

The Prairie at Blue Ridge



FM1377

PHASE 2

PHASE 1

PHASE 2

PHASE 3

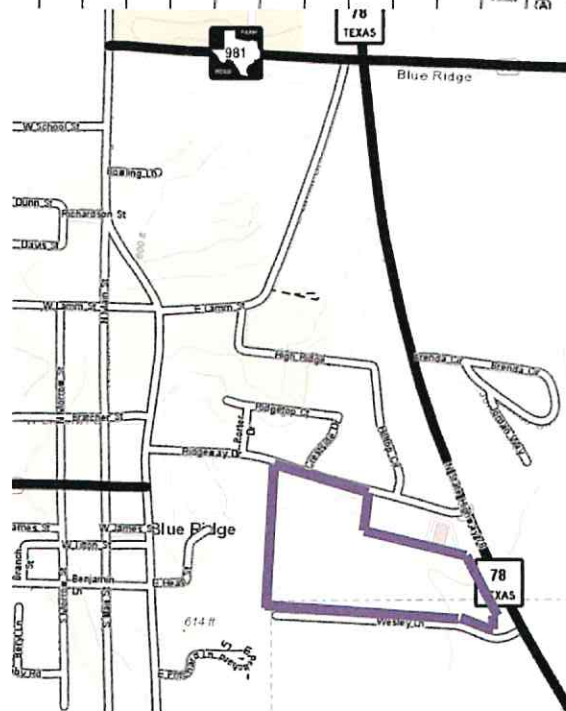
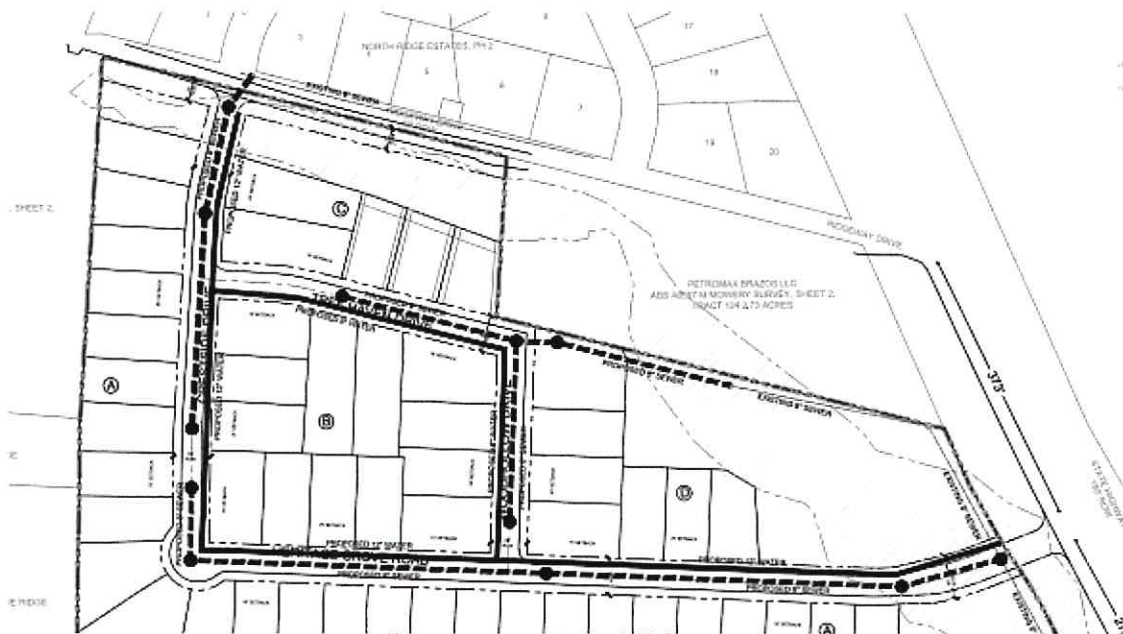
3-Mile Walking Trail



