16' 25" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 405.48 FEET TO A POINT FOR CORNER;

THENCE NORTH 81° 36' 51" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 451.13 FEET TO A POINT FOR CORNER, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2,846.18 FEET, WITH A CENTRAL ANGLE OF 09° 17' 58", AND A CHORD BEARING NORTH 74°08'20" WEST AT A DISTANCE OF 461.45 FEET;

THENCE WESTERLY AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550 AND SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 461.95 FEET TO A POINT FOR CORNER;

THENCE NORTH 69° 29' 21" WEST CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550A DISTANCE OF 1,496.23 FEET TO THE POINT OF BEGINNING CONTAINING 3,011,847 SQUARE FEET, OR 69.143 ACRES OF LAND MORE OR LESS.

TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY,

TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR THE RECOGNIZED EAST CORNER OF THIS TRACT IN THE SOUTHWEST LINE OF A 25.279 ACRE TRACT OF LAND DESCRIBED IN DEED TO REGGIE L. HICKERSON RECORDED UNDER VOLUME 2388, PAGE 198 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS, SAID POINT BEING THE MOST NORTHERLY CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO RONALD PRICE AND SHARON DUBACK RECORDED UNDER VOLUME 1591, PAGE 111 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE SOUTH 43° 56' 42" WEST AND DEPARTING THE SOUTHWEST LINE OF SAID 2.79 ACRE TRACT TO REGGIE L. HICKERSON AND FOLLOWING ALONG THE NORTHWEST LINE OF SAID RONALD PRICE AND SHARON DUBACK TRACT A DISTANCE OF 1,902.97 FEET TO A POINT FOR CORNER; SAID POINT ALSO BEING THE NORTHWEST CORNER OF SAID RONALD PRICE AND SHARON DUBACK TRACT;

THENCE NORTH 45° 35' 00" WEST A DISTANCE OF 819.44 FEET TO A POINT FOR CORNER IN THE NORTHEAST RIGHT-OF-WAY LINE OF F.M. ROAD 550 (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN VOLUME 41 AT PAGES 545 565 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE NORTH 86° 58' 39" WEST AND CONTINUING ALONG THE NORTHEAST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 89.89 FEET TO A POINT FOR CORNER;

THENCE SOUTH 14° 01' 34" WEST AND CONTINUING ALONG THE NORTHEAST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 113.82 FEET TO A POINT FOR CORNER;

THENCE NORTH 88° 27' 27" WEST AND FOLLOWING ALONG THE WEST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 445.63 FEET TO A POINT FOR CORNER;

THENCE NORTH 87° 13' 22" WEST AND FOLLOWING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 1,052.71 FEET TO A POINT FOR CORNER, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 5,769.60 FEET, A CENTRAL ANGLE OF 01° 08' 00", AND A CHORD BEARING NORTH 87°39'09" WEST AT A DISTANCE OF 114.12 FEET;

THENCE WESTERLY AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 AND FOLLOWING ALONG SAID CURVE FOR AN ARC DISTANCE OF 114.12 FEET;

THENCE NORTH 88° 13' 09" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 669.98 FEET TO A POINT FOR CORNER;

THENCE DEPARTING THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 AND THROUGH THE INTERIOR OF SAID PREMISES AS FOLLOWS;

(1) NORTH 45° 00' 00" EAST, A DISTANCE OF 1,092.91 FEET TO A POINT FOR CORNER;

(2) NORTH 45° 00' 00" WEST, A DISTANCE OF 600.00 FEET TO A POINT FOR CORNER;

(3) NORTH 45° 00' 00" EAST, A DISTANCE OF 800.00 FEET TO A POINT FOR CORNER;

(3) SOUTH 45° 00' 00" EAST, A DISTANCE OF 1,750.00 FEET TO A POINT FOR CORNER;

(4) NORTH 45° 00' 00" EAST, A DISTANCE OF 1,708.95 FEET TO A POINT FOR CORNER ON THE RECOGNIZED NORTHEAST LINE OF THIS TRACT;

THENCE SOUTH 45° 44' 07" EAST ALONG SAID RECOGNIZED LINE, A DISTANCE OF 1317.93 FEET TO THE POINT OF BEGINNING CONTAINING 4,787,547 SQUARE FEET, OR 109.907 ACRES OF LAND MORE OR LESS.

Exhibit C Concept Plan

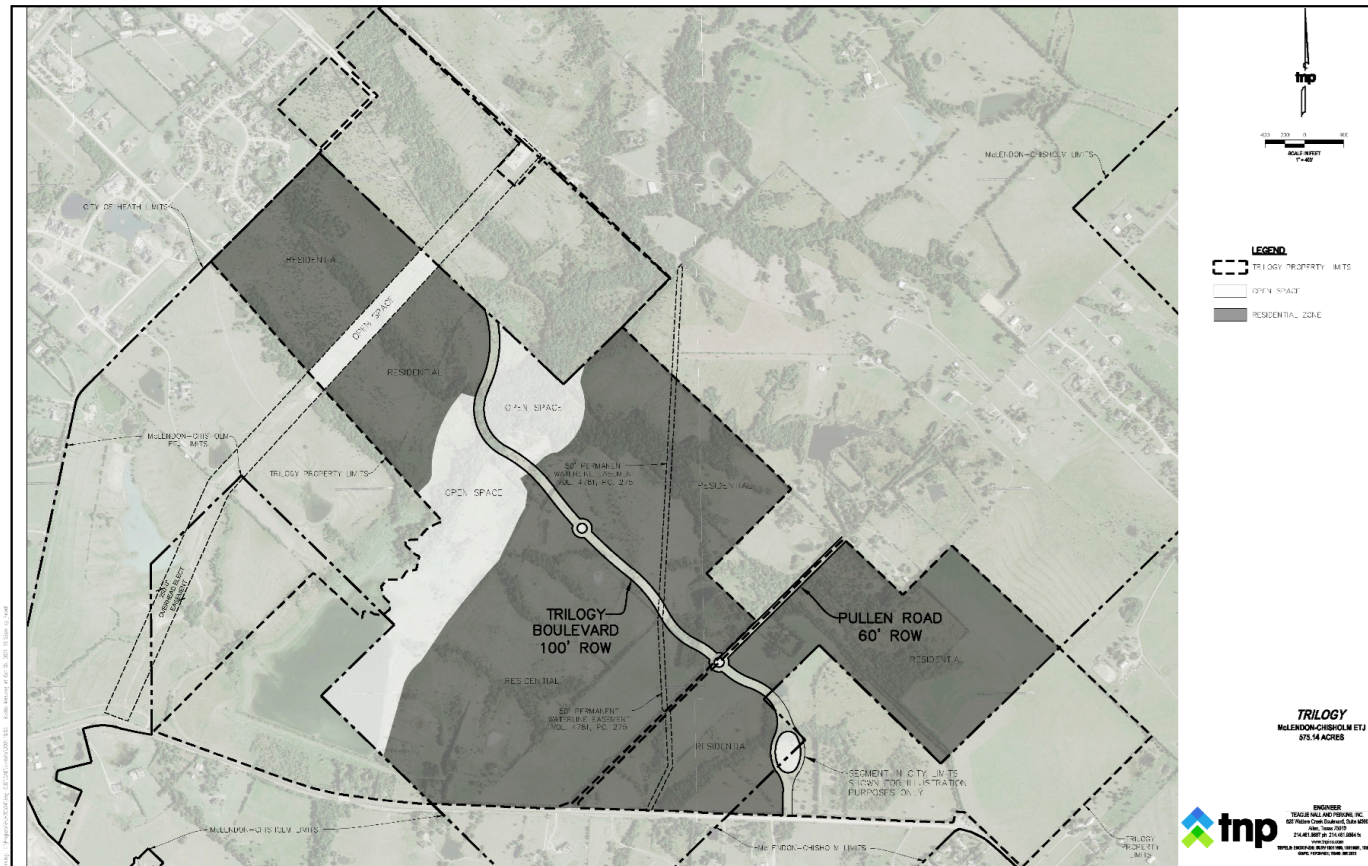


Exhibit D
Development Regulations

1. **Definitions.**
 - a. Alley means a publicly or privately owned access way that provides access to the rear of a lot and functions as a traditional alley.
 - b. City Administrator means the City Administrator or his or her designee.
 - c. Concept Plan means the concept plan attached to this Agreement as **Exhibit C**, as amended in accordance with Section 2.2 of this Agreement.
 - d. Front entry garage means a garage accessed from the street in front of a single family detached home or duplex. This term does not include side entry or j-swing garages.
 - e. Open space means generally undeveloped property that can be used for active or passive recreation, is publicly or privately owned and maintained, is accessible by the residents of the Property or by the general public, and is designated as open space on an approved final plat.
 - f. Property means the property described on **Exhibit A** of this Agreement.
 - g. Single family detached means a single dwelling unit on a platted lot that is not physically attached to any other dwelling unit (excluding an accessory dwelling unit). A single family dwelling unit includes, but is not limited to, zero lot line homes and patio homes.
2. **Concept Plan.** Development of the Property shall be in general conformance with the Concept Plan; however, the nonresidential uses permitted by this **Exhibit D** shall be permitted at any location within the Property.
3. **Permitted Uses.**
 - a. The following uses shall be permitted in the areas designated "Residential Zone" on the Concept Plan:
 - i. Single family detached (SF-D2, SF-D3, SF-D4).
 - ii. School, public or private (elementary, middle, or high school, home school, day care).
 - iii. Model homes.
 - iv. Accessory uses and structures, including, but not limited to buildings, garages, patio covers, pergolas, decks, carports, fences, signs, swimming pools, spas, antenna, satellite dishes, game courts, flagpoles).

- v. Accessory dwelling units that are accessory to single family detached uses located on lots with a width greater than 59 feet. An accessory dwelling unit shall not exceed 750 square feet in floor area, and shall be located on the same lot as the principal use. A separate meter is permitted, but not required, for the accessory secondary living units.
 - vi. Accessory home occupations, which shall conform to the City's zoning ordinance in effect on the Effective Date with respect to regulations specific to accessory home occupations.
 - vii. Sales office.
 - viii. Amenity Centers. Accessory private community center is permitted as an accessory use to an amenity center. An accessory private community center may include a restaurant or coffee shop open to members and their guests and may include a banquet facility that may be rented for special occasions, such as wedding receptions and parties. This use may include recreational uses and amenities, including, but not limited to, swimming pools and tennis courts. An amenity center may include one or more food trucks.
 - ix. Temporary Residential Sales Office, Temporary Construction Office, and Model Homes. A residential real estate sales office and/or construction office, located on a platted lot, may be permitted within a subdivision for which building permits have been issued and may be located either in a model home, in a temporary building, or in a portable trailer. Model homes are permitted within a subdivision for which building permits have been issued. A permit for a temporary residential sales office, construction office, or a model home may be issued for no more than one year, but shall be automatically extended for so long as the builder maintains active and continuous sales or construction activities within the subdivision and a minimum of five lots in the subdivision remain unsold. Such sales office shall be used for sales in the subject subdivision only and not for sales in any other subdivision.
 - x. Farmers market.
- b. The following uses shall be permitted in the area designated "Commercial Zone" and at any other location on the Concept Plan:
- i. All uses permitted by right in the NC Neighborhood Commercial District pursuant to the City's comprehensive zoning ordinance in effect on the Effective Date are permitted by right without conditions
 - ii. All uses permitted by SUP in the NC Neighborhood Commercial District pursuant to the City's comprehensive zoning ordinance in effect on the Effective Date are permitted by SUP
 - iii. All uses permitted in the "Residential Zone" designated on the Concept Plan
 - iv. Restaurant, drive-in or drive-thru
 - v. Restaurant/refreshment stand (temporary or seasonal)
 - vi. Retail uses of any type and size

- vii. Service uses of any type, such as nail salons, hair salons and similar uses providing services to the public
 - viii. Pharmacy
 - ix. Office (business, professional, or medical)
 - x. Fuel sales, with or without convenience store
 - xi. Furniture repair
 - xii. Bank or other financial institution
 - xiii. Accessory banking
 - xiv. Florist
 - xv. Veterinary clinic or hospital with or without outside kennels and boarding
 - xvi. Day care
 - xvii. Farmers market
- c. In the area designated "Open Space" on the Concept Plan, parks, trails, active and passive open space, and other recreational amenities, uses, and improvements are permitted, including, but not limited to, all uses and structures referenced in Section 8 below.
 - d. Agricultural uses are permitted at any location within the Property, and may include, but are not limited to, raising crops and livestock, livestock services (including horses), and landscape/horticulture services.
 - e. Real estate development field offices and sales offices are permitted at any location without any time limit.
 - f. Temporary construction yards are permitted during ongoing construction within the Property, and the locations shall be approved by the City Administrator with such approval not to be unreasonably withheld, conditioned or delayed.
 - g. Concrete or asphalt batch plant, temporary associated with development of the Property, are permitted at any location, and the locations shall be approved by the City Administrator with such approval not to be unreasonably withheld, conditioned or delayed.
4. Residential Development Standards. The requirements in this Section 4 shall apply to residential development:
- a. Table 1 below contains the exclusive lot size, setback, lot coverage, density, garage orientation, building height, and dwelling unit size requirements for residential development. **Exhibit F** illustrates the residential product types described on Table 1.
 - b. Single family detached homes shall comply with the anti-repetition requirements on **Exhibit G**. At least 10 percent of an elevation must be different, or it will be considered to be a repeated elevation.

