

1. Meeting Materials

Documents:

[01-14-2016 TIRZ NUMBER 1 BOARD PACKET \(PDF\).PDF](#)

**NOTICE OF MEETING OF BOARD OF DIRECTORS OF  
TAX INCREMENT REINVESTMENT ZONE NUMBER ONE,  
TOWN OF NORTHLAKE, TEXAS**

NOTICE IS HEREBY GIVEN that the Board of Directors of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Zone"), will hold a public meeting to commence at **5:30 p.m.** on **January 14, 2016**, at **Northlake Town Hall, 1400 FM 407, Northlake, Texas 76247**.

The matters to be considered and acted upon at the meeting will include the following:

1. Call meeting to order.
2. Adoption of bylaws.
3. Election of officers.
4. Designation of meeting location.
5. Establishment of a fiscal year for the Zone.
6. Establishment of a principal office.
7. Consider adoption of resolution approving a Project Plan and a Financing Plan for the Zone.
8. Consider adoption of resolution approving a Project Funding Agreement for the Zone.
9. Designation of next meeting date.

Adjournment

**CERTIFICATE**

I HEREBY CERTIFY that the above and foregoing is a true, full and correct copy of a notice that was posted on a bulletin board located at a place at the Northlake Town Hall, 1400 FM 407, Northlake, Texas 76247, convenient to the public at all times, at 4:00 p.m. on January 11, 2016.

Shirley Rogers  
Town Secretary

**BYLAWS OF  
TAX INCREMENT REINVESTMENT ZONE NUMBER ONE,  
TOWN OF NORTHLAKE, TEXAS**

**ARTICLE I**

**PURPOSE AND POWERS**

Section 1. Development or Redevelopment in the Zone. In order to promote the development and redevelopment of a certain area within its jurisdiction the Town of Northlake, Texas (the "Town") has authorized the creation of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Zone"), as authorized by the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), and pursuant to the Act has established a Board of Directors for the Zone ("Board of Directors" or "Board").

Section 2. Powers. The property and affairs of the Zone shall be managed and controlled by the Town Council based on the recommendations of the Board of Directors, subject to the restrictions imposed by law, the ordinance creating the Zone, and these Bylaws. It is the intention of the Town Council that the Board of Directors shall function in an advisory capacity with respect to the Zone except with respect to such powers that are granted to the Board pursuant to the Act or are delegated to the Board by the Town Council.

**ARTICLE II**

**BOARD OF DIRECTORS**

Section 1. Powers, Number and Term of Office. As set forth in the ordinance creating the Zone, the Board of Directors shall consist of six directors, all of whom shall be appointed by the Town Council of the Town.

In the event of a vacancy caused by the resignation, death or removal, for any reason, of a director, the Town Council shall be responsible for filling the vacancy.

Section 2. Meetings of Directors. The directors may hold their meetings at such locations as the Board of Directors may from time to time determine.

Section 3. Regular Meetings. Regular Meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time, by the Board of Directors. Notice of all regular and emergency meetings of the Board and any committees thereof shall be conducted and posted in accordance with the provisions of the Texas Open Meetings Act, Texas Government Code, Chapter 551.001 et seq. There shall be at least one Regular Meeting held each year in the month of August. The Board may vote to hold the annual Regular Meeting on another date within 90 days of the end of the same fiscal year.

Section 4. Emergency Meetings. Emergency Meetings of the Board of Directors shall be held whenever called by the Chairman, by the Secretary, by a majority of the directors then in office or upon advice of or request by the Town Council.

The Secretary shall give notice to each director of each Emergency Meeting in person, or by courier, facsimile, telephone or electronic communication, at least 24 hours before the meeting. Notice of all Emergency Meetings shall state the purpose which shall be the only business conducted.

Section 5. Quorum. A majority of the directors holding current appointments shall constitute a quorum for the consideration of matters pertaining to the purposes of the Zone. The act of the majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law.

Section 6. Conduct of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Zone shall be considered in such order as from time to time the Board of Directors may determine.

At all meetings of the Board of Directors, the Chairman shall preside and in the absence of the Chairman, the Vice Chairman shall exercise the power of the Chairman. If the Chairman and Vice Chairman are both absent, the directors present at the meeting may designate a director to preside at the meeting.

The Secretary of the Board of Directors shall act as Secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting. Town staff shall provide notice of meetings and prepare meeting agendas.

Within fifteen business days following each Regular and Emergency Meeting, a copy of the minutes of the meeting shall be submitted to the Town Secretary of the Town.

Section 7. Compensation of Directors. Directors as such shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

Section 8. Attendees. Board Members shall make every effort to attend all Regular and Emergency Meetings of the Board and/or Committees. The Town Council may replace a Town appointee of the Board for non-attendance.

Section 9. Books and Records: Approval of Programs and Financial Statements. The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of its proceedings and the proceedings of committees having any of the authority of the Board of Directors. All books and records of the Zone may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time; and at all times the Town Council and the Town Administrator will have access to the books and records of the Zone. The Town Council must approve all programs and expenditures for the Zone and annually review any financial statements of the Zone.

Section 10. Annual Budget. At least ninety (90) days prior to the commencement of each fiscal year of the Board, the Board shall adopt a proposed budget of expected revenues and proposed expenditures for the administration of the Zone for next ensuing fiscal year. The budget

shall not be effective until the same has been approved by the City Council. The budget may be amended by the Board subject to approval of the City Council.

## **ARTICLE III**

### **OFFICERS**

Section 1. Titles and Term of Office. The officers of the Board of Directors shall consist of a Chairman, a Vice Chairman, a Secretary, and such other officers as the Board of Directors may from time to time elect or appoint; provided, however, that the Town Council shall, on an annual basis, appoint the Chairman in accordance with the Act. One person may hold more than one office, except that the Chairman shall not hold the office of Secretary. Terms of office for officers, other than the Chairman, shall not exceed two years. A Board member may be reappointed for a subsequent term.

All officers, other than the Chairman, shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the entire Board of Directors.

A vacancy in the office of any officer, other than the Chairman, shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the Chairman. The Chairman shall be the chief executive officer of the Board of Directors and, subject to the approval of the Town Council, he/she shall be in general charge of the properties and affairs of the Zone and shall preside at all meetings of the Board of Directors.

Section 3. Vice Chairman. The Vice Chairman shall be a member of the Board of Directors, shall have such powers and duties as may be assigned to him by the Board of and shall exercise the powers of the Chairman during that officer's absence or inability to act. Any action taken by the Vice Chairman in the performance of the duties of the Chairman shall be conclusive evidence of the absence or inability to act of the Chairman at the time such action was taken.

Section 4. Secretary. (a) The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for the purpose, he/she shall have charge of such books, records, documents and instruments as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection, and he/she shall in general perform all duties incident to the office of Secretary subject to the control of the Town Council and the Board of Directors.

(b) The Board of Directors may appoint one or more persons to serve as an Assistant Secretary, which person may, but need not be, a Director. The Assistant Secretary may perform any duty required of or granted to the Secretary in these Bylaws and/or in any resolution or order approved by the Board.

Section 5. Compensation of Officers. Officers as such shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their duties hereunder.

Section 6. Staff. Staff functions for the Board of Directors may be performed by the Town Administrator and persons designated by the Town Administrator.

## **ARTICLE IV**

### **PROVISIONS REGARDING BYLAWS**

Section 1. Effective Date. These Bylaws shall become effective upon the adoption of these Bylaws by the Board of Directors. The adoption of these Bylaws must be approved by the Town Council by the Town Council, which approval shall, unless specified otherwise, affirm such effective date.

Section 2. Amendments to Bylaws. These Bylaws may be amended by majority vote of the Board of Directors, provided that the Board of Directors files with the Town Council a written application requesting that the Town Council approve such amendment to the Bylaws, specifying in such application the amendment or amendments proposed to be made. If the Town Council by appropriate resolution finds and determines that it is advisable that the proposed amendment be made, authorizes the same to be made and approves the form of the proposed amendment, the Board of Directors shall proceed to amend the Bylaws.

These Bylaws may also be amended at any time by the Town Council by adopting an amendment to the Bylaws by resolution of the Town Council and delivering the Bylaws to the Secretary of the Board of Directors.

Section 3. Interpretation of Bylaws. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

## **ARTICLE V**

### **GENERAL PROVISIONS**

Section 1. Notice and Waiver of Notice. Whenever any notice whatsoever is required to be given under the provision of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled hereto at his post office address, as it appears on the books of the Zone, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purposes of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. A waiver of notice in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the Town Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 3. Approval or Delegation of Power by the Town Council. To the extent that these Bylaws refer to any approval by the Town, such approval of delegation shall be evidenced by official action of the Town Council.

