

**CITY SECRETARY CERTIFICATION**

**STATE OF TEXAS                   §  
   §  
COUNTY OF MONTGOMERY       §**

I, **SOCO M. GORJÓN**, being the duly qualified, appointed and acting City Secretary of the City of Conroe, Texas, do hereby certify that the pages hereto attached are a true and correct copy of the following described document which has been duly passed and approved by the Conroe City Council and recorded among the official documents of the City of Conroe, Texas, to wit:

**ORDINANCE NO. 2301-16**

**AN ORDINANCE OF THE CITY COUNCIL OF CONROE, TEXAS,  
APPROVING THE FIRST AMENDED SERVICE AND  
ASSESSMENT PLAN FOR THE CITY OF CONROE SHADOW  
LAKES PUBLIC IMPROVEMENT DISTRICT**

**Passed and Approved the 24<sup>th</sup> day of March 2016.**

**SIGNED AND CERTIFIED the 16<sup>th</sup> day of May 2016.**



*Soco M. Gorjon*  
\_\_\_\_\_  
**SOCO M. GORJON, CITY SECRETARY  
CITY OF CONROE, TEXAS**

CERTIFICATE FOR ORDINANCE

I.

On the 24<sup>th</sup> day of March, 2016, the City Council of the City of Conroe, Texas, consisting of the following qualified members, to-wit: **Webb K. Melder, Mayor; Guy Martin, Mayor Pro Tem, Council Members Marsha Porter, Gil Snider, Seth Gibson and Duke Coon** did convene in public session in the Council Chambers of the City Hall at 300 West Davis in Conroe, Texas. The roll being first called, a quorum was established, all members being present. The Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

II.

WHEREUPON, AMONG OTHER BUSINESS transacted, the Council considered adoption of the following written Ordinance, to-wit:

ORDINANCE NO. 2301-16

AN ORDINANCE OF THE CITY COUNCIL OF CONROE, TEXAS,  
APPROVING THE FIRST AMENDED SERVICE AND ASSESSMENT PLAN  
FOR THE CITY OF CONROE SHADOW LAKES PUBLIC IMPROVEMENT  
DISTRICT

III.

Upon motion of Council Member Gibson, seconded by Council Member Coon, all members present voted for adoption of the Ordinance. A majority of those Council Members present having voted for adoption, the presiding officer declared the Ordinance passed and adopted.

A true, full and correct copy of the Ordinance adopted at the Meeting is attached to and follows this Certificate.

SIGNED AND SEALED this 24<sup>th</sup> day of March, 2016.

  
SOCO M. GORJON, City Secretary

**ORDINANCE NO. 2301-16**

AN ORDINANCE OF THE CITY COUNCIL OF CONROE, TEXAS,  
APPROVING THE FIRST AMENDED SERVICE AND ASSESSMENT PLAN  
FOR THE CITY OF CONROE SHADOW LAKES PUBLIC IMPROVEMENT  
DISTRICT

**WHEREAS**, the City of Conroe (the "City") is authorized pursuant to TEX. LOCAL GOV'T CODE, ch. 372, as amended ("Chapter 372") to create public improvement districts for the purposes described therein; and

**WHEREAS**, the City has received a petition (the "Petition") requesting the creation of the City of Conroe Shadow Lakes Public Improvement District (the "PID"), held a public hearing, and created the PID in accordance with the applicable provisions of Chapter 372; and

**WHEREAS**, the City passed and adopted Resolution No. 4135-14 establishing the Shadow Lakes Public Improvement District and approved a Service and Assessment Plan; and

**WHEREAS**, the City Council wishes to adopt the First Amended Service and Assessment Plan with respect to the PID; **NOW THEREFORE**,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONROE, TEXAS**, that:

**Section 1.** The facts recited in the preamble hereto are found to be true and correct.

**Section 2.** The First Amended Service and Assessment Plan attached to this Ordinance as Exhibit A is hereby approved and adopted on behalf of the PID, and the Mayor, City Secretary and any other appropriate officials of the City are hereby authorized to take all necessary actions on behalf of the City to implement the terms thereof in accordance therewith.

**Section 3.** It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed,

considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

PASSED AND ADOPTED the 24<sup>th</sup> day of March, 2016.