- c. Each single family detached home shall be serviced by a central cluster mailbox located at a street intersection as approved by the US Postal Service. Mailbox designs shall be similar to the design shown on Exhibit H.
 - d. All streets shall have street lights chosen from the standard street lighting guide of the electric provider.
 - e. The front most portion of a residential front entry garage shall not extend more than three feet in front of the front facade or the front porch of a single family detached home.
 - f. All residential rear entry garage doors must be a minimum of 20 feet from the edge of the right-of-way.
 - g. All residential side and front entry garage doors for all permitted uses must be a minimum of 22 feet from the edge of the right-of-way.
 - h. Each single family detached home shall have a minimum of two enclosed garage parking spaces.
 - i. Front entry garage doors on a single family detached home shall be recessed a minimum of six inches into the building facade in which they are located.
 - j. Residential garage doors shall be clad with faux wood. Solid metal garage doors are prohibited on residences.
5. Non-Residential Development Standards. The requirements in this Section 5 shall apply to non-residential development:
- a. The minimum front yard building setback shall be 25 feet, measured from all streets. All other yards shall be considered side yards, and shall have a minimum building setback of 15 feet, unless adjacent to an existing residential use, in which case the minimum building setback shall be 25 feet and a six foot solid fence or screening wall shall be constructed on the non-residential lot line where residential adjacency exists.
 - b. The maximum lot coverage shall be 35 percent, measured as the building footprint.
 - c. The minimum lot size for a non-residential use shall be 10,000 square feet.
 - d. The maximum building height shall be two stories and 40 feet.
 - e. An amenity center is considered non-residential development for purposes of this Section 5.
6. Residential Landscaping, Fencing, and Screening. The following requirements shall be the exclusive landscaping requirements applicable to residential development:

- a. Except as otherwise provided below in this paragraph, chain link, barbed wire, pipe, and razor wire fences are prohibited. This restriction does not apply to temporary construction fencing, fencing around a lift station or other utility uses, barbed wire fencing around cattle or other agricultural uses. The City Administrator may permit these materials for limited use in other specific circumstances if the Director finds the use of these materials to be appropriate. Vinyl and polywood fencing and manufactured fencing materials are permitted on residential lots. Vinyl coated chain link fencing is permitted in connection with a dog park or open space. Wrought iron fencing or similar open metal fencing is required where lots abut an open space or park designated on a final plat.
- b. A minimum of one three-inch caliper canopy tree shall be planted on each residential lot or in the adjacent parkway, except that on each residential lot that is larger than 60 feet in width, a minimum of two three-inch caliper canopy trees shall be planted.
- c. In addition to the requirements in subsection (a) above, each corner lot with a single family detached home shall have landscape enhancements along the side street as follows:
 - i. At least two minimum three-inch caliper trees shall be planted per lot within the parkway, and a minimum of one five-gallon evergreen shrub shall be planted every five feet on center along the fence facing the side street.
 - ii. Trees may be planted between a sidewalk and curb. When trees are planted within the parkway, there shall be a minimum of five feet between the curb and sidewalk.
- d. Shrubs are required to be planted in the areas shown on **Exhibit Q**.
- e. Berms, shrubs, trees, and groundcover are permitted in medians.
- f. When the back or side of a single family residence abuts a collector road, screening will be provided in the form of a minimum six-foot tall board on board fence with the finished side facing the street, which shall be constructed by the home builder and shall have consistent materials and a consistent design along all collector streets. A collector road shall be defined as a road having a divided two-lane boulevard connecting major off-site roadways. The term "divided" means divided by a raised median.
- g. A minimum of one three-inch caliper ornamental or canopy tree, or three eight-foot tall ornamental trees, shall be planted for every 50 linear feet of street frontage or fraction thereof along perimeter arterial and collector thoroughfares in the parkway. Trees may be planted in clusters to create a natural appearance along perimeter arterial and collector streets.

- h. Entryways into and exits from the Property shall be landscaped with grass, shrubs, and trees.
 - i. Landscaping at entryways into the Property shall be designed so as to avoid an impairment of visibility of operators of motor vehicles entering and exiting the subdivision when the plant materials reach full maturity.
 - j. The developer and/or a homeowners' association shall be responsible for the perpetual maintenance and upkeep of all landscaped areas that are not contained within residential lots or within District-owned property.
 - k. Landscaped areas at entryways into the Property shall be planted with at least one shade tree (minimum four inches in caliper measured at four feet above natural grade and 16 feet in height at time of planting) for each 55 linear feet or portion thereof of adjacent exposure.
 - a. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article, but shall be permitted in addition to required landscaping. Synthetic or artificial lawn or plant material shall be permitted within an amenity center lot.
 - b. All required landscaped area shall be permanently landscaped with living plant material, and shall have an irrigation system installed.
 - c. Landscaped areas shall be kept free of trash, litter, weeds, and other such material or plants not a part of the landscaping.
 - d. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
 - e. Plant materials which die shall be replaced with plant material of similar variety and size within 90 days period, with a one time extension not exceeding 90 days being provided upon approval of the city council.
 - f. All landscaping shall be completed and installed in accordance with the landscape plan within 90 days of a certificate of occupancy being granted. A one-time extension not to exceed 90 days may be granted upon approval of the City Administrator or his/her designee.
 - g. All required landscaping shall be from the approved plant list on Table 2 of this **Exhibit D**. The City Administrator may approve the use of additional plants that are not on Table 2 to satisfy landscaping requirements.
7. Non-Residential Landscaping and Screening. The following requirements shall be the exclusive landscaping requirements applicable to non-residential development:

- a. A minimum of 20 percent of each platted lot developed with a non-residential use shall be landscaped with a combination of grass, shrubs and trees. Where the construction is to be a single phase of a multi-phase development, only the area being constructed in the current phase need be subject to the landscape regulations. However, each phase will be required to meet the landscaping requirements as they are being developed.
- b. A minimum of ten percent of the gross area within a parking lot shall be planted with living plant material. Gross parking area shall be measured from the edge of the parking and/or driveway paving and sidewalks. Such landscaping shall be counted towards satisfaction of the requirements in Section 7(a) above. Landscape material which is located within the interior of a parking lot shall be surrounded by a curb of four inches in height.
- c. All required landscaped area shall be permanently landscaped with living plant material, and shall have an irrigation system installed. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article, except for an amenity center lot.
- d. Landscaped areas shall be kept free of trash, litter, weeds, and other such material or plants not a part of the landscaping.
- e. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
- f. Plant materials which die shall be replaced with plant material of similar variety and size within 90 days period, with a one time extension not exceeding 90 days being provided upon approval of the city council.
- g. All landscaping shall be completed and installed in accordance with the landscape plan within 90 days of a certificate of occupancy being granted. A one-time extension not to exceed 90 days may be granted upon approval of the City Administrator or his/her designee.
- h. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article unless part of an amenity center lot.
- i. An amenity center is considered non-residential development for purposes of this Section 7.
- j. All required landscaping shall be from the approved plant list on Table 2 of this **Exhibit D**. The City Administrator may approve the use of additional plants that are not on Table 2 to satisfy landscaping requirements.

8. Parks and Open Space.

- a. Parks and open space areas shall be designated on approved preliminary and final plats and shall generally comply with the Parks, Open Space, and Trail Plan attached as **Exhibit I**. The exact locations of trails and other amenities shown on **Exhibit I** is conceptual and subject to modification by the developer at the time of final design and platting. The Owner shall have the right to move park and open space locations shown on **Exhibit I** without City approval provided all dwelling units within the Property are located within 1,500 feet of a park or open space area (meaning an open space area designated on a final plat). City Administrator approval of park design to confirm compliance with the requirements of this Agreement shall be required for any park that will be owned and maintained by the City, which approval shall not be unreasonably withheld, conditioned, or delayed. City approval of the park design and amenities for privately owned and maintained open space and parks shall not be required other than standard approval of plats, building permits, and inspections in accordance with the Governing Regulations.
- b. Trails will be constructed in phases with each plat. As each phase of the project is platted, any portion of a trail required within the platted phase shall be completed with the other improvements required as part of the plat approval, and if a gap in trail connections is less than 750 feet, the connection shall be constructed with the platted phase under construction (otherwise, the connection shall be constructed with the completion of the next phase adjacent to the gap).
- c. Either the property owner, the District or a homeowners association will be responsible for maintaining parks, open space, and trails within the Property, as well as the amenities listed below in this Section 8; however, the City shall maintain the City Park identified on **Exhibit I**. The Owner shall make payments to the City in accordance with this subsection to assist with funding the maintenance of the City Park identified on **Exhibit I**, which payments shall be used by the City for the sole purpose of such maintenance. The Owner shall pay to the City \$25,000 per year for a five-year period commencing 30 days after the date the City delivers written notice to the Owner of the City's acceptance of the City Park identified on **Exhibit I** following the Owner's completion of the development of the park, which notice shall meet the notice requirements of this Agreement. Any lakes will be maintained by the District. Floodplain areas will be owned and maintained by the District, and may be used for crops and other agricultural uses, an amphitheater or other event space, dog parks, and other similar uses. Areas containing 100-year floodplain shall be maintained in the condition that is included in the approved floodplain model. Amenity centers will be maintained by a homeowners association.
- d. The following amenities are required to be started prior to the issuance of the Certificate of Occupancy or final inspection for the 100th single family detached residence within the Property and completed within 36 months after the City's final acceptance of the first platted phase of development within the Property:

- i. An amenity center with a minimum of 4,000 square feet plus a minimum 1,500 square foot fitness facility, for a total of at least 5,500 square feet of air conditioned space in the amenity center.
 - ii. A pool complex with one resort pool, one adult pool, and one tot pool;
 - iii. A minimum of one playground;
 - iv. A covered community outdoor gathering space;
 - v. A minimum of one shade structure, two picnic tables, and two park benches for each active park (i.e., a park with at least one of the following: playground equipment, sports field, or other similar facilities for activity);
 - vi. A minimum of two dog waste stations;
 - vii. Trash cans;
 - viii. Park signage;
 - ix. The City-owned park, which shall include, at a minimum, the following: a playground with one play structure (such as climbers, hangers, slides or spinners); five picnic tables; five benches; 40 off-street parking spaces; a 2,500 square foot covered shade structure with a restroom; a 1,500 square foot outdoor seating area; a one-half acre open lawn or amphitheater space; and a 200 square foot fishing pier or boardwalk.
- e. The developer shall, at a minimum, construct the following amenities within an active park by the approval of the final inspection or the certificate of occupancy for the 400th dwelling unit within the Property:
 - i. A minimum of one play structure (such as climbers, hangers, slides or spinners);
 - ii. A minimum of two picnic tables and two park benches for each active park (i.e., a park with playground equipment, sports field, or other similar facilities for activity);
 - iii. A minimum of one dog waste station;
 - iv. Trash cans;
 - v. Park signage; and
 - vi. A minimum of one shade structure per park.
- f. Open space amenities not specifically listed above, but of a similar type and nature to those listed above, are permitted.