RESOLUTION NO. TIRZ NO. 1-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS, ADOPTING A PROJECT AND FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, on December 10, 2015, the Town Council of the Town Of Northlake, Texas (the "Town") held a public hearing on the creation of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Zone"), at which a preliminary Project and Financing Plan for the Zone was presented to the Town Council;

WHEREAS, on December 10, 2015, the Town Council adopted "An Ordinance of the Town Of Northlake, Texas, Designating and Creating a Tax Increment Financing Reinvestment Zone to be entitled "Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas," on approximately 514 acres of land generally located on the east side of Cleveland Gibbs Road, approximately 1200 feet north of FM 1171; providing for the establishment a board of directors and a tax increment fund for such reinvestment zone; providing a repealing clause; providing a severability clause; and providing an effective date"; and

WHEREAS, this Board of Directors has reviewed the Project and Financing Plan and has found and determined that the projects set forth in the Project and Financing Plan will provide infrastructure and facilities that will enhance and promote the development and redevelopment of the Zone and will enhance property values in the Zone;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS:

Section 1. The Board of Directors finds that all matters stated in the preamble of this resolution are true and correct and are incorporated into the body of this resolution.

Section 2. The Project and Financing Plan (attached hereto as Exhibit A) in the form and substance attached hereto and incorporated herein, is hereby approved.

Section 3. This resolution is effective on the date of passage by the Board of Director DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS on this 14th day of January, 2016.

\_\_\_\_\_  
Chairman, Board of Directors

ATTESTED TO:

\_\_\_\_\_  
Secretary, Board of Directors

**EXHIBIT A**

**Project and Financing Plan**  
(see attached)

TAX INCREMENT REINVESTMENT ZONE NUMBER 1  
TOWN OF NORTHLAKE, TEXAS

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PROJECT AND FINANCING PLAN

*Overview*

Tax increment financing is an economic development tool available for an area designated by a Town as a reinvestment zone to pay for (i) public works within such zone; (ii) public improvements within such zone; (iii) programs to foster economic development within the zone, including programs created pursuant to Chapter 380, Texas Local Government Code, and (iv) costs and expenses related to the foregoing. Project Costs are eligible to be paid from (i) increased ad valorem taxes collected by the taxing units participating in the zone and (ii) increased local sales and use taxes collected by the participating taxing units within the zone and attributable to new development in the zone.

The Town is creating the reinvestment zone designated as "Reinvestment Zone Number One, Town of Northlake, Texas" (the "Zone") to promote economic development that, but for the creation of the Zone, would not otherwise occur through private development. The Zone encompasses approximately 513.743 acres generally located at east side of Cleveland Gibbs Road, approximately 1200 feet north of FM 1171, as more particularly described in Exhibit A. The plan for the Zone is to capture the incremental ad valorem tax revenue generated from the development of land within the Zone which has development potential but has remained undeveloped, vacant and under used. The incremental ad valorem tax revenue can then be applied to targeted projects that will enhance the development of the Zone and benefit the Town of Northlake (the "Town") and Denton County.

The Town has determined that development of the Zone will not occur solely through private investment in the foreseeable future. Additionally, the Town has determined that the Zone substantially impairs the growth of the Town because the Zone is predominately open and undeveloped and because of inadequate drainage and a creek and flood plain that bisects the property, lack of infrastructure and access from a major thoroughfare and other facilities that would enable or attract development or redevelopment of the area, and because of other development factors such as the need for essential public infrastructure to attract new business and commercial activity to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increases in the real property tax base for all taxing units within the Zone, increases in sales and use tax for the Town and the State of Texas, and increased job opportunities for residents of the Town, the County, and the region.

The Canyon Falls Project will be a mixed-use master planned community including commercial, office and residential development together with landscaping, parks and open space areas. The convenient location of the Project and the proposed public improvements and amenities are expected to draw residents to the Town and other visitors to the Project and stimulate the economic development and redevelopment of the Zone.

The public improvements to be funded by the Zone described in this project and financing plan will be constructed and installed in the initial phase that will commence immediately upon the creation of the Zone. As the Zone develops, additional improvements may be funded by Zone in subsequent phases.

The Zone is created pursuant to Chapter 311, Texas Tax Code for a term of 25 years (unless terminated earlier as described herein), with boundaries conforming to the legal description in Exhibit A hereto. Tax increments dedicated to the TIF Fund will be used to facilitate development of the Zone, whether by reimbursing expenses for public improvements or paying debt service on Zone Obligations issued for public improvements.

**Definitions**

*"Captured Appraised Value"* means the total taxable value of all real property taxable by the Town located in the Zone for each year less the Tax Increment Base.

*"Construction Costs"* means the costs and expenses paid or incurred as approved by the Town Administrator pursuant to an approved project funding or construction agreement in connection with the design and construction of the Trail System Improvements including, but not limited to, costs for: (i) designing, planning, constructing, acquiring, and installing the Trail System Improvements, (ii) labor, materials, and payment and performance bonds for Trail System Improvements, and (iii) architectural, engineering, and insurance premiums related to the Trail System Improvements. Construction Costs do not include cost of financing, interest on loans for construction, internal management fees, capitalized interest, reserve accounts, and costs of acquisition of easements or right-of-way.

*"Interest"* means 3.75% simple interest on Qualified Construction Costs that have not been reimbursed to the Developer.

*"Project Costs"* means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the Town necessary for public works, public improvements, programs, or other projects benefiting the Zone, plus other costs incidental to those expenditures and obligations, all as described in the Act.

*"Qualified Construction Costs"* means Construction Costs for Trail System Improvements that have been dedicated to and accepted by the Town.

*"Tax Increment"* for a taxing unit participating in the Zone means (i) the amount of ad valorem taxes levied and assessed by the unit for that year on the captured appraised value of real property taxable by the unit and located in the Zone or (ii) the amount of ad valorem taxes levied and collected by the unit for that year on the captured appraised value of real property taxable by the unit and located in the Zone.

*"Tax Increment Base"* for a taxing unit participating in the Zone means the total taxable value of all real property taxable by the unit and located in the Zone for the tax year 2015.

"Zone Obligations" means bonds, notes, certificates of obligation, or any other evidence of indebtedness authorized to be issued by the Town, whether or not secured by

Set forth below is the project and financing plan for the Zone incorporating, as set forth in Section 311.011, Texas Tax Code, as amended (the "Tax Increment Financing Act"), the following elements:

**1. A detailed list describing the estimated project costs of the Zone, including administrative expenses.**

\$5,350,000 in improvements and land acquisition are expected to be constructed and acquired for the Zone. A detailed list of improvements is found in Section 2.

Annual administrative expenses of the Zone are estimated at \$30,000 per year.

Operation, repair and maintenance costs of the trail system and park and recreational facilities described below.

**2. A statement listing the kind, number and location of all proposed public works or public improvements in the Zone.**

The proposed public improvements in the Zone fall into the following general categories:

- a. Trail System and Park and Recreational Facilities
- b. Street and Road Improvements.

The estimated costs of each item and a brief description of each project follow:

<u>Trail System and Park and Recreational Facilities</u>	<u>Amount/Funding Source</u>
As Described Below	\$ 4,040,245/Zone

The trail system and park and recreational facilities are expected to include pedestrian bridge crossing and trailhead parking; playgrounds, splash pads and outdoor classrooms; pet parks and workout stations and restrooms; lighting, signage and emergency phones.

The costs of the trail system and park and recreational facilities are project costs of the Zone. NASH Canyon Falls, LLC ("Developer") will construct the trail system and park and recreational facilities and will be reimbursed from tax increments as described in Section 6, below.

In consideration of the proximity of the trail system and recreational facilities to the properties within the Zone, and in consideration of funds provided by the Developer for the trail system and recreational facilities, the trail system and recreational facilities funded by the Zone will provide an equivalent benefit to the Zone.

Project costs of the Zone will include operation, repair and maintenance costs of the trail system and park and recreational facilities as needed.

Street and Road Improvements

Amount/Funding Source

Interstate 35W Off Ramp  
at Cleveland-Gibbs Road

\$1,310,255/Zone

The costs of the street and road improvements, including right-of-way acquisition, are project costs of the Zone. The improvements are expected to be constructed by the Texas Department of Transportation ("TexDOT") and the City expects to pay TexDOT for the costs of construction.

It is expected that initially the property within the Zone will be predominantly served by the street and road improvements. If development occurs that will be served by the street and road improvements, traffic flows will be analyzed and the costs of the street and road improvements will be proportioned accordingly, in which event this Project and Financing Plan will be amended to reflect the proportionate benefits and costs.