-  Park / Green Space
-  Amenity Center
-  Fire Station
-  Future Commercial



CITY OF BLUE RIDGE



200 S Main Street ~ Blue Ridge, Texas 75424
(972) 752-5791 ~ Fax (972) 752-9160

PRE-DEVELOPMENT AND PROFESSIONAL SERVICES AGREEMENT

This Pre-Development and Professional Services Agreement (this "Agreement"), effective as of July 20 , 2022 (the "Effective Date"), is made and entered into by and between the City of Blue Ridge, Texas, a municipality (the "City"), and GOW Properties, LLC ("Owner"). The Owner is the owner of or has under contract the real property in Collin County, Texas containing approximately acres generally described in Exhibit A, attached hereto as the same may be supplemented by the mutual written agreement of City and Owner (the "Development Area"). It is intended that Owner will provide a survey and metes and bounds description of the Development Area.

WHEREAS, the Owner owns or has under contract approximately acres of land in the city limits and/or ETJ of the City that it desires to develop which is further described in Exhibit "A" (the "Development Area"); and

WHEREAS, the City and Owner hereby recognize and agree that issues, including but not limited to infrastructure, associated with and necessitated by developing the Development Area will require the City to obtain professional services from independent, third-party consultants including, but not limited to: (i) engineering services to identify infrastructure needs; (ii) planning services; (iii) financial advisory services and (iv) legal services (including associated fees, expenses and out of pocket expenses such as telephone expenses, copying, postage, mileage, etc.) (collectively, the "Professional Services"); and

WHEREAS, Owner hereby agrees to pay for Professional Services rendered to the City in accordance with the terms of this Agreement; and

WHEREAS, the City Council of the City, by and through this Agreement, shall maintain sufficient controls to ensure that the public purpose and best interests of the City are carried out.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Recitals.** The representations, covenants, and recitations set forth in the foregoing recitals of this Agreement are true and correct and are hereby adopted as findings of the City Council.

2. **Exhibits.** All Exhibits referenced in this Agreement, and listed below, are incorporated herein for all purposes; specifically:

Exhibit "A" – Development Area description.

3. **Payment for Professional Services.** Owner agrees to pay for Professional Services as set forth herein.

(a) Owner initially agrees to pay up to \$25,000.00 ("Initial Cap") for Professional Services rendered to the City by EST, Inc. (engineering), EST, Inc. (planning), (Financial advisors

to be named later) (financial advisors) and (legal) in accordance with this Agreement including, but not limited to, the requirement that they provide itemized invoices (typically on a monthly basis) describing, in reasonable detail, the services rendered and the time expended (the “Initial Cap”). The City retains the right to change or add Professional Services providers as necessary. If the Owner’s payment toward the Initial Cap reaches \$20,000.00, and all parties agree to continue negotiations, discussions and/or other work on the Development Area, the parties shall amend or extend this Agreement, in writing, to increase Owner’s payment obligation, to a mutually agreed upon amount in excess of \$25,000.00, for the professional services described herein and provide for the escrow of additional funds. Otherwise, City shall be able to, without any liability whatsoever and/or any further action, immediately terminate the Agreement. Failure to amend or extend this agreement within 21 days of notice that payment towards the Initial Cap has reached \$20,000.00 will serve as mutual termination of this agreement, with full obligation as set forth below for Owner’s payment of remaining fees for Professional Services.

(b) Prior to incurring any costs or expenses for Professional Services rendered by any consultant other than those named in this agreement, the City shall provide to Owner the name, qualifications, experience, and billing rate of the consultant, together with a copy of the proposed contract with the consultant (which contract shall be terminable at will by the City and shall require itemized monthly invoices describing, in reasonable detail, the services rendered and the time expended). Owner shall have five (5) business days after the receipt of each proposed contract within which to review and provide written comments to the City; and the failure of Owner to provide written comments shall be deemed acceptance of the proposed contract by Owner. The City shall use reasonable efforts to modify any proposed contract to take into consideration the written comments of Owner; however, in the event of a disagreement between Owner and the City that cannot be resolved, the decision of the City shall control.