  
WEBB K. MELDER Mayor

Approved as to form:

  
MARCUS L. WINBERRY, City Attorney

Attest:

  
SOCO M. GORJON, City Secretary

**EXHIBIT A**

**First Amended  
Service and Assessment Plan  
Shadow Lakes Public Improvement District  
City of Conroe, Montgomery County, Texas**

**1. Introduction**

This Service and Assessment Plan (the "Plan") is prepared and adopted in conformance with the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code (the "Act"), and pursuant to Resolution No. 4135-14 creating the Shadow Lakes Public Improvement District (the "PID" or the "District"), Conroe (the "City"), Montgomery County, Texas. The creation of the PID was initiated by a petition (the "Creation Petition") submitted by property owners within the PID boundaries in compliance with the requirements of Section 372.005 of the Act.

**2. Boundaries**

The boundaries of the PID are as indicated in Exhibit A and Exhibit B.

**3. Administration of the District**

Administration of the District is the responsibility of the City Council of the City of Conroe, Texas but to the extent allowed by law, the City may contract with a private sector company to carry out all or part of the City responsibilities as well as day-to-day operations and administration of the District.

**4. Public Improvements**

The Public Improvements to be financed and constructed hereby (the "Public Improvements") serve to promote the construction of single-family units ("SFU"). The Public Improvements included in the Plan will confer a special benefit to properties within the Public Improvement District and will consist of the construction of storm water detention, water lines, sanitary sewer lines, storm sewers, paving, landscaping, contingency provisions, engineering services, financing costs, and administrative and legal services for the PID. The Public Improvements will be pre-funded by the developer of the residential subdivision within the PID. Under the Development Agreement executed between the Developer and the City, the Developer will be entitled to receive reimbursement of the Public Improvement costs subject to the limitations contained in the Agreement.

**A. Shadow Lake Forest**

The Shadow Lake Forest Subdivision is being developed by DR Horton-Texas, Ltd. and will contain an estimated 76 single-family units within the Public Improvement District. The Public Improvements authorized under this Plan for Shadow Lake Forest, and the estimated costs thereof, are described below:

**SHADOW LAKE FOREST  
PID COSTS**

PUBLIC IMPROVEMENT	PID COSTS
Detention Pond with Land Costs	\$465,000
Water, Sewer, and Drainage	\$1,710,000
Paving	\$1,220,000
Lift Station	\$345,500
Landscaping	\$450,000
Engineering, Geotechnical, and Testing	\$344,000
Contingency	\$55,500
SUBTOTAL	\$4,590,000
Financing Cost @ 6%	\$4,386,516
Administration (4.5%)	\$420,826
<b>TOTAL</b>	<b>\$9,397,342</b>

**B. PID Costs**

The Public Improvements for Shadow Lake Forest are completed and the 76 lots have been platted. The estimated total costs above will be used to set the assessments for residential properties detailed later in this document.

**B1. Amended PID Costs**

The Public Improvements for Shadow Lake Forest are completed and the 76 lots have been platted. The estimated total costs above were used to set the assessments for residential properties detailed later in this document; however, it is now necessary to amend the public improvement costs that will be assessed against the properties. The following PID Costs will now be used:

**SHADOW LAKE FOREST  
AMENDED PID COSTS**

PUBLIC IMPROVEMENT	ALLOWABLE PID COSTS
Detention Pond with Land Costs	\$465,000
Water, Sewer, and Drainage	\$1,710,000
Paving	\$1,220,000
Lift Station	\$345,500
Landscaping	\$450,000
Engineering, Geotechnical, and Testing	\$344,000
Contingency	\$55,500
SUBTOTAL	\$4,590,000
<del>Financing Cost @ 6%</del>	<del>\$4,386,516</del>
<del>Administration (4.5%)</del>	<del>\$420,826</del>
TOTAL	<del>\$9,397,342</del>
<i>*CAP ON ALLOWABLE COSTS, to result in reduced assessment</i>	\$2,688,034
Financing and Admin Cost at 5.98%	\$2,521,966
<b>NEW TOTAL</b>	<b>\$5,210,000</b>

**5. Construction of Public Improvements**

The Plan will be reviewed annually in accordance with the provisions of Chapter 372 of the Local Government Code and will include a review of the revenues of the District. Additionally, the Plan will be reviewed for the purpose of establishing the installments for assessments based upon the costs for Public Improvements.

**6. Conveyance of Improvements to the City**

Upon completion of the improvements, and final inspection and acceptance of the Public Improvements by the City, the Developers will convey all rights to the improvements to the City or homeowner's association as applicable, subject to the Developer's rights of reimbursement described in the Development Agreement executed between the Developer and the City.