**3. A map showing existing uses and conditions of real property in the Zone and a map showing proposed improvements to and proposed uses of the property.**

The maps showing the proposed improvements proposed uses of the property are included as part of this Plan with each map showing different improvements to be carried out as part of the project. The content of the maps are as follows:

Map 1 of 4	Existing uses and conditions of real property in the Zone
Map 2 of 4	Boundaries of the Zone
Map 3 of 4	Trail System Concept Plan
Map 4 of 4	I35W Off Ramp

**4. An economic feasibility study.**

An economic feasibility analysis is attached as Exhibit B. The adoption and approval of this Project and Financing Plan by the Town Council constitutes a finding by the Town Council that this Project and Financing Plan is feasible.

**5. The estimated amount of bonded indebtedness to be incurred.**

The Town Council may determine to issue debt obligations to fund its payments to TexDOT for the street and road improvements. The total principal amount that would be issued for the street and road project construction and acquisition costs is estimated at \$1,310,000 with an additional estimated \$50,000 in issuance costs.

**6. The time when related costs or monetary obligations are to be incurred.**

Administrative costs will incur upon creation of the Zone.

Construction of the street and road improvements is expected to commence in 2018 and be completed in 2020.

Construction and installation of the trail system and park and recreational facilities is expected to commence in 2016 and be constructed in phases as the Zone develops.

Operation, repair and maintenance costs will be incurred as needed.

**7. A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from ad valorem taxes of each taxing unit on real property in the Zone.**

The project costs described above, as well as any debt service on obligations issued to fund said costs and any debt issued to refund said obligations, shall be project costs of the Zone, and will be paid from ad valorem tax increment revenues derived from the real property within the Zone.

The Town of Northlake's participation in the payment of Project Costs will be an annual amount equal to the ad valorem tax revenues actually collected in the Zone from a \$0.0909 tax rate ("TIRZ Revenue"). No other taxing units are expected to participate in the Zone.

TIRZ Revenues will be applied in the following order of priority:

A. Annual Administrative Expenses. Each year the Board of Directors of the Zone will prepare a budget for the administration of the Zone and submit the budget to the Town Council for approval.

B. Operation, Repair and Maintenance Costs of the Trail System and Park and Recreational Facilities. It is anticipated that a property owners association ("POA") will repair and maintain the trail system and park and recreational facilities. In the event that the POA does not provide for or fund such repair and maintenance, the Board of Directors of the Zone may prepare a budget for the payment of such costs and submit the budget to the Town Council for approval.

C. Debt Service on Obligations Issued to Fund the Street and Road Improvements.

D. Reimbursement to the Town for any funds, other than as provided through the issuance of debt obligations described in 3, above, provided by the Town for the payment of project costs for the trail system and park and recreational facilities and/or street and road improvements.

E. Reimbursement to the Developer for Qualified Construction Costs.

The Town may establish one or more public improvement districts within the Zone to fund certain public improvements in the Zone and related maintenance costs, as determined by the Board and the Town. Assessments levied against owners of property within the public improvements district will be used as the source of funding for such expenses. The assessment

revenues will not be used as a source of funding for the construction and installation of the Zone projects.

The Board of Directors of the Zone, subject to the approval of the Town Council, may establish and provide for the administration of one or more Chapter 380 programs that the Board of Directors determines are necessary or convenient to implement and achieve the purposes of this Project and Financing Plan, which programs are for the public purposes of developing and diversifying the economy of the Zone and developing business and commercial activity within the Zone.

The purposes of a program may include: (i) to acquire, construct, install and equip infrastructure and other improvements that will encourage and promote the development of the Zone; (ii) to provide land, buildings and other improvements for lease, sale or other means authorized by law to public and private entities in connection with the development of the Zone; (iii) to accept contributions, gifts or other resources pursuant to Section 380.001 of the Local Government Code, for the purpose of developing and administering the Program; (iv) to make grants or loans of public money under Section 380.002 of the Local Government Code, provided that each such grant promotes (a) development and diversification of the economy of the State; (b) elimination of unemployment or underemployment in the state; or (c) development or expansion of commerce in the state; (v) to provide matching funds under Section 380.003 of the Local Government Code for a federal program that requires local matching funds from a state agency to the extent state agencies that are eligible decline to participate or do not fully participate in the Program; (v) to generate funds to fund the purposes of the Program through the establishment of public-private partnerships, contracts with private or public entities or obtaining grants, or other sources of funds available for development within the Zone.

A program may be funded through (i) the Town's annual budget process utilizing any legally available source of funds, (ii) funds described in the preceding paragraph, and (iii) any legal indebtedness as authorized by State law and the Town Charter.

**8. The current total appraised value of the taxable real property in the Zone.**

The total appraised value of the taxable real property in the Zone as of January 1, 2015, was \$4,168,456 and is currently estimated to be \$15,000,000.

**9. The estimated captured appraised value of the Zone during each year of its existence.**

The estimated value of the Zone assumes a conservative annual growth in the appraised value of 1.5% through estimated build-out of the Zone. No annual growth is assumed after build-out.

A conservative approach was taken in estimating the captured appraised value of real property in the Zone. The captured appraised value in the Zone is based on the construction cost of the initial private development projects. As additional development occurs in the Zone, the tax increment revenue from the increased captured appraised value will be available to fund additional projects in the Zone. Set forth in Exhibit C are the estimates of the captured appraised value for the duration of the Zone.

10. **The duration of the Zone.**

The Zone was created on December 10, 2015. The termination of the Zone is established as either December 31, 2040, or the date when all project costs are paid and all debt is retired, whichever comes first.

11. **Proposed changes of zoning ordinances, the master plan of the municipality, building codes and other municipal ordinances.**

At this time, the Town does not foresee any changes to zoning ordinances, the master plan, building codes or other municipal ordinances as a result of the creation of the Zone.

12. **A list of estimated non-project costs.**

Non-project costs within the Zone are those development costs not paid by the Zone.

Non-Project Related Costs

Developer –

Streets	\$22,672,000
Wastewater Infrastructure	\$7,285,000
Water Infrastructure	\$9,332,000
Drainage	\$10,284,000
Trail System	\$649,616

13. **A statement of a method of relocating persons to be displaced as a result of implementing the Zone.**

There are no persons that are expected to be displaced as a result of implementing this project and financing plan.

EXHIBIT A

Town of Northlake, Texas

Proposed Tax Increment Reinvestment Zone No. 1  
Property Description and Acreage

(See attached)

Total Acreage in TIRZ: Approximately 513.743 acres

## EXHIBIT 'A'

### Property Legal Description

#### PARCEL 1

BEING a tract of land situated in the M.E.P. & P.R.R. SURVEY, Abstract No. 913, F. THORNTON SURVEY, Abstract No. 1244, J. WILBURN SURVEY, Abstract No. 1416 and the W, LOVE SURVEY, Abstract No 728 and being a portion of a tract of land described in a deed to WS-DCF, LLC as recorded in Clerk's File No. 2012-82463 of the Real Property Records of Denton County, Texas and being more particularly described as follows:

BEGINNING at a capped 1/2 inch iron rod found at the most northwesterly corner of a tract of land conveyed to Mark Wayne Judge, and wife Mary Abb Judge as recorded in Volume 4144, Page 2082 of the Deed Records of Denton County, Texas, said iron rod being in the easterly line of a tract of land described in a deed to Frances McLendon Ewing as recorded in Volume 1552, Page 949 of the Deed Records of Denton County, Texas;

THENCE departing the northerly line of said Judge tract and along the easterly line of said Ewing tract North 00 degrees 11 minutes 50 seconds West along a barb wire fence a distance of 1952.92 feet to a point for corner, said point being the most southeasterly corner of a tract of land described in a deed to D.W. Coin, and wife Christine Coin as recorded in Volume 543, Page 552 of the Deed Records of Denton County, Texas;

THENCE along a barb wire fence South 89 degrees 47 minutes 00 seconds West a distance of 1915.00 feet to a point for corner, said point being the most southwesterly corner of a tract of land described in a deed to D.W. Coin, and wife Christine Coin as recorded in Volume 543, Page 552 of the Deed Records of Denton County, Texas;

THENCE South 00 degrees 10 minutes 41 seconds East a distance of 309.79 feet to a point for corner, said point being the most southeasterly corner of a tract of land described in a deed to Earl Bates, and wife Linda Bates as recorded in Volume 4511, Page 1091 of the Deed Records of Denton County, Texas;

THENCE South 89 degrees 41 minutes 51 seconds West a distance of 1014.76 feet to a point being the approximate centerline of CLEVELAND-GIBBS ROAD, said point being the most southwesterly corner of a tract of land described in a deed to Earl Bates, and wife Linda Bates as recorded in Volume 4511, Page 1091 of the Deed Records of Denton County, Texas

THENCE along the approximate centerline of as CLEVELAND-GIBBS ROAD as follows:

North 00 degrees 50 minutes 38 seconds West a distance of 2661.41 feet to a 1/2 inch iron rod found with a red plastic cap stamped "W.A.L." for corner;

North 13 degrees 52 minutes 34 seconds West a distance of 622.96 feet to a Pk. Nail set in asphalt pavement for corner, said point being set in the southeasterly right of way of INTERSTATE 35W (variable width right of way);

THENCE departing the approximate centerline of said CLEVELAND-GIBBS ROAD and along the southeasterly right of way line of said INTERSTATE 35W as follows:

North 76 degrees 38 minutes 20 seconds East a distance of 17.12 feet to a TXDOT Concrete Monument found for corner;

North 07 degrees 07 minutes 32 seconds East a distance of 75.37 feet to a 1/2 inch iron rod found with a red plastic cap stamped "W.A.I." for corner;

North 14 degrees 35 minutes 00 seconds West a distance of 160.00 feet to a TXDOT Concrete Monument found for corner;

North 21 degrees 16 minutes 22 seconds West a distance of 217.85 feet to a point for corner in a tree;

South 89 degrees 50 minutes 59 seconds West a distance of 16.77 feet to a 1/2 inch iron rod found for corner;

North 19 degrees 53 minutes 02 seconds West a distance of 6.25 feet to a TXDOT Concrete Monument found for corner;

North 89 degrees 18 minutes 04 seconds West a distance of 57.52 feet to a TXDOT Concrete Monument found for corner;

North 65 degrees 41 minutes 08 seconds West a distance of 136.61 feet to a TXDOT Concrete Monument found for corner;

North 21 degrees 50 minutes 31 seconds West passing through a TXDOT Concrete Monument at a distance of 248.70 feet continuing in all a distance of 528.90 feet to a TXDOT Concrete Monument found for corner;

North 23 degrees 23 minutes 04 seconds East a distance of 743.70 feet to a broken TXDOT Concrete Monument found for corner;

THENCE departing the southeasterly Right of way line of said INTERSTATE 35W and the boundary of said WS-DCF tract, South 65 degrees 00 minutes 44 seconds East a distance of 53.75 feet to a point;

THENCE South 79 degrees 52 minutes 55 seconds East a distance of 79.02 feet to a point;

THENCE South 36 degrees 04 minutes 13 seconds East a distance of 57.79 feet to a point;  
THENCE South 49 degrees 13 minutes 18 seconds East a distance of 75.64 feet to a point;  
THENCE South 33 degrees 16 minutes 34 seconds East a distance of 129.42 feet to a point;  
THENCE South 47 degrees 32 minutes 46 seconds East a distance of 148.50 feet to a point;  
THENCE North 52 degrees 22 minutes 49 seconds East a distance of 122.04 feet to a point;  
THENCE South 57 degrees 39 minutes 05 seconds East a distance of 175.61 feet to a point;  
THENCE South 65 degrees 17 minutes 02 seconds East a distance of 102.00 feet to a point;  
THENCE South 65 degrees 52 minutes 50 seconds East a distance of 137.84 feet to a point;  
THENCE South 25 degrees 30 minutes 44 seconds East a distance of 21.57 feet to a point;  
THENCE South 75 degrees 56 minutes 40 seconds East a distance of 190.64 feet to a point;  
THENCE South 06 degrees 00 minutes 35 seconds East a distance of 106.22 feet to a point;  
THENCE South 51 degrees 55 minutes 01 seconds East a distance of 86.44 feet to a point;  
THENCE South 38 degrees 09 minutes 57 seconds West a distance of 70.06 feet to a point;  
THENCE South 48 degrees 39 minutes 12 seconds East a distance of 223.88 feet to a point;  
THENCE South 50 degrees 06 minutes 11 seconds West a distance of 120.96 feet to a point;  
THENCE South 43 degrees 24 minutes 51 seconds East a distance of 105.51 feet to a point;  
THENCE North 70 degrees 23 minutes 39 seconds East a distance of 85.98 feet to a point;  
THENCE South 72 degrees 26 minutes 07 seconds East a distance of 194.40 feet to a point;  
THENCE South 26 degrees 04 minutes 56 seconds East a distance of 66.32 feet to a point;  
THENCE North 76 degrees 45 minutes 20 seconds East a distance of 95.93 feet to a point;  
THENCE South 21 degrees 01 minutes 34 seconds East a distance of 76.45 feet to a point;  
THENCE North 74 degrees 58 minutes 21 seconds East a distance of 72.63 feet to a point;  
THENCE South 15 degrees 09 minutes 21 seconds West a distance of 40.94 feet to a point;  
THENCE South 69 degrees 04 minutes 56 seconds East a distance of 56.47 feet to a point;

THENCE South 0 degrees 18 minutes 54 seconds East a distance of 10.99 feet to a point;

THENCE North 89 degrees 41 minutes 06 seconds East a distance of 3557.42 feet to a point;

THENCE South 00 degrees 11 minutes 32 seconds East a distance of 3470.57 feet to a fence post found for a corner of said WS-DCF tract, being the northwest corner of a tract of land described in deed to La Estancia Investments LP LLC as recorded in Clerk's File No. 2008-137045 of the Real Property Records of Denton County, Texas;

THENCE along the west line of said La Estancia tract South 00 degrees 09 minutes 38 seconds East a distance of 1233.16 feet to a point;

THENCE departing the west line of said La Estancia Investments LP tract South 89 degrees 56 minutes 55 seconds West 1195.75 feet to a point;

THENCE South 09 degrees 22 minutes 38 seconds West a distance of 1186.29 feet to a point lying in the northerly right-of-way of F .M. 1171;

THENCE South 85 degrees 42 minutes 31 seconds West a distance of 4.69 feet to a point lying in the northerly right-of-way of F .M. 1171;

North 70 degrees 03 minutes 52 seconds West a distance of 300.55 feet to a 1/2 inch iron rod set for corner in the easterly line of said Judge tract;

THENCE along the easterly line of said Judge tract as follows:

North 01 degrees 36 minutes 39 seconds West a distance of 193.42 feet to a capped 1/2 inch iron rod found for corner;

North 06 degrees 39 minutes 53 seconds West a distance of 225.22 feet to a capped 1/2 inch iron rod found for the most northeasterly corner of said Judge tract;

THENCE along the northerly line of said Judge tract North 89 degrees 53 minutes 09 seconds West a distance of 313.03 feet to the POINT OF BEGINNING;

CONTAINING within these metes and bounds 504.01 acres or (21,954,637 square feet) of land more or less.

PARCEL 2

BEING a tract of land situated in the W. LOVE SURVEY, Abstract No. 728 and being a portion of a tract of land conveyed as to WS-DCF, LLC as recorded in Clerk's File No. 2012-82463 of the Real Property Records of Denton County, Texas and being more particularly described as follows:

BEGINNING at a 5/8" iron rod found at the intersection of the common line of a tract of land conveyed as Frances McLendon Ewing as recorded in Volume 1552, Page 949 (DRDCT) and the said WS-DCF, LLC tract and the southerly Right-of-Way line of F.M. 1171 ( a variable width Right-of-Way);

THENCE along the southerly Right-of-Way line of said F.M. 1171 as follows;

South 70 degrees 26 minutes 57 seconds East a distance of 566.97 feet to a wood TXDOT monument found for corner;  
South 30 degrees 14 minutes 30 seconds East a distance of 104.77 feet to a wood TXDOT monument found for corner;  
South 72 degrees 20 minutes 40 seconds East passing through a wood TXDOT monument found at a distance of 145.00 feet and passing through a wood TXDOT monument found at a distance of 253.46 feet continuing in all a distance of 481.12 feet to a wood TXDOT monument found for corner;  
North 76 degrees 49 minutes 52 seconds East a distance of 137.79 feet to a wood TXDOT monument found for corner;  
South 72 degrees 30 minutes 25 seconds East a distance of 593.69 feet to a 1/2 inch iron rod found for corner, said point being found in the northerly line of said Ewing tract;

THENCE along the northerly line of said Ewing tract and along a barb wire fence as follows;  
North 89 deg 52 min 19 sec West a distance of 1739.14 feet to a wood fence post found for corner;  
North 00 deg 40 min 21 sec West a distance of 577.16 feet to the POINT OF BEGINNING;

CONTAINING within these metes and bounds 10.287 acres or 448,116 square feet of land more or less.