(c) Owner shall only be obligated to pay the actual costs and expenses billed by the provider of Professional Services as set forth in this Agreement. This escrow does not reduce or remove any of Owner’s duty to pay invoices submitted by the City and Owner may not rely upon this escrow as payment of any Professional Services. Any unused escrow amount is to be returned to Owner at the completion of the project or termination of this agreement and final accounting of Professional Services.

(d) After the City receives an itemized invoice from any provider of Professional Services, the City will forward a copy to Owner. Providers of Professional Services may jointly serve invoices on the City and Owner, triggering the deadlines herein. Owner shall have ten (10) days after the receipt of each invoice during which to object to any portion thereof (which objection shall be in writing and shall set forth in detail the basis for the objection). If Owner fails to object within such 10-day period, Owner shall be deemed to have approved the invoice. If Owner objects to any portion of an invoice, the City, Owner, and the service provider shall attempt to resolve the dispute within a reasonable period of time; however, if notwithstanding their collective good faith efforts the dispute cannot be timely resolved, then City shall pay all or such portion of the disputed amount that the City certifies to Owner, in writing, is due and payable to such service provider. Production of statements, documents and information to Owner or Developer shall not constitute a waiver of the attorney-client privilege nor work product immunity nor any other applicable protection, including confidentiality. Further, the parties may exchange documents and information in negotiations and work related to the Development Area. If after the producing party

becomes aware of any inadvertent or unintentional disclosure, the producing party may designate any such information as protected material or information, including matters protected by: (i) the attorney-client privilege; (ii) work product immunity; (iii) or any other applicable privilege or protection and request return, redaction or protection of such information. Owner and Developer recognize that Professional Services are rendered solely for the benefit of the City. Owner and Developer recognize that this agreement does not create any attorney-client relationship, other provider-client relationship, confidential relationship nor contractual relationship with those providing Professional Services to the City.

(e) Owner shall, upon request by the City, initially escrow the amount up to Twenty-Five Thousand Dollars (\$25,000.00) with the City. At the request of City, Owner shall pay additional escrow up to the Initial Cap. City, pursuant to the terms of this agreement, shall use this amount(s) to pay invoices for Professional Services. After Owner's 10-day review period, City shall pay (1) the full amount of any invoice to which Owner has not objected, or (2) the portion of any disputed invoice to which Owner has not objected. City shall pay in full within ten (10) days after written certification from the City the amount of any disputed invoice that the City certifies to Owner, in writing, is due and payable. Upon completion of the project or termination of this agreement, City shall use said funds only to pay outstanding invoices due under this agreement.

(f) If requested by Owner, the City agrees to provide further information as reasonably necessary to explain and detail any invoice for Professional Services, however, City shall not be required to provide any information that is privileged.

4. City's Obligations. The City shall utilize the Professional Services in an efficient and reasonable manner for the benefit of the City and the Development Area. The City shall inform all service providers of the terms of this Agreement. The failure or neglect of the City to enforce any of its rights under this agreement will not be deemed to be a waiver of that or any other of its rights.

5. Termination.

(a) Unless earlier terminated as provided in Section 5(b) below, this Agreement shall have a primary term of two (2) years after the Effective Date, and shall thereafter continue on an annual basis unless terminated as provided herein.

(b) Either City or Owner may, in their respective sole judgment, terminate this Agreement upon delivery of written notice to the other party, subject to Owner's continuing obligation to pay outstanding unpaid invoices for Professional Services as set forth in Section 5(c) below.

(c) Upon any termination of this Agreement pursuant to Section 5(b), City shall request final invoices for all Professional Services rendered pursuant to this agreement and may pay said invoices from the escrow funds. To the extent necessary, Owner shall be obligated to pay (i) all remaining invoices for Professional Services that are outstanding and unpaid as of the date notice of termination is delivered to the City, provided that such Professional Services were incurred and performed in accordance with the terms of this Agreement, and (ii) all invoices for Professional

Services incurred and performed in accordance with the Agreement prior to the date notice of termination where invoices are delivered to the City after the date of termination.

6. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the obligation of Owner to pay for Professional Services.