- g. Except as otherwise provided in this paragraph, every dwelling unit shall be located within 1,500 feet of a park or open space designated on a final plat that includes a community trail system with a minimum width of six feet, as generally shown on **Exhibit I**. For purposes of this paragraph, open space is any open space that can be used by residents and is improved with any of the following: outdoor seating, playground equipment, a dog park, a play structure, a picnic table, a park bench, a dog clean up station, or a trail. The City Administrator has authority to allow a phase of homes to be constructed without meeting the requirements in this paragraph provided the subsequent plat will include the park or open space, including a community trail system with a minimum width of six feet necessary to serve the prior phase of homes.
 - h. Required trails shall be constructed of concrete and follow standards of the Engineering Design Manual and applicable ADA standards.
 - i. Subject to all applicable laws and permit requirements, lakes may be recharged from rain collection or wells and used for irrigation.
 - j. Open space areas that do not include existing trees shall be landscaped with one tree that is a minimum of three inches in caliper for every 50 feet of street frontage or fraction thereof. Trees may be planted in clusters to create a natural appearance.
 - k. The requirements of this Section 8 are the exclusive requirements for parks and open space, and no other park land dedication, park fee, or park improvement requirements shall apply to the Property.
- 9. **Street Sections.** Non-standard street sections are permitted as shown on **Exhibit J**. Minimum median width may be ten feet.
- 10. **Street Signs.**
 - a. Street signs shall be maintained by the homeowners association or the District until the subdivision is accepted by the City or if damaged by construction activities.
 - b. Alternative street signs may include a non-standard color, font, and text size that varies from standard City street signs. Alternative street signs shall be reviewed and approved by city staff and must follow the Manual on Uniform Traffic Control Devices (MUTCD).
- 11. **Miscellaneous.**
 - a. Front entry and rear entry (alley-served) residential types are permitted.
 - b. The master developer and homeowners association ("**HOA**") are hereby granted a license to use the public right of way within the Property boundaries for the exclusive purpose of constructing, operating, repairing and maintaining the

following improvements and any improvements reasonably related thereto or necessary for the operation thereof: street and pedestrian lighting, public seating areas, landscaping and related amenities, including fountains, monuments, statues, or other public artwork, street furniture, including benches, drinking fountains, trash containers, tunnels; security cameras, bollards, temporary construction barricades, underground duct banks, pedestrian bridges and overpasses, arches, string lighting or other decorative lighting, wiring, and similar improvements. The removal of improvements for maintenance and replacement of utilities, pavement, drainage structures, and sidewalks shall be at the developer's or HOA's expense. Prior to installing any improvement within the right-of-way, the developer or HOA shall obtain the City Administrator's approval, which approval shall not be unreasonably withheld or delayed if the improvement does not unreasonably interfere with the public use of the right-of-way.

- c. Development shall comply with the architectural guidelines on **Exhibit K**.
- d. Trash can pads shall be provided as shown on **Exhibit L**.
- e. Address plaques will be installed on each home in a design similar to that shown on **Exhibit M**.
- f. Residential fencing details shall comply with **Exhibit N**.
- g. Realtor and builder sign design shall conform to the specifications on **Exhibit O**.
- h. Sidewalks shall comply with **Exhibit P**.

Table 1
Development Standards Table

Residential Type	Examples of Residential Type*	Minimum Lot Area (SF)	Minimum Lot Width (ft)	Minimum Lot Depth (ft)	Maximum Number of Stories	Garage Orientation	Max Density Based on Gross Acre	Minimum Front Yard Building Setback (ft)**	Minimum Interior Side Yard Building Setback (ft)	Minimum Corner Side Yard Building Setback (ft)	Minimum Rear Yard Setback Building (Home)	Maximum Lot Coverage (%)	Minimum Dwelling Unit Size (SF)	Special Conditions
SF-D2	Single Family Detached (executive homesites side drive: attached/detached garage)	5000	50	110	2	Side/Alley	5	15	5	10	5	75	1750	Except for zero lot line types where 10' minimum side setback is required on one side and zero feet on the other
SF-D2	Single Family Detached (executive homesites front loaded)	5000	50	110	2	Front	5	20	5	10	5	75	1750	Except for zero lot line types where 10' minimum side setback is required on one side and zero feet on the other

SF-D3	Single Family Detached (manor homesites)	6000	60	115	2	All	4	20	5	10	5	75	2000	Garage setback is subject to Section 4 of this Exhibit D
SF-D4	Single Family Detached (chateau homesites)	7000	70	125	2	All	3.5	25	5	10	5	75	2500	Garage setback is subject to Section 4 of this Exhibit D

Notes to Table 1:

***Exhibit F** includes drawings illustrating each residential type for illustrative purposes only. Homes are not required to be designed as illustrated.

******The minimum front yard building setback for all rear entry homes shall be 15 feet, or 12 feet if a front porch is provided, in which case the front porch must comply with the minimum front yard building setback.

Notes:

All rear entry garage doors must be a minimum of 20 feet from the edge of the right-of-way. All side and front entry garage doors must be a minimum of 22 feet from the edge of the right-of-way.

When the rear yard of a front entry single family residential lot is contiguous to the lot line of a developed single family residential lot located outside the PD boundaries, a minimum rear yard building setback of 25 feet shall be required.

Exception to minimum setback: Minimum side yard building setback to detached garages or accessory buildings may be reduced to three feet when a greater setback would otherwise be required.

Permitted encroachments into minimum building setbacks: porches (up to eight feet into front yard setback and corner side yard setback, provided, however, no less than a 12-foot setback from the property line shall be permitted on any lot that requires a 12-foot or larger front yard setback); fireplaces and box windows up to two feet into all setbacks; balconies, awnings, overhang eaves up to two feet into all setbacks); bay windows up to four feet into front and rear yard setbacks; stoops and stairs up to five feet into front and rear yard setbacks; suspended planter or flower boxes up to 24 inches into all setbacks; and foundation encroachments of up to six inches in all setbacks for architectural details such as brick ledges.

Swimming pools shall have a minimum five-foot setback from rear and side property lines; however, such setback only applies to the swimming pool, and not to associated decking or paving around a swimming pool.

Plats for zero lot line homes shall designate the side with the zero-foot building setback and the side with the minimum ten-foot building setback. A five-foot maintenance easement shall also be provided along the lot line adjacent to a neighboring lot's zero setback side. The maintenance easement shall include a drainage easement to allow for lot-to-lot drainage.

Table 2
Approved Plant Species List

Approved/Recommended Plant List¹	
Common Name	Scientific Name
Canopy Trees	
Ash, Texas	Fraxinus texensis
Cedar Elm	Ulmus crassifolia
Cedar, Eastern Red	Juniperus virginiana
Cypress, Bald	Taxodium distichum
Elm*, Lace Bark	Ulmus parvifolia
Magnolia, Southern	Magnolia grandiflora
Maple, Bigtooth	Acer gradidentatum
Maple, Caddo	Acer saccharum
Oak, Bur	Quercus macrocarpa
Oak, Chinquapin	Quercus muhlenbergil
Oak, Escarpment Live	Quercus fusi formis
Oak, Lacey	Quercus glaucoides
Oak, Live	Quercus virginiana (Escarpment)
Oak, Post	Quercus stellata
Oak, Red	Quercus shumardi

¹ The list in Table 2 also includes cultivars of all listed plant types.

Oak, Texas Red	<i>Quercus texana</i>
Osage Orange	<i>Maclura pomifera</i> (thornless and fruitless)
Pecan (native)	<i>Carya illinoensis</i>
Pistache*, Chinese	<i>Pistacia chinensis</i>
Soapberry, Western	<i>Sapindus drummondii</i>
Walnut, Black	<i>Juglans nigra</i>
Ornamental Trees	
Buckeye, Mexican	<i>Ungnadia speciosa</i>
Buckeye, Texas	<i>Aesculus glabra</i> var. <i>arguta</i>
Buckthorn, Carolina	<i>Rhamnus caroliniana</i>
Chaste Tree*	<i>Vitex agnus-castus</i>
Crabapple, Prairie	<i>Pyrus ioensis</i>
Crape Myrtle*	<i>Lagerstroemia indica</i>
Eves Necklace	<i>Sophora affinis</i>
Goldenball Leadtree	<i>Leucaena rietusa</i>
Hawthorne*	<i>Crataegus phaenopyrum</i>
Hawthorne*	<i>Crataegus crus-galli</i>
Hawthorne*	<i>Crataegus reverchonii</i>
Holly, Possumhaw	<i>Ilex deciduas</i>
Indigo, False	<i>Amorpha fruticosa</i> var. <i>angustipolia</i>
Mountain Laurel, Texas	<i>Sophora secundiflora</i>

Persimmon, Texas	Diospyros texana
Plum, Mexican	Prunus mexicana
Redbud	Cercis canadensis
Smoketree	Cotinus obovatus
Smoketree*	Cotinus caggyria
Sumac, Prairie Flame-leaf	Rhus lanceolata
Viburnum, Rusty Blackhow	Viburnum rufidulum
Wax Myrtle	Myrica cerifera
Willow, Desert	Chilopsis linearis
Yaupon Holly	Ilex vomitoria
Brodie Juniper	Eastern Red Cedar
Arizona Cypress	Spartan Juniper
Taylor Juniper	Canaert Juniper
Shrubs	
Agarita	Berberis trifoliolata
Althea	Hibiscus syriacus
American Beautyberry	Callicarpa americana`
Aspidistra	Aspidistra eliator
Barberry, Red	Berberis thunbergii
Barberry, Texas	Berberis thunbergii
Bayberry	Myrica pensylvanica
Bird of Paradise	Caesalpinia gilliesii

Burning Bush	<i>Euonymus alata compacta</i>
Butterfly Bush	<i>Buddleia</i> sp.
Cactus, Prickly Pear	<i>Opuntia phaeacantha</i>
Cenizo	<i>Leucophyllum frutescens</i>
Chokeberry, Red	<i>Aronia arbutifolia</i>
Coralberry	<i>Symphoricarpos obiculatus</i>
Dogwood, Rough Leaf	<i>Cornus drummondii</i>
Elaeagnus	<i>Elaeagnus macrophylla</i>
Forsythia	<i>Forsythia</i> sp.
Germander, Upright	<i>Teucrium chamaedrys</i>
Holly, Dazzler	<i>Ilex cornuta</i> 'Dazzler'
Holly, Dwarf yaupon	<i>Ilex vomitoria</i>
Holly, Nellie R. Stevens	<i>Ilex</i> x 'Nellie R. Stevens'
Honeysuckle, Bush	<i>Lonicera fragrantissima</i>
Hydrangea, Oakleaf	<i>Hydrangea quercifolia</i>
Hypericum, Upright	<i>Hypericum patulum</i>
Jasmine, Italian	<i>Jasmine nudiflorum</i>
Lantana	<i>Lantana horrida</i>
Mahonia, Leatherleaf	<i>Mahonia bealeii</i>
Mimosa, Fragrant	<i>Mimosa borealis</i>
Nandina, Compact	<i>Nandina domestica compacta</i>
Nandina, Gulfstream	N.d. 'Gulfstream'

Nandina, Standard	N. domestica
Pavonia	Pavonia lasiopetala
Photinia, Chinese	Photinia serrulata
Privet, Southern River	Ligustrum vulgare
Privet, Variegated	Ligustrum luicidum 'variegata'
Quince, Flowering	Chaenomeles japonica
Sage, Cherry	Salvia greggii
Spiraea, Bridal Wreath	Spiraea sp.
Spiraea, Anthony Waterer	Spiraea x bumalda 'goldflame'
Spiraea, Goldflame	Spiraea x bumalda 'goldflame'
Spiraea, Little Princess	Spiraea x bumalda 'Little Princess'
Spiraea, Shirobana	Spiraea japonica 'Shirobana'
Sumac, Aromatic	Rhus aromatica
Sumac, Evergreen	Rhus virens
Sumac, Smooth	Rhus glabra
Turk's Cap	Malvaviscus drummondii
Viburnum, Cranberry Bush	Viburnum opulus
Viburnum, Small Leaf	Viburnum obavatum
Viburnum, Snowball	Viburnum opulus
Virginia Sweetspire	Itea virginica
Wax Myrtle, Dwarf	Myrica pusilla
Yucca, Red	Hesperaloe parviflora

Eagleston Holly	Texas Sage
Abelia	Agave varieties
Seagreen juniper	Juniper varieties
Hawthorne	
Ornamental Grasses	
Maiden Grass	Feather Reed Grass
Zebra Grass	Bluestem
Pampass Grass	Liriope
Gulf Muhly	Berkley Sedge
Blue Gramma Grass	Giant Bermuda
Weeping Love Grass	Inland Sea Oats
Vines	
Carolina Jessamine	Asian Jasmine
Butterfly Vine	Purple Wintercreeper
Crosse Vine	Purple Heart Wander Jew
Sweet Autumn Clematis	

An “ * ” indicates an approved street tree

Exhibit E
Special Regulations

1. If a plat complies with the Concept Plan for the Property or the applicable zoning regulations for the In-City Property, it shall be deemed to comply with all of the City's plans, including, but not limited to, the City's master plan (also known as the comprehensive plan) and major street plan (also known as the master thoroughfare plan). This Agreement shall control in the event of a conflict with the City's master plan or master thoroughfare plan.