**7. Authorized Improvements**

The area within the PID that is covered by this Service and Assessment Plan will be developed as single family residential. This Plan designates the Public Improvements required for the growth and development of the land within the PID. The goal of this Plan is to provide sufficient certainty for the owners of land within the PID to proceed with the financing and construction of the necessary Public Improvements, while allowing for sufficient flexibility to meet the needs of the PID over the life of the development of residential properties within the PID.

The developer contemplates several phases of construction, portions of which may be constructed concurrently. The construction of the Public Improvements authorized herein began in calendar year 2014. The proposed phasing is estimated and may vary. The cost estimates provided above are expressed in calendar year 2014 dollars. The actual costs of the Public Improvements will be determined by an audit of the developer's costs.

**8. Advance Financing by Developer**

The Developer will advance the funds for construction of the Public Improvements and will be entitled to repayment pursuant to the Development Agreement executed between the City and the Developer. Although the Public Improvements are required for the growth and development of the PID, it is not necessary for them to be built simultaneously.

**9. Apportionment of Costs**

Payment of assessments, if any, on property owned by exempt jurisdictions other than the City shall be established by contract.

**10. Levy of Assessments**

The plan of assessment contemplates that the assessment will be levied in phases, as Public Improvements are constructed within each Phase. The assessment year shall be concurrent with the City's tax year. The assessments against property may be paid in annual installments based on an amortization of not more than twenty-five (25) years plus the period between the effective date of the assessment ordinance and the date of the first installment. The interest rate on financed assessments is 5.98% per annum.

The assessments shall be based upon the actual cost of the Public Improvements plus those related costs as deemed reimbursable by the City. The cost of the Public Improvements will consist of the costs to construct detention, storm sewers, water lines, sanitary sewers, erosion control, landscaping, and paving for each development phase, related professional design and engineering fees, administrative and legal services and interest payable to the Developer pursuant to the Development Agreement.

**A. Shadow Lake Forest**

The Plan estimates the following assessments for residential properties in Shadow Lake Forest according to the cost of the Public Improvements. The total assessment can be paid upfront at the time the property containing a habitable structure is purchased or at any time thereafter. The assessment can also be financed and paid in equal annual installments over twenty-five (25) years as prescribed below.

Total Assessment	<del>\$1.3066 per square foot of residential property</del>
Financed Assessment	<del>\$0.107 per square foot of residential property per year</del>

**A1. Shadow Lake Forest Amended Assessment**

Total Assessment	\$24,324.75 per lot under 1 Acre, \$44,808.57 per lot over 1 Acre
Financed Assessment (Annual Payment)	\$1,900 per lot under 1 Acre, \$3,500 per lot over 1 Acre

**B. Levy and collection.**

Notice of the levy of each assessment will be given as provided in Chapter 372 of the Local Government Code. The assessment levy statement will be sent to each property owner in the District, and the installment of the assessment levy will be due and payable at the same time property taxes are due and payable to the City. Financed assessments shall bear interest at 5.98% per annum.

The first installment of an assessment against a particular property shall be due with respect to the calendar year following the date such property has been improved with a habitable structure as evidenced by the issuance of a certificate of occupancy. The City will invoice each owner of property for the installment payment in conjunction with the City's annual property tax bill, and the installments shall be due and payable, and incur penalty and interest for unpaid installments in the same manner as provided for the City's property taxes. Thereafter, subsequent installments shall be due in the same manner in each succeeding calendar year until the assessment together with interest as provided herein has been paid in full. The owner of assessed property may pay at any time the entire assessment then due on each property, with interest accrued on the assessment through the date of payment. Failure of an owner to receive an invoice shall not relieve the owner of the responsibility of for the assessment.

A lien will be established against the property assessed effective as of the date of the ordinance levying the assessment, privileged above all other liens, including prior mortgage liens, to the extent allowed by Section 372.018(b) of the Local Government Code. Assessment installments shall be considered delinquent on the same date as the City's property taxes. Delinquent assessments or installments shall incur the costs of collection. If practicable, the assessment shall be included on the City property tax statement. Notwithstanding the above, the assessment lien shall be perfected immediately as to the entire assessment, but may be

executed only with respect to the amounts then due or past due for current or prior installments or final payment. Assessments are personal obligations of the person owning the property assessed in the year an installment payment becomes due, and only to the extent of such installment(s).




The owner of assessed property may pay at any time the entire assessment then due on each property, with interest accrued on the assessment through the date of payment.