7. Amendment. This Agreement may only be amended or altered by written instrument signed by Owner and the City.

8. Successors and Assigns. Neither the City nor Owner may assign or transfer this Agreement or any interest in this Agreement without prior written consent of the other party. This Agreement is binding upon, and inures to the benefit of the City and Owner and their permitted assigns; however, this Agreement confers no rights or benefits on any third parties and, in particular, no rights or benefits on any provider of Professional Services other than for payment of services rendered.

9. Notice. Any notice required or contemplated by this Agreement shall be deemed given: (a) if mailed via U.S. Mail, Certified Mail Return Receipt Requested, on the earlier of the date actually received at the delivery address or five business days after mailed; (b) if deposited with a private delivery service (such as U.P.S. or FedEx), when delivered, as evidenced by a receipt signed by a person at the delivery address; and (c) if otherwise given (including by FAX or E-mail), when actually received at the delivery address. All notices shall be addressed as set forth below; however, any party may change its address for purposes of this Agreement by giving notice of such change as provided by this Section 9.

**The City Blue Ridge
Attn: Mayor
City Hall
206 W. Grand St.
PO Box 966
Blue Ridge, TX 75491**

With a copy to:
Attorney

Owner:

Name: GOW Properties, LLC
Address: 1575 Heritage Dr. #103 McKinney, TX 75069

Phone: 214-872-0346

FAX:

E-mail: ryan@stonehollowhomes.com

With a copy to:

Attn:

10. Interpretation. Both parties may be represented by an attorney. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against either party.

11. Applicable Law. This Agreement is made, and shall be construed in accordance with the laws of the State of Texas and venue shall lie in Collin County, Texas.

12. Severability. In the event any portion or provision of this Agreement is illegal, invalid, or unenforceable under present or future law, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

13. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

14. Sovereign Immunity. The parties agree that City has not waived its sovereign immunity by entering into and performing its respective obligations under this Agreement.

15. Consideration. This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

16. Authority to execute. The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

17. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, as allowed herein.

18. PARTIES' ACKNOWLEDGMENT OF CITY'S COMPLIANCE WITH FEDERAL AND STATE CONSTITUTIONS, STATUTES AND CASE LAW AND FEDERAL, STATE AND LOCAL ORDINANCES, RULES AND REGULATIONS/OWNER'S WAIVER AND RELEASE OF CLAIMS.

- A. **OWNER/DEVELOPER RELEASES THE CITY FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED ON EXCESSIVE OR ILLEGAL EXACTIONS PURSUANT TO THIS AGREEMENT.**
- B. **OWNER/DEVELOPER WAIVES ANY CLAIM FOR DAMAGES AND/OR REIMBURSEMENT AGAINST THE CITY FOR A VIOLATION OF ANY FEDERAL AND/OR STATE CONSTITUTION, STATUTE AND/OR CASE LAW AND/OR FEDERAL, STATE AND/OR LOCAL ORDINANCE, RULE AND/OR REGULATION BASED UPON THIS AGREEMENT.**
- C. **OWNER/DEVELOPER WAIVES THEIR RIGHT TO STATUTORY OR CONSTITUTIONAL TAKINGS CLAIMS UNDER THE TEXAS CONSTITUTION AND FEDERAL CONSTITUTION, TO CLAIMS FOR ILLEGAL EXACTIONS, TO CLAIMS OF VIOLATION OF A CIVIL RIGHT, FOR ANY VIOLATION OF A PROPERTY RIGHT, TO ANY STATUTORY CLAIMS UNDER CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE, AND/OR ANY OTHER LAW, STATUTE OR OTHERWISE ARISING FROM OBLIGATIONS SET FORTH IN THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE OBLIGATION TO DEPOSIT ESCROW FUNDS.**
- D. **OWNER/DEVELOPER RECOGNIZES THAT THE ENTRY OF THIS AGREEMENT AND THE PAYMENT OF PROFESSIONAL FEES IS NOT A GUARANTEE OF ANYTHING AND THAT THERE IS NO GUARANTEE OF FUTURE AGREEMENTS, DEVELOPMENT, DEVELOPMENT AGREEMENTS, FUNDING DISTRICTS OR OTHER MATTERS. OWNER WAIVES ANY CLAIMS FOR SUCH FAILURES. OWNER HEREBY AGREES TO FULLY RELEASE, DISCHARGE AND ACQUIT THE CITY OF BLUE RIDGE, TEXAS, AND ALL THEIR PAST, PRESENT AND FUTURE OFFICERS, ELECTED OFFICIALS, EMPLOYEES, AGENTS, INSURERS, RISK POOL, CLAIM HANDLERS, ATTORNEYS, CONSULTANTS, ENGINEERS AND HEIRS (ALL BOTH IN THEIR OFFICIAL AND INDIVIDUAL CAPACITIES), AND THOSE IN PRIVY WITH ANY OF THEM, WHETHER NAMED HEREIN OR NOT (HEREINAFTER "RELEASED PARTIES"), FROM ALL ACTIONS,**