2. The term preliminary plan means a preliminary plat.

3. No plat shall be required for a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.

4. A preliminary plat may include all or any portion of the Property or the In-City Property.

5. A final plat may include all or any portion of an approved preliminary plat. A final plat may include minor changes to an approved preliminary plat.

6. An approved preliminary plat shall not expire if an application for a final plat for all or a portion of the land shown on the approved preliminary plat is submitted to the City within two years.

7. All water, wastewater, roadway, and drainage Public Infrastructure will be dedicated to, owned by, and maintained by the District unless the retail provider opts to own and maintain the water or wastewater Public Infrastructure, at its sole option. Parks and open space will be owned and maintained by the property owner, the District, or a homeowners association consistent with the Development Regulations. The owner's dedication language on each plat will be customized to reflect ownership and maintained as described in this paragraph.

8. The City will not be required to own or maintain any Public Infrastructure; therefore, maintenance bonds shall not be required to be provided to the City.

9. Final plat approval shall expire two years after the date of approval unless the final plat has been filed of record by the end of such two-year period. The City Council may grant a request for an extension of up to one additional year.

10. A final plat shall not be filed of record until the subdivision has been constructed and accepted by the City unless the subdivider provides the City with adequate security for completion of all final plat improvements in the form of an escrow, a letter of credit, or a bond in the amount of the estimated cost to complete all final plat improvements. A building permit may be issued prior to plat recordation provided the water and roadway improvements necessary to provide fire protection to the building are complete prior to building permit issuance.

11. In the event of a conflict with the Subdivision Regulations, the development processes and fee provisions set forth in Article III and Article IV of this Agreement shall control.

12. Thoroughfares and Traffic Impact Study.

a. The only thoroughfare improvements required for the development of the Property are the on-site thoroughfare improvements shown on the Concept Plan, which consist of the on-site portions of Pullen Road and Trilogy Boulevard, which shall be constructed according to the street sections on **Exhibit J** and shall be constructed in phases as portions of the Property adjacent to, or including, the roadways are final platted. Nothing herein shall prohibit the Owner from constructing either thoroughfare in a single phase earlier than required by this paragraph.

b. A traffic impact study shall be submitted with the application for the first preliminary plat for all or any portion of the Property, and the scope of such study shall be limited to studying traffic impacts from the development of the Property on adjacent portions of roads along the perimeter of the Property. No other traffic impact study, traffic impact analysis, or other traffic related studies or analyses shall be required in connection with the development of the Property or the In-City Property.

c. No off-site roadway improvements are required with the exception of any adjacent perimeter roadway improvements that are recommended by the traffic impact study.

13. Roadways shall be designed in accordance with the Concept Plan and the street sections contained in this Agreement.

14. Turnarounds shall have a minimum right-of-way radius of 50 feet and a pavement radius of 40.5 feet.

15. The maximum length of a dead-end street with a permanent turnaround or a cul-de-sac with a permanent turnaround shall be 1,200 feet.

16. Sections 10.02.006(b), (c), (d), and (e) of the Subdivision Regulations [Lots, Building Lines, Alleys, and Easements] shall not apply.

17. Section 10.02.008 of the Subdivision Regulations [Landscape Buffers] shall not apply and the exclusive landscaping requirements shall be those set forth in the Development Regulations in the case of the Property and those set forth in the applicable zoning regulations in the case of the In-City Property. A homeowners association shall be created to perpetually maintain all landscaped areas located with parkways, medians, open space, and other common areas.

18. Section 10.02.0010 of the Subdivision Regulations [Drainage Requirements] shall be modified to delete subsection (c)(5) and revise subsection (c)(6) to read in its entirety as follows: In areas where downstream pipes or channels are inadequate to handle proposed increased flows, the city as one alternative may accept cash payment in lieu of actual drainage improvements. The developer must show that the proposed pipe system to handle the flow from his development would not function properly without substantial downstream improvements. Prior to permitting any development that will significantly increase flood heights downstream or

upstream, a hearing before the planning and zoning commission is required with special notice to the adjacent property owners.

19. Detention is permitted.

20. Floodplain reclamation is permitted.

21. Section 10.02.010 of the Subdivision Regulations is amended in its entirety to read as follows in italics:

Sec. 10.02.010 Drainage requirements

(a) *General policy.*

(1) The commission shall not recommend for approval any plat, development plan, or subdivision which does not make adequate provision for stormwater or floodwater runoff channels or basins and the city council may not approve such plats, development plans, or subdivisions without such provisions. Drainage provisions shall ensure the health and safety of the public and property in times of flood and such drainage facilities shall not cause excessive increases in flood heights or velocities, particularly to adjacent and downstream properties. When calculations indicate that curb capacities are exceeded at a point, ~~no further allowance shall be made for flow beyond that point, storm drains shall be designed to intercept a portion of the stormwater,~~ and basins shall be used to intercept flow at that point.

(2) ~~The owner/subdivider or applicant may be required by the planning and zoning commission or city council as a condition of preliminary plan and/or final plat approval to carry away by pipe or open ditch any spring or surface water that exists either previous to, or as a result of, the subdivision. Such drainage facilities shall be located in the road right-of-way where feasible, or in perpetual unobstructed easements of appropriate width, and shall be constructed in accordance with the construction standards and specifications of the town.~~

(b) General design standards. For all subdivisions consisting of more than ten lots, the following requirements must be demonstrated as a condition for the approval of any preliminary plan or final plat, and must be shown on the face of the plan or plat or by separate document filed contemporaneously with the application for approval of the plan or plat:

(1) ~~Coordination with any comprehensive master drainage plan adopted by the city council is required and shall be demonstrated in the preliminary plan and/or final plat.~~

(2) The complete drainage system is composed of:

(A) The initial system, consisting of inlets, storm drains, and the associated appurtenances to convey the initial storm runoff (ten-year); and

(B) *The major system of the major runoff (100-50-year), which consists of swales, creeks, channels, floodways and emergency overflows to prevent water encroachment into residential and commercial facilities.*

~~(3) Channels are to be concrete-lined at least to the ten-year frequency channel flow level with additional height to carry the 25-year flow. 100-year flow is to be contained within the building lines of the channel. Unlined channels will be considered and may be approved for quantities of floodwater larger than the equivalent flow of a 72-inch pipe.~~

(4) *Utilization of retention ponds and dispersion areas and preservation of major floodplains, etc., shall be strongly encouraged and may be required if a proposed drainage improvement is found to create actual or potential upstream, adjacent or downstream property damage due to the creation of excessive flood velocities or heights.*

~~(5) The city's major drainage floodplains that are still functioning in a natural or semi-natural state will require special drainage and other preservation considerations. To implement this policy of the natural 100-year floodplain for flooding areas draining one square mile or more, it may be recommended that these areas be zoned for planned development when zoning requests are made so that channel improvements and preservation efforts will be coordinated and defined on the site plan before detailed plans are submitted.~~

(6) Criteria for pipes.

(A) *Minimum velocity with the pipe flowing full shall be ~~three~~ two feet per second.*

(B) *The minimum storm drainpipe diameter shall be ~~15~~ 18 inches.*

(C) *Pipe diameters shall not normally decrease downstream.*

(D) *Pipe crowns at change in sizes should be set at the same elevation.*

~~(7) Vertical curves in the conduit will not be permitted, and horizontal curves will be permitted only with the approval of the town engineer.~~

(8) *Inverted crown sections will be permitted only in alleys.*

(9) *At streets with culverts or bridges, an emergency overflow shall be provided to contain the ~~100~~50-year channel flow ~~within~~ outside the building lines.*

(10) *Detention ponds may be used to control the increase in runoff between the development and undeveloped areas ~~if approved by the city council.~~*

(c) Off-site drainage.

(1) The owner or developer of property to be developed shall be responsible for all storm drainage flowing on his property. This responsibility includes the drainage directed to that property by ultimate development as well as drainage naturally flowing through the property by reason of topography.

(2) Adequate consideration shall be given by the owner in the development of property to determine how the discharge leaving the proposed development will affect adjacent and downstream property.

(3) On lots or tracts of three acres or more where stormwater runoff has been collected or concentrated, ~~it shall not be permitted to drain onto adjacent property except in existing creeks, channels or storm sewers unless proper drainage easements or notarized letters of permission from the affected property owners are provided. If necessary easements or letters of permission cannot be obtained, the city engineer will review the downstream damage potential and make recommendations to the commission and city council~~ it shall not be permitted to be discharged except in a manner consistent with sound engineering practices.

(4) ~~The owner/subdivider shall pay for the cost of all drainage improvements required for the development of the subdivision, including any necessary off-site channels or storm sewers and acquisition of the required easements. The developer or subdivider shall pay for the cost of all drainage improvements required for the development of the subdivision, including necessary off-site channels or storm sewers and acquisition of the required easements, unless the off-site drainage improvements are part of a regional drainage improvement area in which case the developer or subdivider shall pay its proportionate share (based on capacity) of such regional improvements.~~

(5) ~~Where it is anticipated that additional runoff incidental to the development of the subdivision will overload an existing downstream drainage facility, whether natural or manmade, the commission or city council may withhold approval of the subdivision, and the city may refuse to issue building, construction or development permits, until improvements including storm sewer systems, channel grading, driveway adjustments, culvert improvements, etc., are made.~~

(6) In areas where downstream pipes or channels are ~~adequate~~ inadequate to handle proposed increased flows, the city as one alternative may consider accepting cash payment in lieu of actual drainage improvements. The developer must show that the proposed pipe system to handle the flow from his development would not function properly without substantial downstream improvements. Prior to permitting any development that will significantly increase flood heights downstream or upstream, a hearing before the planning and zoning commission is required with special notice to the adjacent property owners.

(d) Drainage easements.

(1) *Where topography or other conditions are such as to make impractical the inclusion of drainage facilities within road rights-of-way, perpetual unobstructed easements for such drainage facilities shall be provided across property outside the road lines and with satisfactory access to the road. Easements shall be indicated on the plat. Drainage easements shall be carried from the road to a natural watercourse or to other drainage facilities.*

(2) *When a proposed drainage system will carry water across private land outside the subdivision, appropriate drainage rights must be secured and indicated on the plat or other instrument as approved by the city. In the case of clear public interest, the city may participate in easement acquisition by power of condemnation.*

(3) *The owner/subdivider shall dedicate an appropriate drainage easement either in fee or by drainage easement or by conservation easement of land on both sides of existing watercourses to a distance to be determined by the planning and zoning commission or city council.*

22. Section 10.02.009 of the Subdivision Regulations is amended in its entirety to read as follows in italics: *No permanent structures shall be built within any floodplain at an elevation below the 100-year flood line. The finished floor pad shall be a minimum two feet above the 100-year flood level. No septic tanks or on-site septic systems shall be built, located or situated in areas designated as a floodplain. All floodplain areas designated as a Zone A on FEMA's most current flood insurance rate maps may be removed from the Property or redefined through the process of a conditional letter of map revision ("CLOMR") or a letter of map revision ("LOMR"). Non-residential permanent structures, amenities, trails, sports fields and park improvements may be placed within floodplain areas without requiring either a CLOMR or a LOMR. The finished floor pad shall be a minimum two feet above the 100-year flood level. No septic tanks or on-site septic systems shall be built, located or situated in areas designated as a floodplain.*

23. Park restrooms shall be connected to a sanitary sewer system.

24. Section 10.02.012 of the Subdivision Regulations [Reservations] shall not apply.

25. Building setback lines are not required to be shown on a plat.

26. Oversizing of Public Infrastructure to serve land outside of the boundaries of the Property shall not be required. Section 3 of Appendix 1 of the Subdivision Regulations [Street Improvements and Oversizing] shall not apply unless oversizing is funded by the City or a third party.

27. Section 4 of Appendix 1 of the Subdivision Regulations [Off-Site Access Roadways] shall not apply.

28. Section 5 of Appendix 1 of the Subdivision Regulations [Street Lighting] shall not apply.

29. For a residential street, the minimum radii requirements at the centerline of streets is 50 feet, and the maximum design speed is 25 miles per hour.

30. Section 9 of Appendix 1 of the Subdivision Regulations [Drainage and Storm Sewers] controls over any conflicting provisions in the Subdivision Regulations.