EXHIBIT B

Town of Northlake, Texas

Proposed Tax Increment Reinvestment Zone No. 1  
Economic Feasibility Analysis

**EXHIBIT B**  
Economic Feasibility Analysis

A	B	C	D	E	F	G	H
Category	Qty	Estimated Paper Lot UNIT Value	Estimated Finished Lot UNIT Value	Estimated Completed Home/Comm. UNIT Value	Estimated TOTAL Paper Lots Value	Estimated TOTAL Finished Lots Value	Estimated TOTAL Completed Homes/Comm. Value
50' Value Developed Lots	257	\$27,300	\$54,600	\$273,000	\$ 7,016,100	\$ 14,032,200	\$ 70,161,000
50' Value Paper Lots	220	\$27,300	\$54,600	\$273,000	6,006,000	12,012,000	60,060,000
50' Amenity	99	\$27,300	\$54,600	\$273,000	2,702,700	5,405,400	27,027,000
60' Value Developed Lots	140	\$33,000	\$66,000	\$330,000	4,620,000	9,240,000	46,200,000
60' Value Paper Lots	145	\$33,000	\$66,000	\$330,000	4,785,000	9,570,000	47,850,000
60' Amenity	22	\$33,000	\$66,000	\$330,000	726,000	1,452,000	7,260,000
70' Value Developed Lots	48	\$40,000	\$80,000	\$400,000	1,920,000	3,840,000	19,200,000
70' Value Paper Lots	16	\$40,000	\$80,000	\$400,000	640,000	1,280,000	6,400,000
70' Amenity	44	\$40,000	\$80,000	\$400,000	1,760,000	3,520,000	17,600,000
80' Value Developed Lots	14	\$48,800	\$97,600	\$488,000	683,200	1,366,400	6,832,000
80' Value Paper Lots	30	\$48,800	\$97,600	\$488,000	1,464,000	2,928,000	14,640,000
	<u>1,035</u>				<u>\$ 32,323,000</u>	<u>\$ 64,646,000</u>	<u>\$ 323,230,000</u>
North Lake MU 2	136,866 sq ft	\$10.45	\$20.91	\$104.53	\$ 1,430,620	\$ 2,861,241	\$ 14,306,204
North Lake MU 1	89,646 sq ft	\$10.45	\$20.91	\$104.53	937,052	1,874,104	9,370,518
North Lake MU 9	232,698 sq ft	\$10.45	\$20.91	\$104.53	2,432,328	4,864,656	24,323,278
	<u>459,210 sq ft</u>				<u>\$ 4,800,000</u>	<u>\$ 9,600,000</u>	<u>\$ 48,000,000</u>
North Lake MF 1	499 units	\$6,613	\$13,226	\$66,132	\$ 3,300,000	\$ 6,600,000	\$ 33,000,000

**SINGLE FAMILY (50' / 60' / 70' / 80' Lots)**

Weighted Average Projected Paper Lot Value.....

Weighted Average Projected Lot Taxable Value.....

Weighted Average Projected Home Taxable Value.....

**Commercial Tracts (MU 2, MU 1, MU 9)**

Weighted Average Projected Paper Tract Value.....

Weighted Average Projected Finished Tract Taxable Value.....

Weighted Average Projected Completed Taxable Value.....

**NOTES:**

Input Data as provided by the Developer as of August 10, 2015. Avg. Lot and Home Prices calculated at the projected project life values.

Home Prices projected to start at \$273,000 - \$488,000.

1 acre = 43,560 sq. ft.

Commercial Tracts assume an average of 20% floor to area.

Developer believes the estimated value for MF 1 to \$5 mm .

The acreage might be used for a multi-family development or it might be converted into lots for homes.

										TIRZ Cash Flow Reimbursement Scenario				
A	B	C	D	E	F	G	H	I	J	K	L	M		
Tax Year	TIRZ Year	Property Taxes Due 31-Jan	Estimated TOTAL Taxable Value	Town's Ad Valorem Tax Revenue at \$0.2950	Town's Tax Rate TIRZ Participation \$0.0909	Cumulative Town's Tax Rate TIRZ Participation	Present Value of TIRZ Rev at 3.75% Discount Rate <sup>(1)</sup>	TIRZ Admin Expenses	Project Funds Required <sup>(2)</sup>	TOTAL Reimbursement Gross Payments <sup>(3)</sup>	Cumulative Reimbursement Gross Payments <sup>(3)</sup>	Year Ending TIRZ Fund Liability <sup>(4)</sup>		
2016	1	2017	\$ 70,747,283	\$ 208,704	\$ 64,328	\$ 64,328	\$ 62,003	\$ 30,000	\$ 557,287	\$ 34,328	\$ 34,328	\$ (522,958)		
2017	2	2018	112,065,462	330,593	101,898	166,226	94,665	30,000	1,039,981	71,898	106,226	(1,510,653)		
2018	3	2019	154,735,963	456,471	140,697	306,923	125,985	30,000	1,060,780	110,697	216,923	(2,517,386)		
2019	4	2020	211,831,175	624,902	192,611	499,534	166,238	30,000	548,178	162,611	379,534	(2,997,355)		
2020	5	2021	309,275,825	912,364	281,215	780,749	233,936	30,000	834,019	251,215	630,749	(3,692,559)		
2021	6	2022	363,170,573	1,071,353	330,220	1,110,969	264,773	30,000	-	300,220	930,969	(3,530,811)		
2022	7	2023	397,666,963	1,173,118	361,586	1,472,555	279,444	30,000	-	331,586	1,262,555	(3,331,630)		
2023	8	2024	429,219,540	1,266,198	390,276	1,862,831	290,715	30,000	-	360,276	1,622,831	(3,096,290)		
2024	9	2025	445,184,469	1,313,294	404,792	2,267,623	290,629	30,000	-	374,792	1,997,623	(2,837,609)		
2025	10	2026	456,837,946	1,347,672	415,388	2,683,012	287,457	30,000	-	385,388	2,383,012	(2,558,630)		
2026	11	2027	456,837,946	1,347,672	415,388	3,098,400	277,067	30,000	-	385,388	2,768,400	(2,269,191)		
2027	12	2028	456,837,946	1,347,672	415,388	3,513,789	267,053	30,000	-	385,388	3,153,789	(1,968,897)		
2028	13	2029	456,837,946	1,347,672	415,388	3,929,177	257,400	30,000	-	385,388	3,539,177	(1,657,342)		
2029	14	2030	456,837,946	1,347,672	415,388	4,344,566	248,097	30,000	-	385,388	3,924,566	(1,334,104)		
2030	15	2031	456,837,946	1,347,672	415,388	4,759,954	239,129	30,000	-	385,388	4,309,954	(998,744)		
2031	16	2032	456,837,946	1,347,672	415,388	5,175,343	230,486	30,000	-	385,388	4,695,343	(650,808)		
2032	17	2033	456,837,946	1,347,672	415,388	5,590,731	222,155	30,000	-	385,388	5,080,731	(289,825)		
2033	18	2034	456,837,946	1,347,672	415,388	6,006,119	214,126	30,000	-	300,694	5,381,425	-		
2034	19	2035	456,837,946	1,347,672	415,388	6,421,508	206,386	30,000	-	-	-	-		
2035	20	2036	456,837,946	1,347,672	415,388	6,836,896	198,926	30,000	-	-	-	-		
2036	21	2037	456,837,946	1,347,672	415,388	7,252,285	191,736	30,000	-	-	-	-		
2037	22	2038	456,837,946	1,347,672	415,388	7,667,673	184,806	30,000	-	-	-	-		
2038	23	2039	456,837,946	1,347,672	415,388	8,083,062	178,126	30,000	-	-	-	-		
2039	24	2040	456,837,946	1,347,672	415,388	8,498,450	171,688	30,000	-	-	-	-		
2040	25	2041	456,837,946	1,347,672	415,388	8,913,839	165,482	30,000	-	-	-	-		
				\$ 28,919,748	\$ 8,913,839		\$ 5,348,511	\$ 750,000	\$ 4,040,245	\$ 5,381,425				

(1) 3.75% present value discount rate represents the estimated cost of funds for the Town of Northlake. Calculation is used to derive the Town's tax rate participation.

(2) The Project Funds Required are as provided by the developer.

(3) NOT DISCOUNTED.

(4) TIRZ Fund liabilities (funds advanced by the developer) accrue simple interest at the 3.75% Town's discount rate. Year end liabilities are calculated as follows: prior year liability (funds advanced by the developer) plus 3.75% interest, plus new project funds required, less net TIRZ cash flow first applied to the payment of interest and then to the outstanding balance of funds advanced by the developer.