CAUSES OF ACTION, CLAIMS (INCLUDING SUBROGATION CLAIMS AND CLAIMS FOR CONTRIBUTION AND INDEMNITY), SUITS FOR DECLARATORY JUDGMENT, APPLICATIONS FOR INJUNCTIONS OR ORDERS, AND DEMANDS, ON ACCOUNT OF, OR IN CONNECTION WITH, OR IN ANY WAY GROWING OUT OF NEGOTIATIONS REGARDING THE DEVELOPMENT AREA OR PROPERTY, FAILURE OR LACK OF CONSENT TO CREATE A DISTRICT, ANY FUTURE NEGOTIATIONS, DISCUSSIONS OR MEETINGS REGARDING THE DEVELOPMENT AREA, A DEVELOPMENT AGREEMENT OR DRAFT, THE CREATION OF A DISTRICT, THE FAILURE TO REACH AN AGREEMENT ON A DEVELOPMENT AGREEMENT, THE FAILURE OF ANY DISTRICT TO ISSUE BONDS, ANY COST OF IMPROVEMENTS, ANY DEBT, ANY ENGINEERING, LEGAL OR INVESTIGATIVE EXPENSES, AND ALL COSTS OF ANY AND ALL CLAIMS FOR LOSS, DAMAGE, WORK, INJURY OR OTHER MATTERS ARISING FROM THIS AGREEMENT OR THE CONTEMPLATED WORK AND NEGOTIATIONS. THE OWNER ACKNOWLEDGES THAT THE CITY MAY NOT APPROVE ANY REQUESTED DEVELOPMENT AGREEMENT AND/OR CONSENT TO CREATE A DISTRICT. THIS AGREEMENT DOES NOT CREATE ANY RIGHT, GUARANTEE OR PROMISE OF CONSENT.

- E. OWNER/ DEVELOPER AGREES NOT TO ASSERT OR PROSECUTE ANY FUTURE CLAIMS OR LAWSUIT FOR INJURIES AND/OR DAMAGES, FOR DECLARATORY JUDGMENT, OR SEEK COURT ORDERS DIRECTING ANY ACTION BY THE RELEASED PARTIES ARISING OUT OF OR IN CONNECTION WITH THE ABOVE DESCRIBED EVENTS, NEGOTIATIONS, AGREEMENTS OR PROPOSED DISTRICT(S). OWNER/DEVELOPER, JOINED BY THEIR RELATED ENTITIES FURTHER AGREES TO DEFEND, HOLD HARMLESS AND INDEMNIFY THE RELEASED PARTIES FOR ANY EXPENSES, COSTS, AND ATTORNEY'S FEES INCURRED SHOULD IT BECOME NECESSARY TO TAKE LEGAL ACTION TO ENFORCE THIS RELEASE AND INDEMNITY SECTION. IT IS INTENDED THAT THIS RELEASE AND INDEMNITY WILL COVER ALL CLAIMS OR SUITS, INCLUDING BUT NOT LIMITED TO TAKINGS, CONSTITUTIONAL OR STATUTORY RIGHTS, THE TEXAS GOVERNMENT CODE, THE TEXAS LOCAL GOVERNMENT CODE, THE WATER CODE, THE TEXAS CONSTITUTION, ANY STATE OR FEDERAL STATUTE OR REGULATION, THE U.S. CONSTITUTION, CITY ORDINANCES, CITY REGULATIONS, LOSS OF MONEY, LOSS OF PROFITS, LOSS OF PROPERTY, LOSS OF RIGHTS, 42 USC 1983, DEFENSE COSTS, ATTORNEY'S FEES, INTEREST AND ALL OTHER CAUSES OF ACTIONS AND DAMAGES.**