31. Section 10, item 4 of Appendix 1 of the Subdivision Regulations is amended to allow fittings to be ductile iron.

32. In the event of a conflict between the requirements of any retail provider of water or wastewater service and the Subdivision Regulations, the retail provider's requirements for Public Infrastructure shall control. Section 13.01.001 of the Subdivision Regulations [Water Treatment Plant Must Be Approved by Water District] shall not apply.

33. Section 10.03.007 of the Subdivision Regulations [Street Arrangement] is amended in its entirety to read as follows: "(a) All streets shall be laid out so that they intersect at right angles with a maximum tolerance of plus or minus ~~five~~ 15 percent. (b) Cul-de-sacs shall not be longer than ~~2,000~~ 1,200 feet from the nearest intersecting street, ~~and shall provide a turnaround having an outside roadway diameter of at least 80 feet in areas zoned SF2 and SF3. Cul-de-sacs shall not be longer than 3,000 feet in areas zoned SF1.~~"

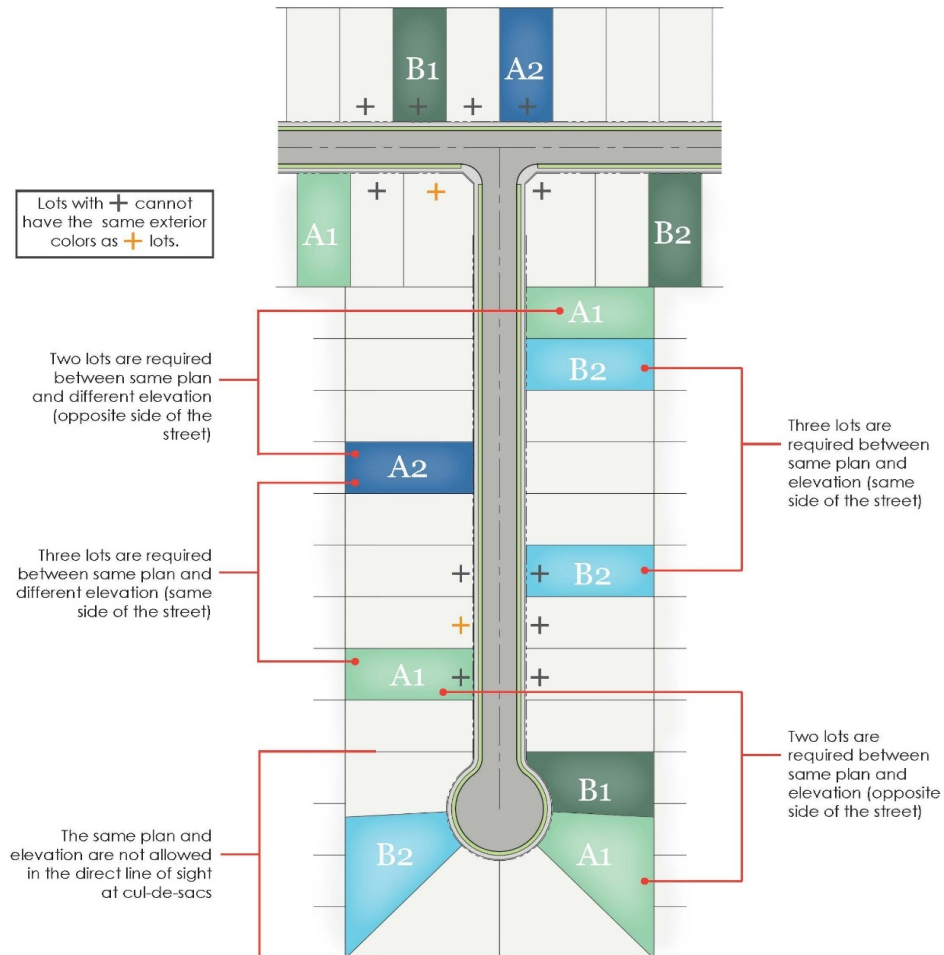
34. A six-inch thickness of concrete pavement on a compacted subbase shall be required for street paving. The concrete must have a 28-day compressive strength of 3,600 pounds per square inch (ppsi). All steel reinforcing shall be deformed No. 3 bars on 18-inch centers both ways. Pavement section shall be designed to support a minimum of a 75,000 pound fire apparatus.

35. In the event of a conflict between the Subdivision Regulations and Chapter 212, Texas Local Government Code, as amended, the latter shall control.

36. The park, open space, amenity center, and trail requirements in **Exhibit D** of this Agreement fully satisfy all open space, parkland dedication, and park improvement requirements for the In-City Property and the Property, and no separate open space, parkland dedication, or park improvement ordinances or other regulations outside of this Agreement shall apply to the Property or the In-City Property.

Exhibit F
Product Type Illustrations

Exhibit G **Repetition Restrictions**



Repetition Guidelines are as follows:

Same side of street -

- Same plan, same elevation must have 3 lots in between,
- Same plan, different elevation must have 3 lot in between

Opposite side of the street -

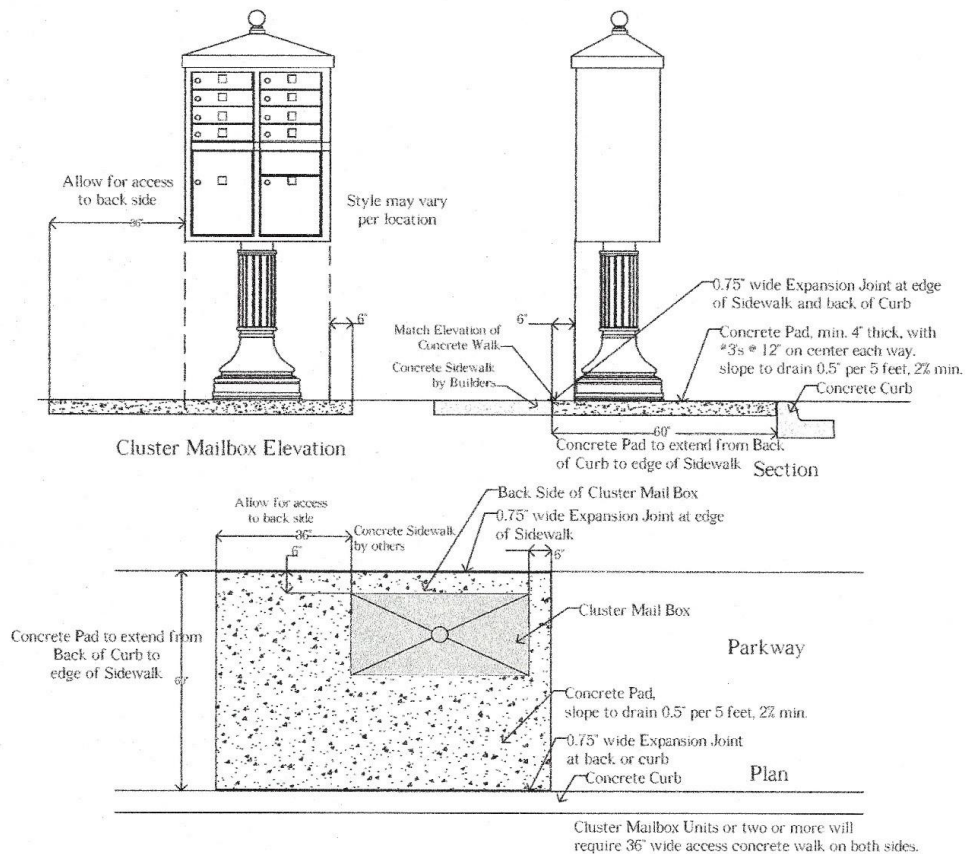
- Same plan, same elevation must have 2 complete lots in between.
- Same plan, different elevation must have 2 complete lot in between.

Exterior colors

- Exterior colors may not be the same side by side, or in direct line of sight, regardless of plan or elevation. Direct line of sight refers to the 3 lots directly across the street.

Exhibit H
Mailbox Design

Mailbox Design



Manufacturer:
Brandon Industries
1601 Wilmet Road
McKinney, Texas 75069
214-542-3000

Color: Black
Style: Cluster Box Units (CBU)
Type: Depending on location and number of Tenants and Parcels
Top Style: Sloped with ball cap
Base: Decorative
Include: Required Anchor Bolts

Exhibit I Parks, Open Space, and Trail Plan



Exhibit J
Street Sections

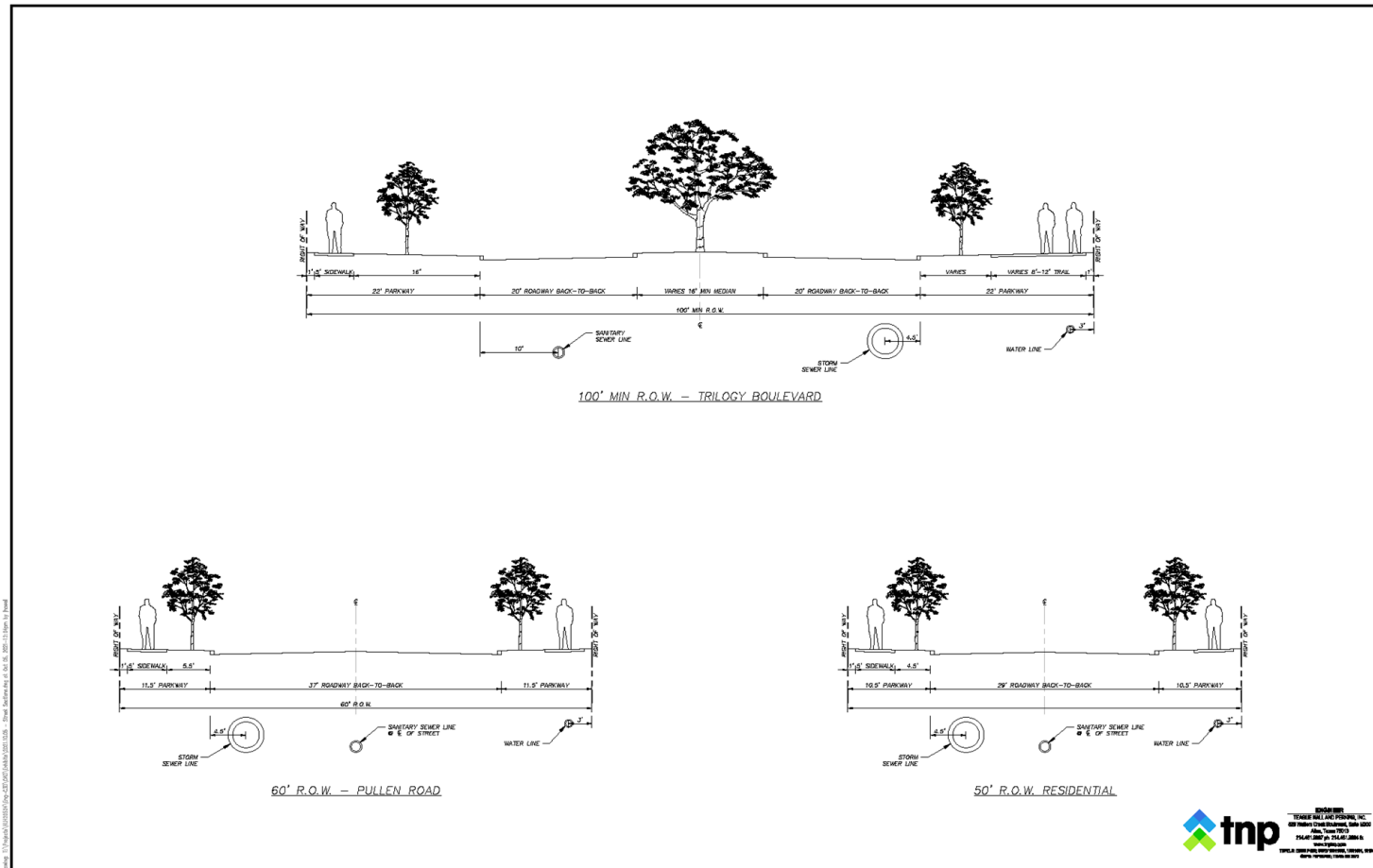


Exhibit K
Architectural Guidelines

1. Design Standards.

- a. Applicability of Other Design Standards. The design standards in this section are the exclusive design standards applicable to the Property, and apply only to principal buildings. An accessory building shall be designed consistent with the building materials used for the principal building on the same lot, but shall not otherwise be regulated by the design standards in this section.
- b. Approved Building Materials. In the context of approved building materials, a facade does not include doors, fascia, windows, chimneys, dormers, window box-outs, bay windows, soffits, eaves, and outdoor fireplaces. Multiple buildings on the same lot will each be deemed to have separate facades.
 - i. A minimum of 90 percent of each exterior building facade shall consist of one or more of the following building materials (subject to further restrictions in facade area set forth below for cementitious fiber board and EIFS):
 - 1. Stone, brick or tile laid up unit by unit and set in mortar;
 - 2. Stucco (exterior Portland cement plaster with three coats over metal lath or wire fabric lath or other methods approved by the City Administrator as equal or better quality in durability);
 - 3. Natural stone, cultured stone, or cast stone;
 - 4. Architecturally finished block (i.e. burnished block or split faced concrete laid up unit by unit and set in mortar), which shall be limited to the amenity center and other non-residential buildings;
 - 5. Cementitious fiber board. Cementitious fiber board is permitted subject to the following conditions: the style and color of a building using this product must be approved as part of a site plan, no more than 20 percent of the residential buildings in the Property may have a facade that is predominantly composed of this product unless the style of the home dictates more such as a Cape Cod, Craftsman or Victorian style home.
 - 6. Exterior Insulation and Finish System (EIFS), which shall be limited to the amenity center and other non-residential buildings. EIFS may be used only on that portion of a facade that is four feet or higher above grade. A maximum of 50 percent of all sides of a building visible from the street and not ultimately screened by another building or other device may consist of EIFS;

