

**EXHIBIT "L"**

**CITY OF WESTON, TEXAS**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF WESTON, TEXAS, ESTABLISHING AN INTEREST AND SINKING FUND TO PAY THE CITY'S OBLIGATION PURSUANT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY AND HONEY CREEK PARTNERS L.P. AND WESTON LAND LTD., DATED EFFECTIVE AS OF DECEMBER 13, 2005; LEVYING A TAX IN PAYMENT THEREOF; AND PROVIDING FINDINGS OF FACT, AND OPEN MEETINGS CLAUSE; AND OTHER RELATED MATTERS**

**WHEREAS**, the City of Weston, Texas (the "City"), has authorized and executed a Development Agreement with Honey Creek Partners L.P. and Weston Land Ltd., dated effective as of December 13, 2005 (the "Agreement");

**WHEREAS**, the City has adopted Ordinance No. 2006-01-08 consenting to the creation of a political subdivision (the "District Consent Ordinance"), dated January 10, 2006, that currently includes approximately 206.9150 acres of land located wholly within the corporate limits of the City;

**WHEREAS**, the City has adopted Ordinance No. 2006-01-09 consenting to the creation of a political subdivision (the "District Consent Ordinance"), dated January 10, 2006, that currently includes approximately 1404.91 acres of land located wholly within the corporate limits of the City;

**WHEREAS**, the District has been created by the Commissioners Court of Collin County, Texas, in accordance with the Development Agreement pursuant to an Order Upon Hearing and Granting a Petition For the Creation of Collin County Fresh Water Supply District No. \_\_\_\_ and Appointing Temporary Supervisors, dated \_\_\_\_\_, 2006;

**WHEREAS**, the District has been created by the Texas Commission on Environmental Quality pursuant to an Order, dated \_\_\_\_\_, 2006;]

**WHEREAS**, because the District is located wholly within the corporate limits of the City, it is an "in city" District, and the citizens residing therein and other landowners are subject to taxation by both the City and the District;

**WHEREAS**, the District is financing through the issuance of its bonds (the “Bonds”) the water supply and distribution, sanitary sewer collection and treatment, and, drainage facilities (“Utility Facilities”) to serve the area within the District and other areas within the City, which will be conveyed to and become the property of the City;

**WHEREAS**, the City will gain a tax base through the development of land within the District and the acquisition of the Utility Facilities, and eventually will provide full municipal services to the residents of the District;

**WHEREAS**, the acquisition of the Utility Facilities will facilitate the provision of utility service in other areas of the City, and the City will gain tax base through development of land within the City but outside of the District;

**WHEREAS**, to reduce the tax burden upon the taxpayers and residents within the District and in consideration for the District’s agreement that it will acquire for the benefit of and convey the Utility Facilities to the City pursuant to the Agreement, the City has agreed to pay to the District a portion of the ad valorem taxes collected by the City upon all taxable property or interests therein within the District as provided in Section 9.05 of the Agreement;

**WHEREAS**, the establishment of an interest and sinking fund by the City is in the best interest of the City by establishing a fund of money to reduce the tax burden of the District and its taxpayers and residents;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF WESTON, TEXAS, THAT:**

**Section 1. Findings.** The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

**Section 2. Sinking Fund and Tax Levy.** A special interest and sinking fund (the “Interest and Sinking Fund”) is hereby created and shall be established and maintained by the City at an official depository bank. The Interest and Sinking Fund shall be entitled “Development Agreement – The Parks of Honey Creek Project Interest and Sinking Fund”. Beginning in the calendar year following the calendar year in which the District was created, and annually each year thereafter, the City shall compute the City’s payment to the Interest and Sinking Fund which will be sufficient to raise and produce the money required to pay any sums which may be or become due during any such year, in no instance to be less than two percent (2%) of the total obligation, together with all interest thereon, with full allowance for delinquencies and the costs of such collection, because of the obligation assumed and undertaken under Section 9.05 of the Agreement. Such rate and amount of ad valorem tax is hereby ordered to be levied and is hereby levied against all taxable property or interest thereon (including mineral interests) in the City for each fiscal year of the City as required by Section 9.05 of the Agreement, and said ad valorem tax shall be assessed and collected each year and deposited in the

Interest and Sinking Fund until all of the obligations of the City pursuant to Section 9.05 of the Agreement shall have been discharged. Said amount of ad valorem taxes are hereby pledged for such payment, within the limits prescribed by law. The City's annual payment to the Interest and Sinking Fund (the "Annual Tax Payment") shall be calculated as set forth in Section 9.05 of the Agreement.

**Section 3. Annual Budget.** The Mayor is hereby directed to cause the Annual Tax Payment to be computed on or before September 1 of each year for the next succeeding fiscal year as provided in Section 2 and include the Annual Tax Payment as a part of the City's budget. Nothing shall prevent the Mayor from recommending early payment of the City's obligation under Section 9.05 of the Agreement.

**Section 4. Open Meeting.** It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapt. 551, Tex. Gov't Code.

**PASSED AND APPROVED** on this the \_\_\_\_ day of \_\_\_\_\_, 2006.

Attest:

City of Weston

\_\_\_\_\_  
\_\_\_\_\_, City Secretary

\_\_\_\_\_  
\_\_\_\_\_, Mayor