EXHIBIT C

Town of Northlake, Texas

Proposed Tax Increment Reinvestment Zone No. 1  
Captured Appraised Value

EXHIBIT \_\_  
Captured Appraised Value

A	B	C	D	E	F	G	H	I	J	K
Tax Year	TIRZ Year	Property Taxes Due 31-Jan	SINGLE FAMILY			MULTI-FAMILY		COMMERCIAL		Estimated TOTAL Taxable Incremental Value
			Land Value	Lot Value	Completed Home Value	Land Value	Completed Value	Land Value	Completed Value	
2016	.	2017	\$ 22,610,485	\$ 14,272,088	\$ 25,764,710	\$ 3,300,000	\$ -	\$ 4,800,000	\$ -	\$ 70,747,283
2017	2	2018	18,321,676	14,834,852	70,687,434	3,349,500	-	4,872,000	-	112,065,462
2018	3	2019	11,582,596	20,591,281	114,217,263	3,399,743	-	4,945,080	-	154,735,963
2019	4	2020	7,804,900	19,463,265	162,629,296	3,450,739	-	3,523,287	14,959,688	211,831,175
2020	5	2021	7,921,973	9,877,607	214,456,771	-	35,024,997	994,553	40,999,924	309,275,825
2021	6	2022	2,994,274	11,337,869	261,578,426	-	35,550,372	-	51,709,632	363,170,572
2022	7	2023	-	10,756,677	299,650,282	-	35,550,372	-	51,709,632	397,666,963
2023	8	2024	-	4,193,909	337,765,627	-	35,550,372	-	51,709,632	429,219,540
2024	9	2025	-	1,547,934	356,376,531	-	35,550,372	-	51,709,632	445,184,468
2025	10	2026	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2026	11	2027	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2027	12	2028	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2028	13	2029	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2029	14	2030	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2030	15	2031	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2031	16	2032	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2032	17	2033	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2033	18	2034	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2034	19	2035	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2035	20	2036	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2036	21	2037	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2037	22	2038	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2038	23	2039	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2039	24	2040	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946
2040	25	2041	-	-	369,577,942	-	35,550,372	-	51,709,632	456,837,946

NOTES:

Taxable Values assume 1.5% annual inflation through buildout per project component, subject to change. Projection is as provided by the Canyon Falls WCID developer. For illustration purposes only.

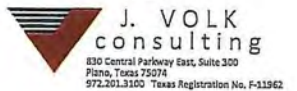
## MAPS

Map	1 of 4	Existing uses and conditions of real property in the Zone
Map	2 of 4	Boundaries of the Zone
Map	3 of 4	Trail System Concept Plan
Map	4 of 4	I35W Off Ramp

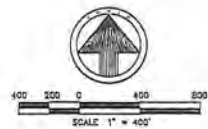


TIRZ BOUNDARY MAP  
**CANYON FALLS**  
TOWN OF NORTHLAKE  
DENTON COUNTY, TEXAS

08 December 2015



**J. VOLK**  
consulting  
830 Central Parkway East, Suite 300  
Plano, Texas 75074  
972.201.3100 Texas Registration No. F-11962

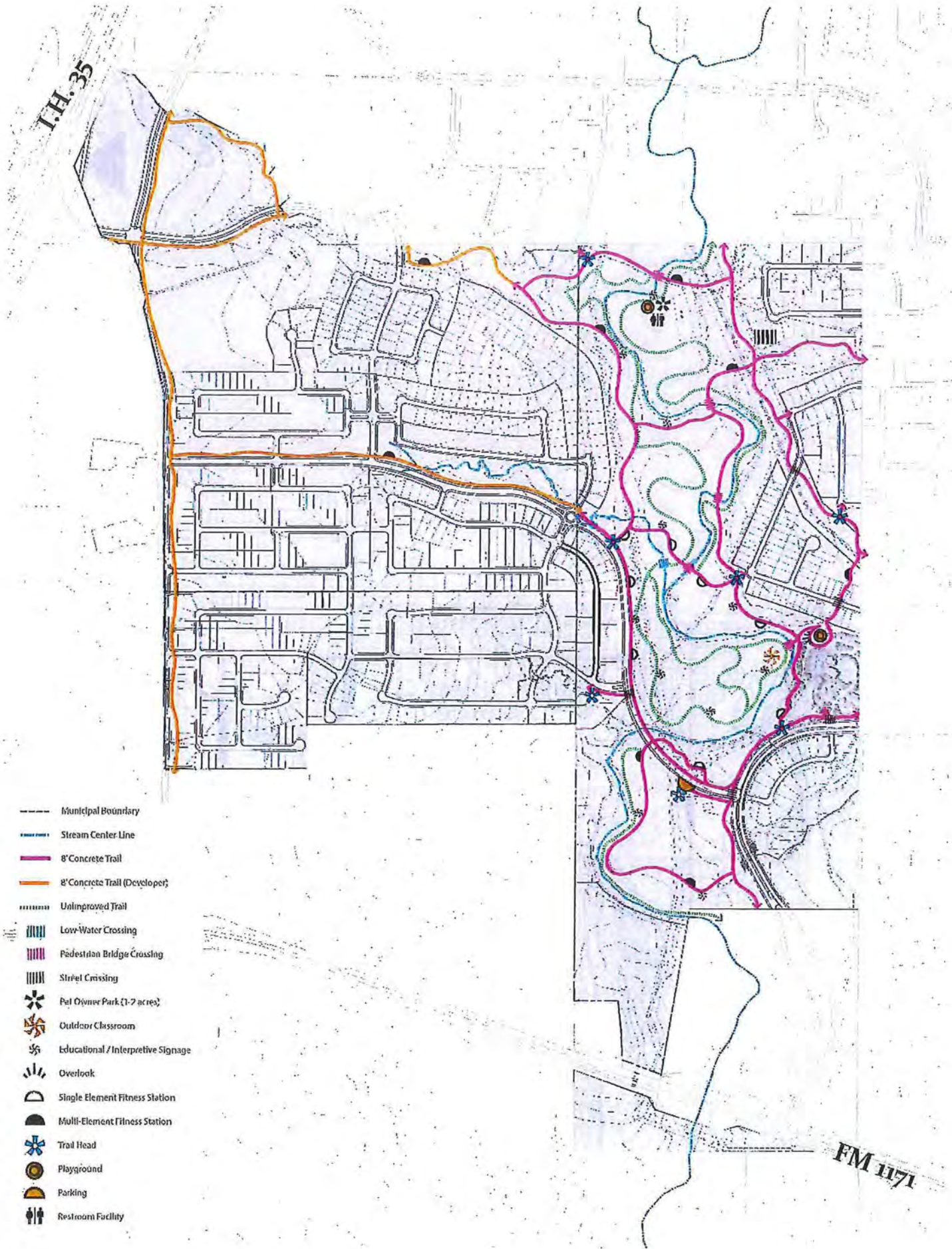


--- TOWN LIMIT LINE

SINGLE FAMILY VILLAGE MAP  
**CANYON FALLS**  
TOWN OF NORTHLAKE  
DENTON COUNTY, TEXAS

07 October 2015

 **J. VOLK**  
consulting  
830 Central Parkway East, Suite 300  
Plano, TX 75074  
972.201.3100 Texas Registration No. F-31962



- Municipal Boundary
- Stream Center Line
- 8' Concrete Trail
- 8' Concrete Trail (Developer)
- Unimproved Trail
- Low-Water Crossing
- Pedestrian Bridge Crossing
- Street Crossing
- Pet Owner Park (1-2 acres)
- Outdoor Classroom
- Educational / Interpretive Signage
- Overlook
- Single Element Fitness Station
- Multi-Element Fitness Station
- Trail Head
- Playground
- Parking
- Restroom Facility