7. LEED-certified materials;
 8. Glass; or
 9. An alternative material approved by the City Administrator based on a finding that it is of a quality equal to or better than the materials listed above in durability.
- ii. A maximum of ten percent of a facade may include accent materials not listed above, except that aluminum siding, vinyl siding, unfinished concrete block, reflective glass, and galvanized steel are prohibited. The use of reflective glass and galvanized steel may be approved by the City Administrator for use on an amenity center or on other non-residential structures in unique circumstances in order to comply with green building techniques.
 - iii. The following requirement shall apply to a minimum of 50 percent of all single family residences at the time of full build out of the Property: A minimum of 25 percent of each exterior building façade shall consist of natural, cultured, or cast stone.
 - iv. The building material requirements in this section shall not apply to buildings in open space areas, including, but not limited to, an amenity center.
- c. Roofing Design and Materials.
- i. Roofing materials for sloped roofs shall be selected from the following list:
 1. Asphalt shingles;
 2. Industry approved synthetic shingles;
 3. Standing seam metal roofs;
 4. Tile roofs;
 5. Slate roofs;
 6. LEED-certified roofing materials; or
 7. An alternative material approved by the City Administrator based on a finding that it is of a quality equal to or better than the materials listed above in durability.
 - ii. Amenity centers and other non-residential buildings may have flat roofs or pitched roofs. All pitched roofs of non-residential buildings shall have a

minimum pitch of 4:12. Roofs covering porches and other architectural elements are excluded from this requirement. The City Administrator may approve a roof that does not meet these requirements based on a finding that a different roof pitch is appropriate for the proposed architectural style.

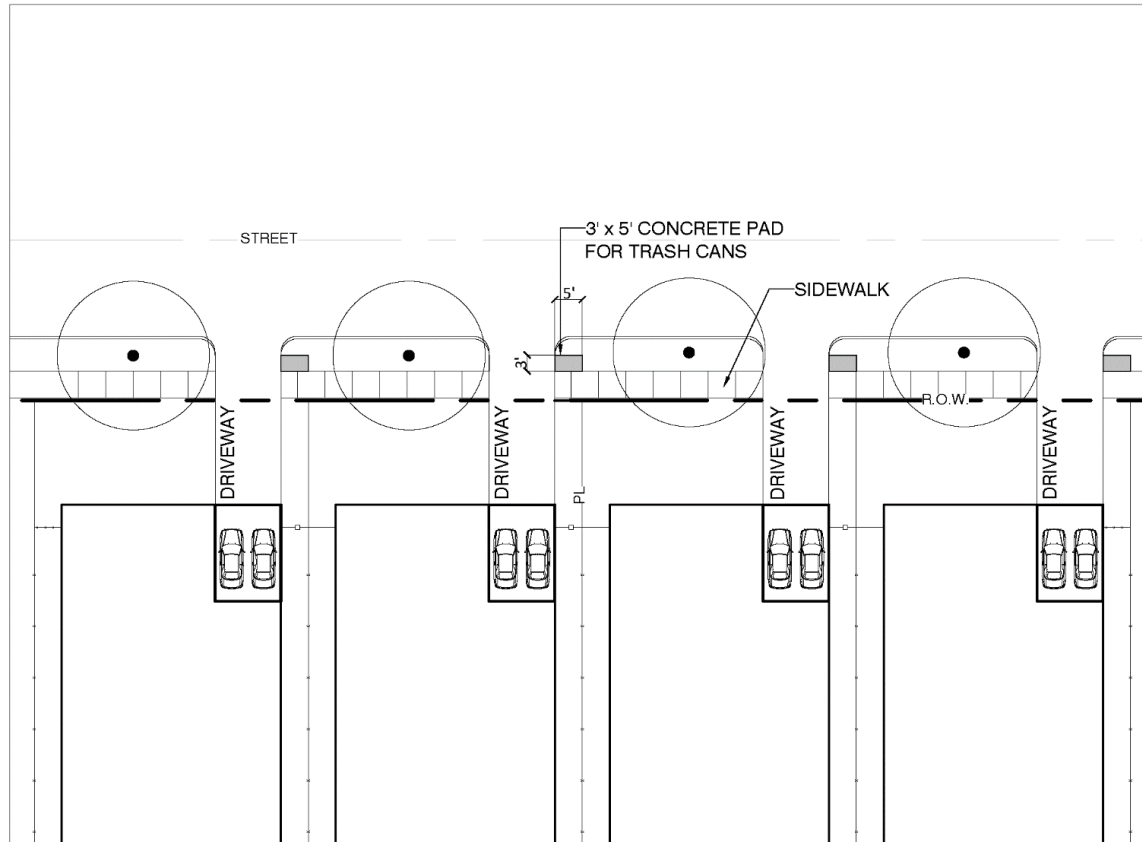
- iii. All pitched roofs of residential buildings shall have a minimum pitch of 6:12. Roofs covering porches, bay windows, box windows and other architectural elements are excluded from this requirement. The City Administrator may approve a roof that does not meet these requirements based on a finding that a different roof pitch is appropriate for the proposed architectural style.
 - iv. Flat roofs require parapet screening that adheres to vertical articulation requirements for the facade.
 - v. Parapets shall require cornice detailing.
 - vi. Each single-family detached home will have a 30-year dimensional shingle, tile, composite or metal seam roof.
- d. Design Features for Certain Residential Buildings. A minimum of four of the following design features are required on the exterior of each single family detached residential structure:
- i. Dormers;
 - ii. Cupolas;
 - iii. Gables;
 - iv. Recessed entries (minimum three feet);
 - v. Balconies;
 - vi. Covered front porches (minimum 70 square feet in area and seven feet in depth);
 - vii. Courtyards;
 - viii. Box windows or bay windows;
 - ix. Architectural pillars or posts;
 - x. Exterior chimneys;
 - xi. Varied roof heights;
 - xii. Archways;

- xiii. Porte cocheres;
 - xiv. Porticos;
 - xv. Shutters (functional or decorative);
 - xvi. Fireplaces with chimneys;
 - xvii. Minimum eight-foot tall front doors; or
 - xviii. Articulated cornice lines.
- e. Design Features for Non-Residential Buildings. Non-residential buildings shall comply with the following requirements:
- i. Cladding materials used on a facade shall extend a minimum of 20 feet around building corners onto adjacent facades, other than facades abutting an alley.
 - ii. All buildings must include at least four of the following design features, and buildings that are greater than 20,000 square feet in floor area must include at least six of the following design features:
 - A. Canopies, archways, covered walkways, or porticos;
 - B. Awnings;
 - C. Arcades;
 - D. Courtyards;
 - E. Cupolas;
 - F. Balconies;
 - G. Tower elements;
 - H. Recesses, projections; columns; pilasters projecting from the planes; offsets; reveals; or projecting ribs used to express architectural or structural bays;
 - I. Varied roof heights for pitched, peaked, sloped, or flat roof styles;
 - J. Articulated cornice line;
 - K. Arches;
 - L. Display windows, faux windows, or decorative glass windows;

- M. Architectural details, such as tile work and molding, or accent materials integrated into the building facade;
 - N. Integrated planters or wing walls that incorporate landscaping and sitting areas or outdoor patios;
 - O. Integrated water features; or
 - P. Other similar architectural features approved by the City Administrator.
- f. Entries.
- i. All non-residential buildings shall comply with the following requirements:
 - 1. All ground floor entrances shall be covered or inset.
 - 2. Building entrances shall be articulated with architectural elements such as columns, porticos, porches, and overhangs.
 - ii. All non-residential buildings over 20,000 square feet in floor area shall incorporate elements such as arcades, roofs, alcoves, porticos, and awnings that protect pedestrians from sun and weather for a minimum of 50 percent of the length of the building frontage along a street.
- g. Building Articulation. All non-residential building facades adjacent to and facing a street or open space shall include changes in relief such as columns, cornices, bases, fenestration, and fluted masonry at least every 50 feet along a building facade. This provision shall not apply to buildings in open space areas, including, but not limited to, an amenity center.
- h. Transparency.
- i. Residential Uses. At least 25 percent of each front residential facade facing the street shall contain windows or doorways. If a lot is located on a corner, only one street-facing facade is required to meet this requirement, which shall be the street that the front facade of the home faces.
 - ii. Non-Residential Uses. At least 50 percent of each front non-residential facade facing the street shall contain windows or doorways. If a lot is located on a corner, both street-facing facades are required to meet this requirement. This provision shall not apply to buildings in open space areas, including, but not limited to, an amenity center.

Note: For purposes of this exhibit, an amenity center is considered a non-residential building.