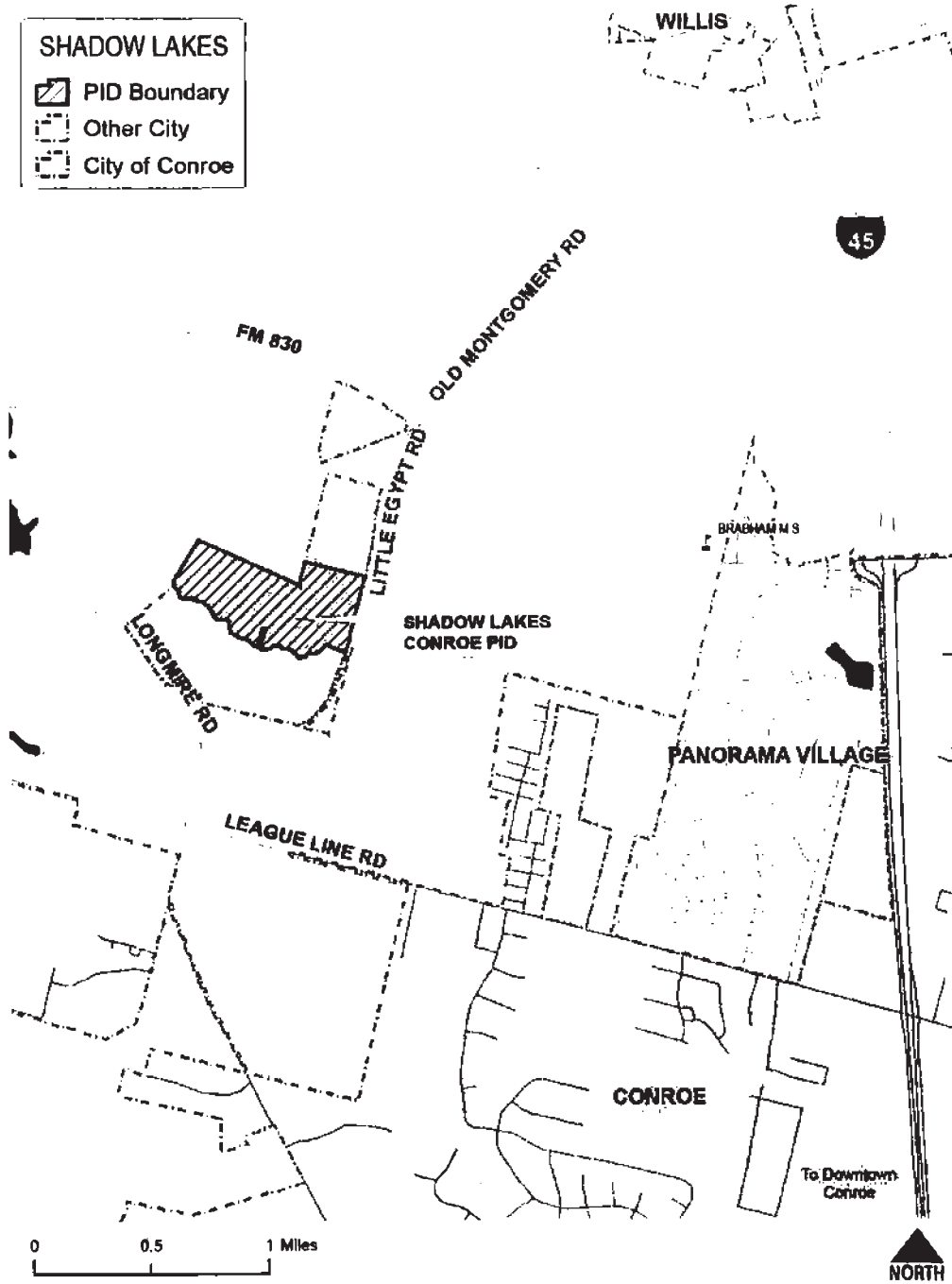
EXHIBIT A

The boundaries are described in the Final Plat of Shadow Lake Forest, An Urban Estates Development, Being a Subdivision of 112.13 Acres in the Elijah Collard Survey A-7, In the City of Conroe, Montgomery County, Texas, 76 Lots, 1 Bloc, 4 Reserves (20.2389 Acres).

# Exhibit B

**SHADOW LAKES**

-  PID Boundary
-  Other City
-  City of Conroe



E-FILED FOR RECORD  
05/24/2016 11:26AM



COUNTY CLERK  
MONTGOMERY COUNTY, TEXAS

STATE OF TEXAS  
COUNTY OF MONTGOMERY

I hereby certify this instrument was e-FILED in  
file number sequence on the date and at the time  
stamped herein by me and was duly e-RECORDED in  
the Official Public Records of Montgomery County, Texas.

05/24/2016



County Clerk  
Montgomery County, Texas