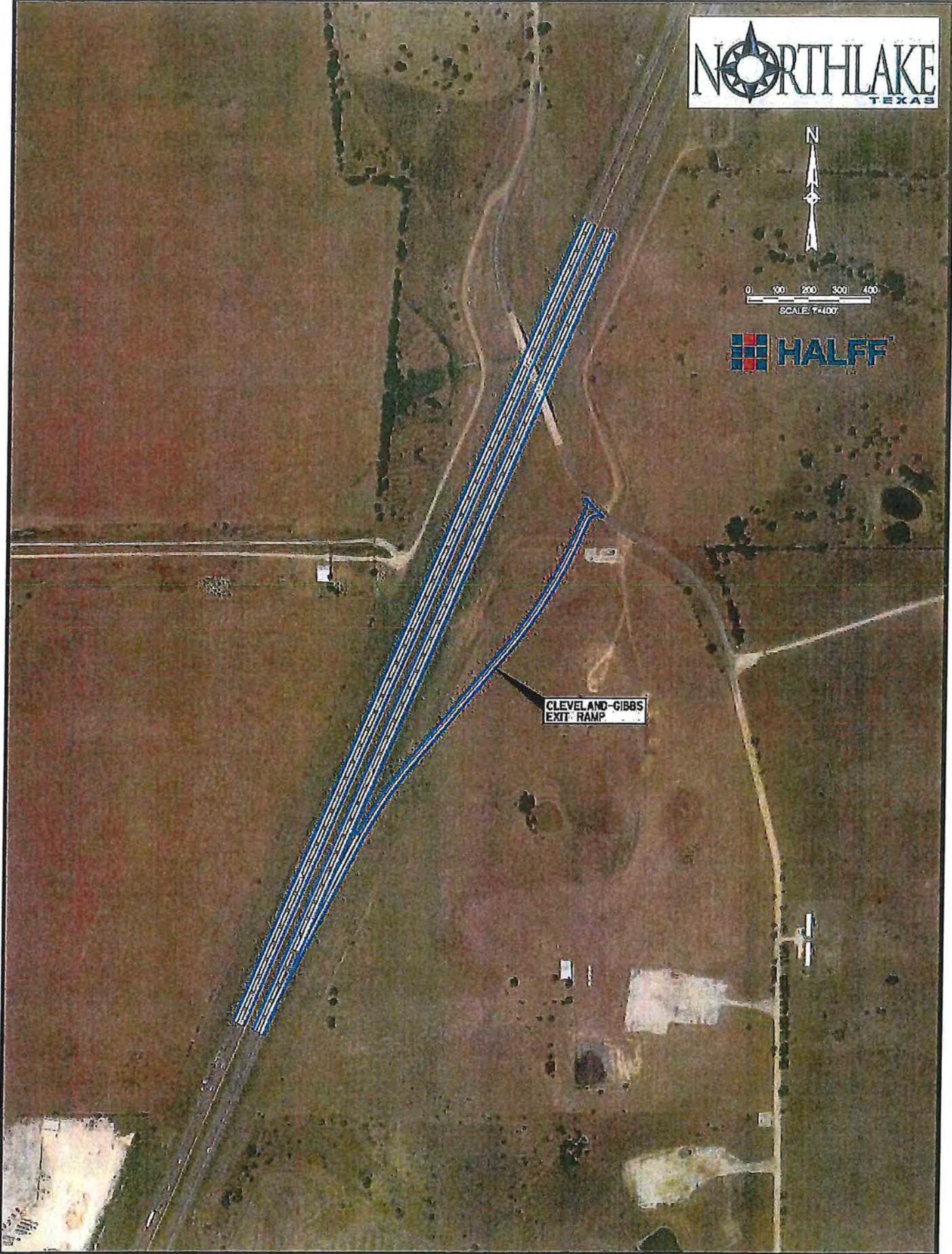
**NORTHLAKE**  
TEXAS



0 100 200 300 400  
SCALE: 1"=400'



**CLEVELAND-GIBBS  
EXIT RAMP**



RESOLUTION NO. TIRZ NO. 1-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS, APPROVING A PROJECT FUNDING AGREEMENT FOR THE ZONE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, on December 10, 2015, the Town Council of the Town Of Northlake, Texas (the "Town") approved the creation of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Zone");

WHEREAS, a Project and Financing Plan for the Zone for the Zone has been approved by this Board of Directors;

WHEREAS, Texas Tax Code Section 311.010, as amended, authorizes the Town and the Board of Directors to enter into agreements as the Town Council and Board of Directors consider necessary or convenient to implement the Project and Financing Plan and achieve its purposes

WHEREAS, there has been presented to this Board of Directors a Project Funding Agreement for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Project Agreement"); and

WHEREAS, this Board of Directors has reviewed the Project Agreement and has found and determined that the installation and construction of the projects set forth in the Project Agreement will provide infrastructure and facilities that will enhance and promote the development and redevelopment of the Zone and will enhance property values in the Zone, and that the method of financing the installation and construction of the projects as set forth in the Project Agreement is necessary and feasible to implement the Project and Financing Plan and to achieve its purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS:

Section 1. The Board of Directors finds that all matters stated in the preamble of this resolution are true and correct and are incorporated into the body of this resolution.

Section 2. The Project Funding Agreement for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (attached hereto as Exhibit A) in the form and substance attached hereto and incorporated herein, is hereby approved.

Section 3. This resolution is effective on the date of passage by the Board of Directors.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS on this 14th day of January, 2016.

---

Chairman, Board of Directors

ATTESTED TO:

---

Secretary, Board of Directors

EXHIBIT A

Project Funding Agreement  
for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas

(see attached)

PROJECT FUNDING AGREEMENT FOR TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS

This Project Funding Agreement for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (this "Agreement") is executed between the Town of Northlake, Texas (the "Town"), the Board of Directors of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Board") and NASH Canyon Falls, LLC (the "Developer") to be effective \_\_\_\_\_, 2016 (individually referred to as a "Party" and collectively as the "Parties").

**RECITALS**

WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in this Agreement;

WHEREAS, on December 10, 2015, the Town Council passed and approved an ordinance authorizing the creation of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Act") pursuant to Chapter 311, Texas Tax Code, as amended (the "Act"), and appointed a Board of Directors for the Zone;

WHEREAS, on January 14, 2016, the Town Council and the Board each approved a Project and Financing Plan for the Zone to designate and provide for tax increment financing of specified projects to promote the development and redevelopment of property within the Zone;

WHEREAS, the Town and the Developer have authorized, executed and delivered the Third Amended and Restated Facilities Agreement (the "Facilities Agreement") relating to the development of property within the Zone;

WHEREAS, the Project and Financing Plan identifies certain projects that will promote the development and redevelopment of the Zone, including the trail system and park and recreational facilities to be installed and constructed by the Developer, as further described in Exhibit A Attached hereto (the "Projects");

WHEREAS, Section 311.010 of the Act authorize the Town and the Board of Directors to enter into agreements as the Town Council and Board of Directors consider necessary or convenient to implement the Project and Financing Plan and achieve its purposes; and

WHEREAS, the Parties intend that the Developer will cause the design, construction, and installation of the Projects to occur at Developer's cost, and that the Developer may recover its costs of the Projects from and to the extent of the Available Tax Increment Revenues ; and

WHEREAS, in order to facilitate the installation and construction of the Projects the Town and Board of Directors have determined to enter into this Agreement for the Developer to install and construct the Projects and to be reimbursed for Qualified Construction Costs (hereinafter defined) as hereinafter provided.

NOW THEREFORE, FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

Section 1. Incorporation of Recitals. The recitals in the "WHEREAS" clauses of this Agreement are true and correct and are incorporated as part of this Agreement for all purposes.

Section 2. Definitions

"Available Tax Increment Revenues" means the annual amount of Tax Increment Revenues less (1) the annual amount budgeted by the Town for the administration of the Zone, (2) the annual amount budgeted by the Town for operation, repair and maintenance Costs of the Trail System and Park and Recreational Facilities, (3) annual debt service on any obligations issued or incurred by the Town to fund the Street and Road Improvements described in the Project and Financing Plan, and (4) reimbursement to the Town for any funds, other than as provided through the issuance of debt obligations described in (3), above, provided by the Town for the payment of project costs for the Trail System and Park and Recreational Facilities and/or Street and Road Improvements

"Captured Appraised Value" means the total taxable value of all real property taxable by the Town located in the Zone for each year less the Tax Increment Base.

"Construction Costs" means the costs and expenses paid or incurred as approved by the Town Administrator pursuant to an approved project funding or construction agreement in connection with the design and construction of the Trail System Improvements including, but not limited to, costs for: (i) designing, planning, constructing, acquiring, and installing the Trail System Improvements, (ii) labor, materials, and payment and performance bonds for Trail System Improvements, and (iii) architectural, engineering, and insurance premiums related to the Trail System Improvements. Construction Costs do not include cost of financing, interest on loans for construction, internal management fees, capitalized interest, reserve accounts, and costs of acquisition of easements or right-of-way.

"Qualified Construction Costs" means Construction Costs for the Projects that have been dedicated to and accepted by the Town.

"Tax Increment Revenues" means an annual amount equal to the ad valorem tax revenues actually collected in the Zone on the Captured Appraised Value from a \$0.0909 tax rate.

"Tax Increment Base" means the total taxable value of all real property taxable by the unit and located in the Zone for the tax year 2015.

Section 3. Payment of Project Costs. (a) Strictly subject to the terms, conditions, and requirements and solely from the Available Tax Increment Revenues herein provided, the Town agrees to pay to the Developer, and Developer shall be entitled to receive from the Town until December 31, 2041 (the "Maturity Date"), the amount equal to the lesser of (1) actual Qualified Construction Costs or (2) 4,040,245 (the "Reimbursement Amount"). The unpaid Reimbursement Amount shall bear simple interest at the per annum rate of 3.75%, provided that the aggregate total of the Reimbursement Amount and interest thereon to be paid pursuant to this Agreement shall not exceed \$5,381,425.