Exhibit L
Trash Can Pads



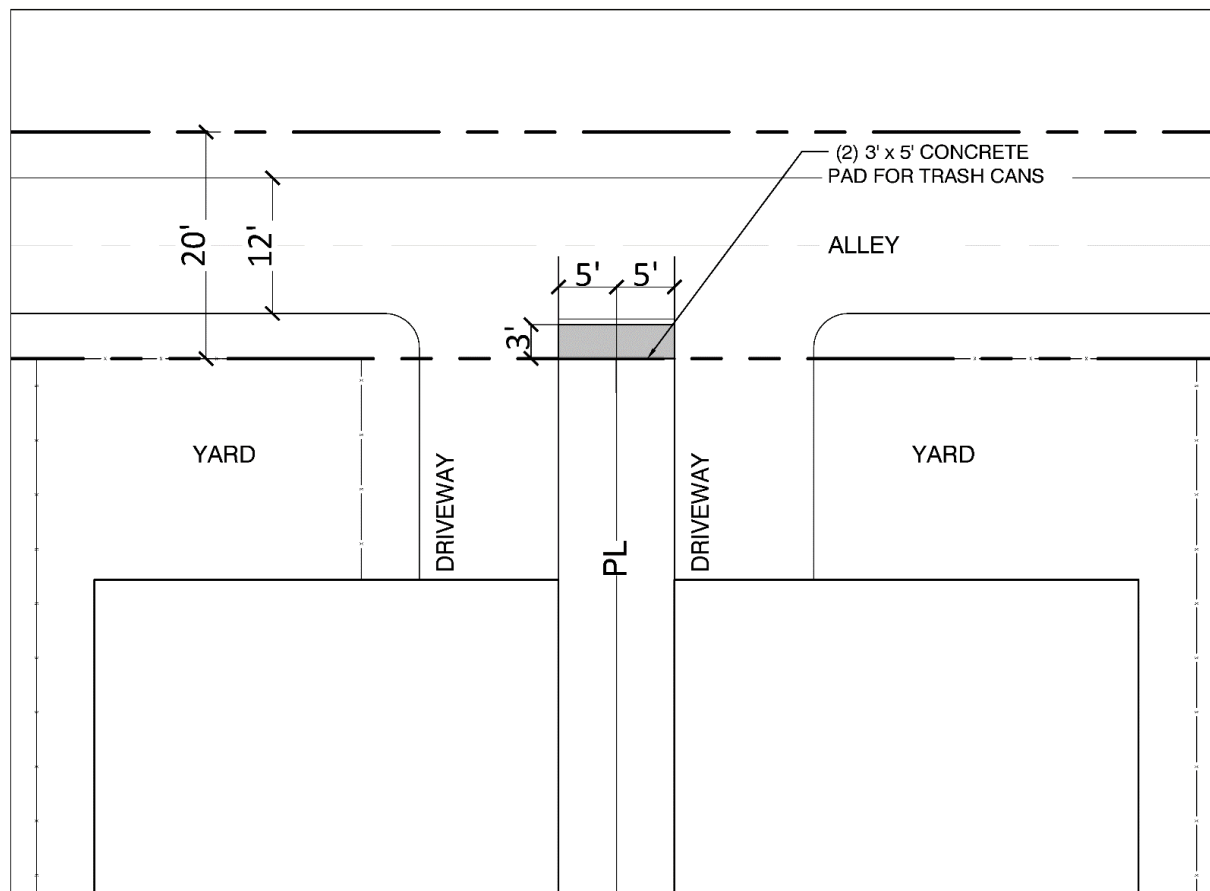


Exhibit M
Address Plaques

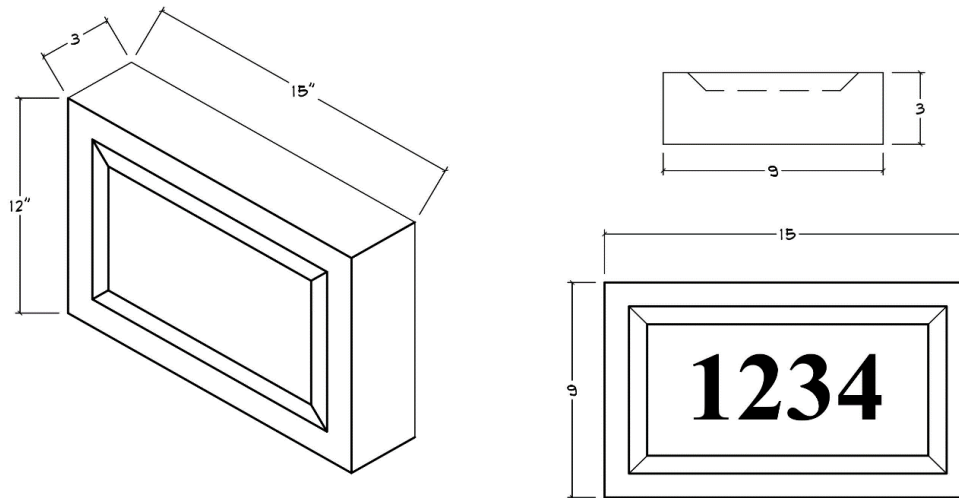
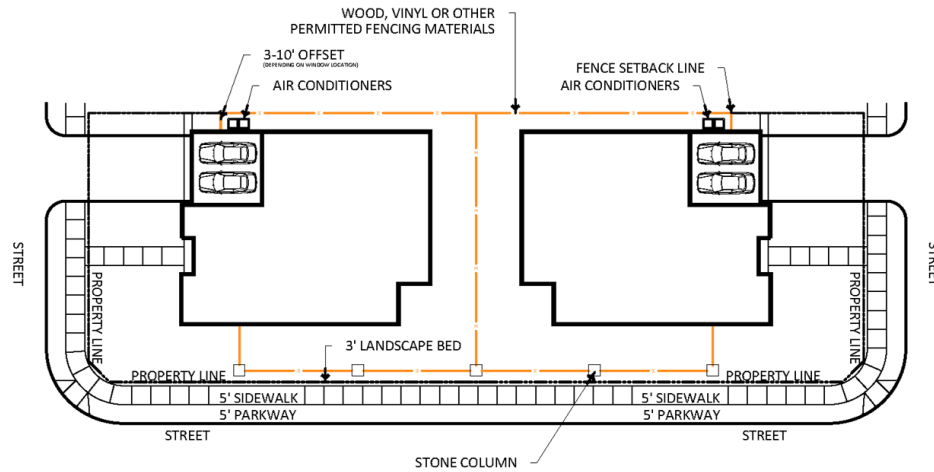


Exhibit N
Fence Design for Single Family Detached



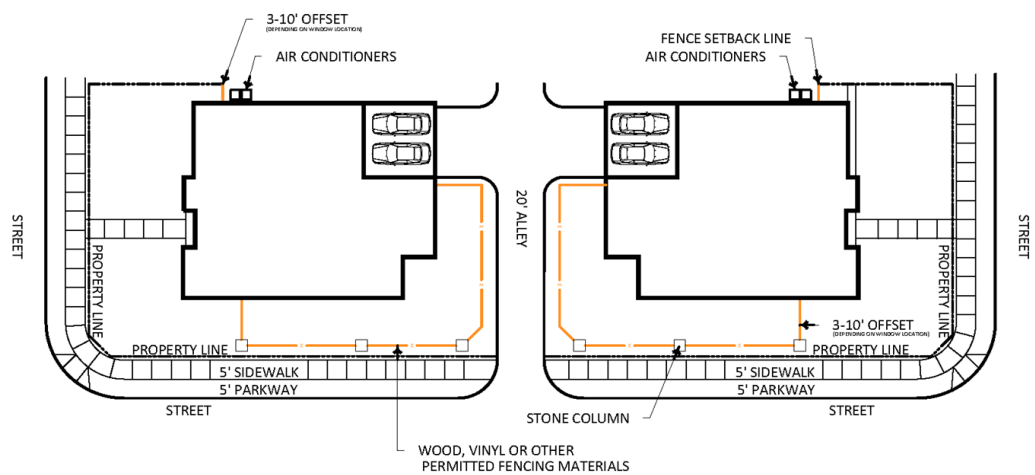


Exhibit N – Page 2

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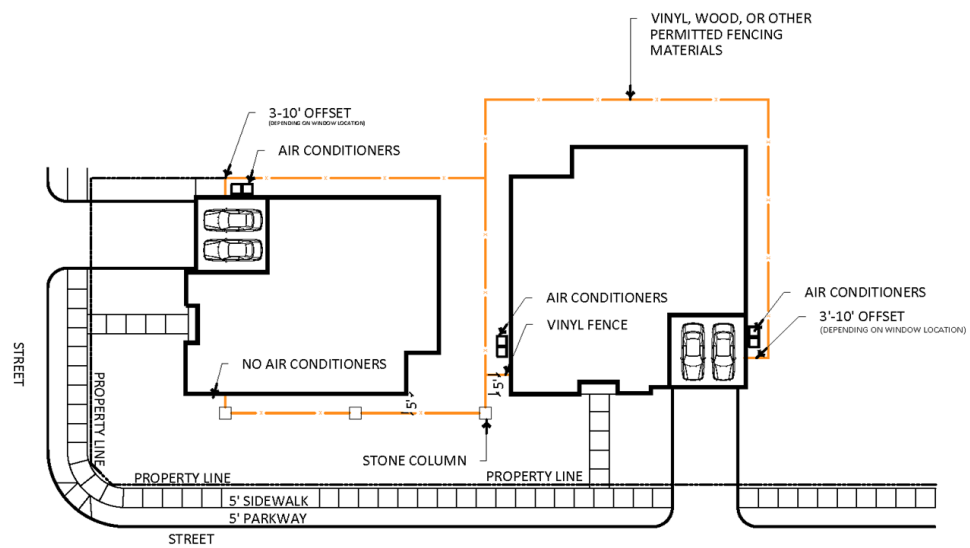