Section 4. Non-recourse Obligation. (a) Payment for Project Costs to be paid by the Town pursuant to this Agreement will be paid or provided for solely from Available Tax Increment Revenues (hereinafter defined) as and to the extent provided in this Agreement. This Agreement does not give rise to a charge against the general credit or taxing powers of

the Town or any other taxing unit. This Agreement does not create a debt or other obligation of the Town payable from any source of revenues, taxes, income or properties of the Town, other than the Available Tax Increment Revenues as and to the extent provided in this Agreement, and does not give rise to any obligation of the Town to issue or incur any special or general obligation debt to pay Project Costs or to pay any other costs. The Developer and its affiliates, successors and assigns shall not have the right to demand payment for any Project Cost or other expenditures out of any funds of the Town other than the Available Tax Increment Revenues as and to the extent provided in this Agreement regardless of whether any portion of the Reimbursement Amount or the interest thereon remains unpaid at Maturity.

(b) Notwithstanding its collection efforts, if the Town fail to receive Available Tax Increment Revenues in an amount to pay all of the Reimbursement Amount and the interest thereon, such failure shall not constitute a Failure or Default by the Town under this Agreement or the Facilities Agreement. If any portion of the Reimbursement Amount and the interest thereon remains unpaid at Maturity.

(c) If on the Maturity Date and after application of all Available Tax Increment Revenues collected by the Town, any portion of the Reimbursement Amount and interest thereon remains unpaid, such unpaid balance shall be canceled and for all purposes this Project Agreement shall be deemed to have conclusively and irrevocably PAID IN FULL and such unpaid balance shall no longer be deemed to be payable.

Section 4. Conveyance of Projects. (a) The Projects shall be designed to comply with applicable governmental laws, ordinances, rules and regulations "Governing Regulations"), and no construction or installation of the Projects shall begin until plans and specifications have been approved by the Town (which approvals shall not be unreasonably withheld or delayed). The Projects shall be constructed and installed in compliance with the Governing Regulations and applicable plans and specifications therefor and shall be inspected to determine compliance.

(b) Prior to the conveyance and dedication of the Projects, or any portion thereof, to the Town, the Town shall conduct a review to confirm that the work with respect to such Projects was completed in accordance with the Governing Regulations and applicable plans and specifications therefor and with the terms of this Agreement, and to verify and approve the actual costs of such Projects.

(c) Upon approval by the Town and as a condition to the acceptance of any of the Projects by the Town, the Developer shall deliver to the Town any and all documents necessary to vest in the Town all right, title, and interest in and to such improvements, free and clear of all liens, leasehold interests, and encumbrances, including without limitation affidavits of lien waivers.

(d) The Developer agrees to provide to the Town and the Administrator all invoices, bills of sale and other documentation reasonably requested to evidence the actual costs of the Projects.

(e) Unless otherwise agreed to by the Town, the Developer shall obtain and file, and provide to the Town, a maintenance bond for the Projects with a term of at least two (2) years from the

date of acceptance of the improvements by the Town in form and issued by surety companies satisfactory to the Town or as otherwise required by law with respect to the improvements; provided a maintenance bond may provide coverage for one or more of the Project improvements.

(f) The Developer acknowledges that any liens incurred with respect to the Projects shall be solely the responsibility of the Developer or any authorized assignee of the Developer and shall be released and eliminated prior to conveyance of the Projects to the Town. Such limitation shall not prohibit the Developer from granting a lien on any property within the Zone, other than the Projects and the property on which the Projects are located, that is owned by the Developer.

(g) The Developer, and any assigns or successors interest, shall ensure and provide free and uninhibited access by the Town and the public to the Projects.

(h) Developer shall be solely responsible for the costs of the Projects that exceeds the total amount of Available Tax Increment Revenues.

Section 5. No Waiver. Nothing in this Agreement is intended to constitute a waiver by the Town of any remedy the Town may otherwise have outside this Agreement against any person or entity involved in the design, construction, or installation of the Phase 1B Improvements.

Section 6. Governing Law; Venue. This Agreement is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Agreement. In the event of a dispute involving this Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Denton County, Texas.

Section 7 Notices. Any notice required or contemplated by this Agreement shall be deemed given at the addresses shown below: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section.

To the Board of Directors:

Board of Directors, Tax Increment Reinvestment Zone  
Number One, Town of Northlake, Texas  
Attn: Chairman  
1400 FM 407  
Northlake, Texas 76247

To the Town:

Attn: Town Secretary  
P.O. Box 729  
Northlake, Texas 76247  
E-mail: townsecretary@town.northlake.tx.us  
FAX: (940) 648-0363

With a copy to: Attn: Ashley D. Dierker  
Taylor, Olson, Adkins, Sralla & Elam LLP  
6000 Western Place, Suite 200  
Fort Worth, Texas 76107  
E-mail: adierker@toase.com  
FAX: (817) 332-4740

To the Owner: Attn: Brian Cramer  
NASH Canyon Falls, LLC  
c/o Newland Real Estate Group, LLC  
4835 LBJ Freeway, Suite 475  
Dallas, TX 75244  
E-mail: bcramer@newlandco.com

With a copy to: Attn: Walter F. Nelson  
Newland Real Estate Group, LLC  
10940 W. Sam Houston Pkwy. North, Suite 300  
Houston, Texas 77064  
E-mail: tnelson@newlandco.com  
FAX: (713) 575-9001

With a copy to: Attn: Douglas L. Hageman  
Newland Real Estate Group, LLC  
4790 Eastgate Mall, Suite 150  
San Diego, California 92121  
E-mail: dhageman@newlandco.com  
FAX: (858) 455-6142

With a copy to: Attn: Tommy Mann  
Winstead PC  
2728 N. Harwood St.  
Dallas, Texas 75201  
E-mail: tmann@winstead.com  
FAX: (214) 745-5390

Section 8. Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions, and the remainder of this Agreement shall remain in full force and effect.

Section 9. Failure; Default; Remedies. (a) If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all Transferees of the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period

shall be extended for an additional 30 day period so long as the non-performing Party is diligently pursuing a cure. Any Transferee shall have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees to be bound.

(b) If the Developer is in Default, the Town shall have available all remedies at law or in equity. No Default by the Developer, however, shall: (1) affect the obligations of the Town to use the Net Phase 1B Bond Proceeds and the Phase 1B Project Fund as provided in this Agreement; or (2) entitle the Town to terminate this Agreement.

(c) If the Town is in Default, the Developer's sole and exclusive remedies shall be limited to mandamus relief to compel actions required to be taken by the Town under this Agreement but in no event shall the Developer have any other recourse of any kind against the Town or its officers, officials, employees or representatives; provided however, that no Default by the Town shall entitle the Developer to terminate this Agreement. In no event shall the Developer be entitled to recovery of attorney's fees or costs against the Town, even were the Developer to prevail in any litigation arising hereunder.

Section 10. Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the Town of any remedy the Town may have outside this Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Projects. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the Zone. Nothing herein shall be construed as affecting the Town's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the Zone.

Section 11. Failure to Enforce Not a Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

Section 12. No Waiver of Powers or Immunity. The Town shall not be deemed to waive any defenses or immunities, whether sovereign, governmental, legislative, qualified or otherwise, all such defenses and immunities being expressly retained.

Section 13. No Third Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the Town and the Developer any rights, remedies, or claims under or by reason of this Agreement, and all covenants, conditions, promises, and agreements in this Agreement shall be for the sole and exclusive benefit of the Town and the Developer.

Section 14. Amendments. This Agreement may be amended only by written agreement of the Parties.

Section 15. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 16. Transfers. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the Town, the Developer's right, title, or interest under this Agreement including, but not limited to, any right, title, or interest of the Developer in and to the Available Tax Increment Revenues (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). Notwithstanding the foregoing, however, no Transfer shall relieve Developer of any obligations to the Town under this Agreement and no Transfer shall be effective until written notice of the Transfer is given to the Town, including for each Transferee the notice information required by this Agreement. The Town may rely on any notice of a Transfer received from the Developer without obligation to investigate or confirm the validity or occurrence of the Transfer. Developer waives all rights or claims against the Town for any such funds provided to a third party as a result of a Transfer for which the Town has received notice, and the Developer's sole remedy shall be to seek the funds directly from the third party.

IN WITNESS WHEREOF, the Parties have caused this Project Agreement to be executed as of \_\_\_\_\_, 2016.

TOWN OF NORTHLAKE, TEXAS:

By: \_\_\_\_\_

Mayor

Date: \_\_\_\_\_, 2016

BOARD OF DIRECTORS,  
TAX INCREMENT REINVESTMENT ZONENUMBER ONE,  
TOWN OF NORTHLAKE, TEXAS:

By: \_\_\_\_\_

Chairman

Date: \_\_\_\_\_, 2016

NASH CANYON FALLS, LLC

a Texas \_\_\_\_\_

By: \_\_\_\_\_

a Texas \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_, 2016