Exhibit O
Realtor and Builder Sign Specifications

T R I O L O G Y



Exhibit P
Sidewalks

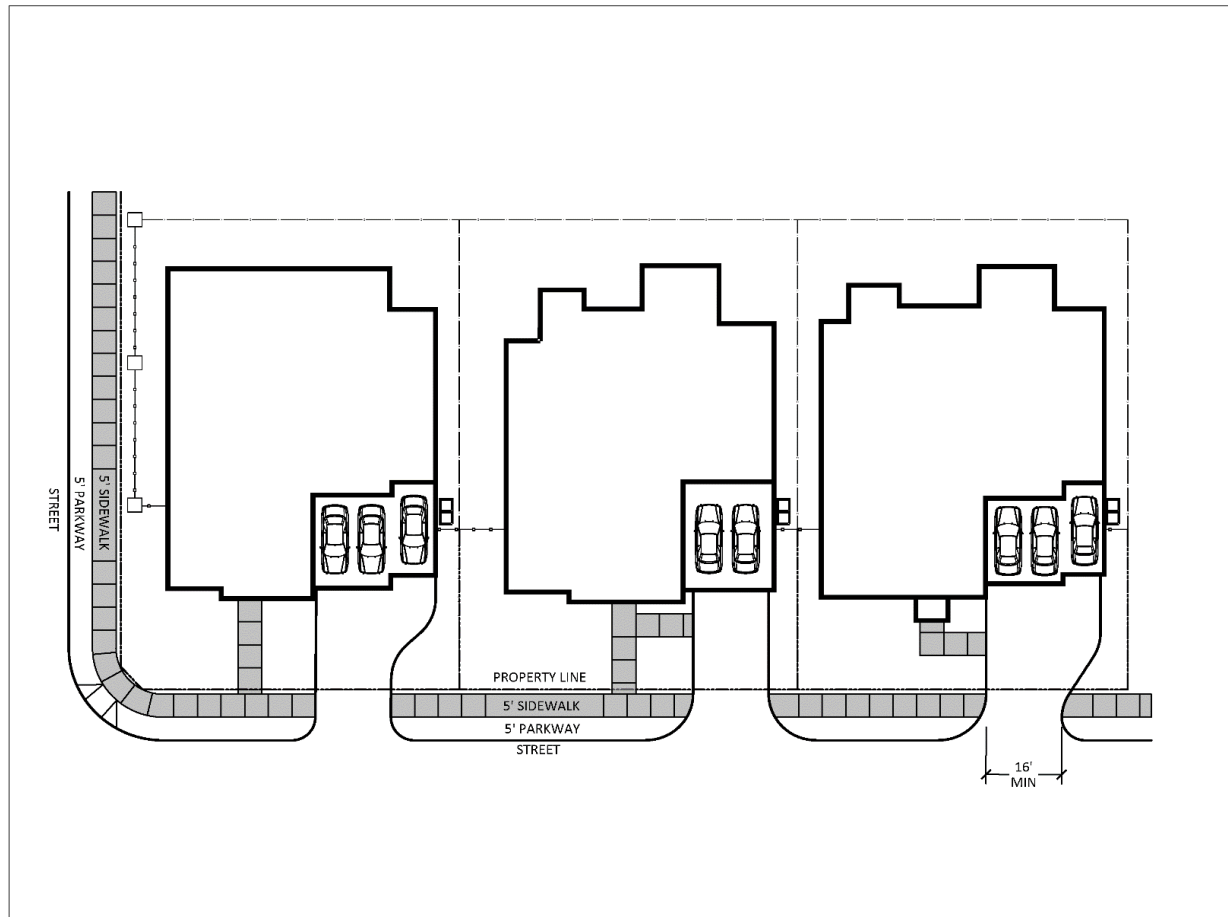


Exhibit Q
Shrub Planting Locations

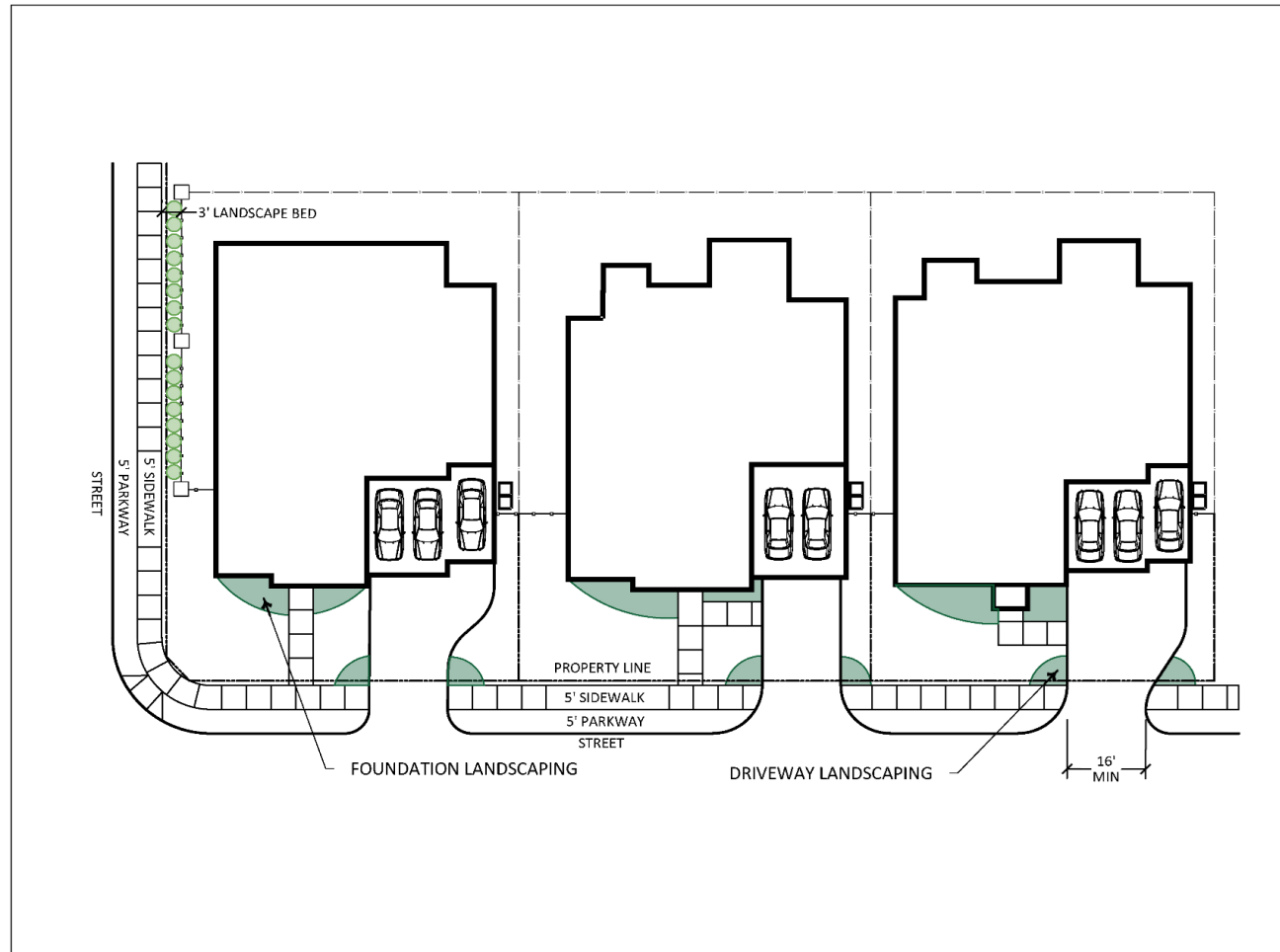


Exhibit R
District Notice

AFTER RECORDING, RETURN TO:

NOTICE TO PURCHASER
(Pursuant to Texas Water Code §49.452)

The real property, described below, that you are about to purchase is located in Rockwall County Municipal Utility District No. 10. The district has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. [As of this date, the District has not yet levied taxes on real property located within the District. However, the most recent projected rate of tax, as of this date, is \$0.____ on each \$100 of assessed valuation.] [As of this date, the rate of taxes levied by the district on real property located in the district is \$0.____ on each \$100 of assessed valuation.] The total amount of bonds, excluding refunding bonds in any bonds or any portion of bonds issued thereof payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is \$_____, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is \$_____.

The District is located within the corporate boundaries of the City of McClendon-Chisholm (the "City"). The taxpayers of the District are subject to the taxes imposed by the City and by the District until the District is dissolved. By law, a district located within the corporate boundaries of a municipality may be dissolved by municipal ordinance without the consent of the district or the voters of the district.

The purpose of this district is to provide water, sewer, drainage, or flood control facilities and services [and road facilities] within the district through the issuance of bonds payable in whole or in part from property taxes. The cost of these facilities is not included in the purchase price of your property, and these facilities are owned or to be owned by the district. The legal description of the property you are acquiring is as follows:

THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO.

Date:_____

Name:_____

Name: _____
Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Date:

Name: _____

Name: _____
Signature of Purchaser

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

EXHIBIT "A"

Lot __, Block __, of _____, an Addition to the __ of _____, _____ County, Texas as recorded in Volume __, Page __, _____ Records, ____ County, Texas.

City of Mcclendon-Chisholm
Employee Health Premiums Compared to 2022 Budget

	2022 Budget	Renewal Annual Cost	Monthly Administrative Fee for Flex Card	Budget Over Actual
Administrative (2)	\$ 20,517	\$ 18,733	\$ 15	\$ 1,769
Code Enforcement	\$ 10,259	\$ 9,367	\$ 8	\$ 884
City Planner	\$ 10,259	\$ 9,367	\$ 8	\$ 884
Public Safety (7)	\$ 71,810	\$ 65,567	\$ 53	\$ 6,190
Total Employee Costs	\$ 112,844	\$ 103,034	\$ 83	\$ 9,727

annual Amount Available per Employee \$ 884

Notes

Amounts based on 11 employees

Administrative Fee based on Insurance Brokers quote of \$1000 to administer a Flex card

FUNDING OPTIONS



The accounts Flores offers to our clients fall into two categories: **Balance Accounts** and **Reimbursement Accounts**.

Balance Accounts include the **Health Care and Dependent Care Flexible Spending Accounts, Commuter Benefit Account, and the HRA-Flex Style Account**. Your company can choose between two funding options, "Fully Funded" or "On Demand", for balance accounts which are described below. Please note that some balance accounts may require pre-funding.

- **Fully Funded**

If your company chooses to be fully funded, the total per pay period contributions for each participant will be transferred to Flores each pay date. Flores will hold these funds to pay claims based on the client selected reimbursement frequency. Since the Health Care Flexible Spending Account is subject to the uniform reimbursement requirement, a fully funded HCFSAs can sometimes fall into the negative. This will occur if more reimbursements are issued than contributions received. When this happens, a covering amount may be requested from the company in order to cover the negative balance, and may be returned once the plan becomes positive. Any excess funds remaining at the close of the plan year will be returned to the company.

PROS	CONS
• Simple/easy to understand method • Follows standard accounting principles • Funds transferred on pay dates	• Covering amount may be needed • Employer not holding net assets

- **On Demand**

If your company chooses to be funded on demand, payroll deductions would be confirmed each pay date; however, no funds would be transferred based on these contributions. For an on demand account, funds are transferred to Flores as needed, i.e. as claims are paid. Flores will provide you with a check register listing the reimbursements that were issued based upon your selected reimbursement frequency (weekly, bi-weekly, etc.). Funds to cover these reimbursements will then be transferred to Flores prior to the release of reimbursements. Please note that delays in funding could delay the issuing of reimbursements.

PROS	CONS
• Employer will hold net assets • Week to week account reconciliation	• More administrative work • Greater number of funding transactions

Page 1 of 2

FUNDING OPTIONS

Reimbursement Accounts include **Health Reimbursement Accounts, Dental and Vision Reimbursement Plans**. Your company can choose between two funding options, "On Demand" or by pre-funding the account.

- **On Demand**

For an on demand account, funds are transferred to Flores as needed, i.e. as claims are paid. Flores will provide you with a check register listing the reimbursements that were issued based upon your selected reimbursement frequency (weekly, bi-weekly, etc.). Funds to cover these reimbursements will then be transferred to Flores prior to the release of reimbursements.

- **Pre-funded**

If you choose, your company can also pre-fund these accounts in advance. This can be done on a monthly, quarterly, or set dollar amount interval. These funds will be used to cover any reimbursements issued to participants, with additional funding being requested as necessary.

FLORES SUGGESTS:

For *Flexible Spending Accounts*, we suggest using the **Fully Funded** approach, as this is the most straightforward funding method.

For *Reimbursement Accounts*, we suggest the **On Demand** approach, for week to week account reconciliation.

For *FSA Accounts wanting to use On Demand* we suggest using the **On Demand** approach for the HCFSAs, and using the **Fully Funded** approach for the DCFSAs and Commuter for fastest reimbursement.

Page 2 of 2

**CITY OF MCLENDON-CHISHOLM
RESOLUTION NO. 2021-13**

A RESOLUTION OF THE OF MCLENDON-CHISHOLM, TEXAS, RESCHEDULING OR CANCELLING REGULAR CITY COUNCIL MEETINGS DURING THE 2021 HOLIDAY SEASON AND DESIGNATING DATES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS:

SECTION 1. That the City Council shall cancel or reschedule the second regularly scheduled City Council Meetings to be held on November 24 and December 22, as Holiday Schedule.

SECTION 2. That the regular meetings of the City Council shall resume at their regular dates and times in January 2021.

SECTION 3. That all provisions of prior resolutions of the City of McLendon-Chisholm, Texas, in conflict with the provisions of this resolution be and the same are hereby repealed and any provisions not so in conflict shall remain in force and effect.

SECTION 4: That if any section, paragraph, sentence, clause, phrase, or provision of this Resolution shall be adjudged or held to be invalid, illegal, or unconstitutional, the same shall not affect the validity of this resolution or the resolutions or ordinances of the City as a whole, or any part or provision thereof, other than the part so decided to be invalid, illegal, or unconstitutional, and the provisions hereof are declared to be severable.

SECTION 5: That this resolution shall take effect immediately from and after its passage and publication, as the law so provides, and it accordingly so resolved.

*Resolution No. 2021-13
Approved October 27, 2021*

DULY PASSED AND APPROVED THIS THE 27th DAY OF OCTOBER 2021.

Keith Short, Mayor

ATTEST:

Rochelle Green, City Secretary

~ 2 ~

**CITY OF McLENDON-CHISHOLM
RESOLUTION NO. 2021-12**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF McLENDON-CHISHOLM, TEXAS DESIGNATING AN OFFICIAL NEWSPAPER AND ALTERNATE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 52.004 of the Texas Local Government Code provides that the City Council shall, as soon as practical after the beginning of each municipal year, designate a public newspaper of the City to be the official newspaper for publication of ordinances, notices or other matters required by law or ordinance to be published, until another newspaper is selected; and

WHEREAS, the City Council designates the Rockwall Herald Banner as the City's official newspaper for the current municipal year; and

WHEREAS, to ensure timely publication of matters in the event the Rockwall Herald Banner is unable to meet or does not meet legal publication deadlines, the City Council desires to name an alternate official newspaper.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF McLENDON-CHISHOLM, TEXAS:

SECTION 1: The recitals set forth in the WHEREAS clauses of this Resolution are true and correct, constitute findings and determinations by the City Council and are incorporated herein.

SECTION 2: That the City Council hereby reaffirms its designation of the Rockwall Herald Banner, a public newspaper in and of the City of McLendon-Chisholm, Texas, as the official newspaper of the City for the current municipal year, the same to continue as such until another is selected, and shall cause to be published therein all ordinances, notices and other matters required by law or by ordinance to be published.

SECTION 3: That the City Council hereby designates the Dallas Morning News, a public newspaper in and of the City of McLendon-Chisholm, Texas, as the alternate official newspaper of the City, the same to continue as such until another is selected, and shall cause to be published therein all ordinances, notices and other matters required by law or by ordinance when legal publication deadlines cannot be met or are not met by the Rockwall Herald Banner.

SECTION 4: That the City Secretary and/or his or her designee are hereby authorized to publish required matters with the official newspaper of the City and the alternate official newspaper of the City.

SECTION 5: That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 27th DAY OF OCTOBER 2021.

Keith Short, Mayor

ATTEST:

Rochelle Green, City Secretary

Audio Visual Remote & Onsite Support Proposal



Customer: City of McLendon Chisolm

Date: 10/18/2021

Contract Term: 6 Months

Quote #: AAICMC101821

Scope of Work

Effective 10/1/2021 Argent Associates Inc. will provide remote and or onsite support services Monday - Friday for the City of McLendon Chisolm's AV System located in the City Council Chamber Conference Room. The contract will cover a 6-month term which can be terminated at the customers convenience. The contract will be used on a as needed basis per the customers discretion, depending on the support needed the Argent tech will either provide a resolution remotely or onsite. Remote support will be billed by the hour, whereas onsite support will be billed a minimum of 4 hours per visit to accommodate for travel time to and from the site. We recommend for all onsite technical support to be requested at least 2 hours before a meeting. Below is a break down of the contract pricing for both remote and onsite technical support.

Service Description	Rate
Remote Technical Support (hourly)	\$75.00
Onsite Technical Support (minimum 4 hours)	\$340.00

Contact Information

Tom Azydzik: Technical Specialist

Phone: 732-754-0757

Email: toma@argentassociates.com

James Lambe: Sales

Phone: 469-323-7465

Email: jlambe@argentedges.com

Accepted By: _____ Title: _____ Date: _____