- F. THIS AGREEMENT DOES NOT WAIVE ANY IMMUNITY, DEFENSE OR CONDITION PRECEDENT TO SUIT AGAINST THE CITY AND IS NOT INTENDED TO CREATE ANY RIGHT, INTEREST OR CLAIM. ALL IMMUNITY, DEFENSES AND CONDITIONS PRECEDENT TO SUIT ARE SPECIFICALLY RETAINED.**

- G. THIS AGREEMENT IS NOT A JOINT ENTERPRISE.**

THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

19. Vested Rights/Chapter 245 Waiver. This agreement shall confer no vested rights on the property, or any portion thereof. Nothing in this Agreement shall be implied to vest any rights in the parties. In addition, nothing contained in this Agreement shall constitute a “permit” as defined in Chapter 245, Texas Local Government Code and nothing in this Agreement shall be considered to provide the City with fair notice of Owner’s Project. **OWNER/DEVELOPER WAIVES ANY STATUTORY CLAIM UNDER CHAPTER 245 OF THE TEXAS LOCAL GOVERNMENT CODE BASED UPON THIS AGREEMENT. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

20. Attorney’s Fees. In any legal proceeding brought to enforce the terms of this Agreement, including but not limited to a proceeding brought pursuant to ¶ 18 or 19 above or asserting releases, waiver or defenses pursuant to ¶ 18 or 19 above, the prevailing party may recover its reasonable and necessary attorneys’ fees from the non-prevailing party as permitted by Section 271.159 of the Texas Local Government Code, effective on September 1, 2005 or as it may subsequently be amended.

OWNER,

By: *Ryan M. Hayes*
 Name: Ryan M. Hayes
 Title: Sole Memeber

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
 COUNTY OF Collin §

This instrument was acknowledged before me on the 20th day of July, 2022 by Ryan M. Hayes, Sole Member of GOW Properties, LLC (Owner), on behalf of said entity/corporation.



Kara Lea Cooley
 Notary Public, State of Texas

EXHIBIT "A"

Development Area Descriptions

[Immediately following this page]

ATTEST:

CITY OF BLUE RIDGE, TEXAS

City Secretary

By: _____
Mayor



Glenn Hegar
Texas Comptroller of Public Accounts



Economic Development

Municipal Development Districts

Chapter 377 of the Local Government Code authorizes cities to hold an election in all or part of a city, including its extra territorial jurisdiction, to create a municipal development district and to adopt a sales tax to fund it.

The district could undertake a variety of projects including a convention center, civic center, auditorium and other projects eligible under Tex. Rev. Civ. St. art. 5190.6 Sec. 4B(a). (Chapter 377, Local Government Code).

Sales Tax Options: one-eighth, one-fourth, three-eighths or one-half of 1 percent

Need Help?

For additional information, contact the Data Analysis and Transparency Division

[comptroller.texas.gov/economy/contact.php] via email [<mailto:econ.dev@cpa.texas.gov>] or at 844-519-5672, ext. 6-9231.

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE A. MUNICIPAL PLANNING AND DEVELOPMENT

CHAPTER 377. MUNICIPAL DEVELOPMENT DISTRICTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 377.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of a municipal development district.
- (2) "District" means a municipal development district created under this chapter.
- (3) "Development project" means:
 - (A) a "project" as that term is defined by Sections 505.151-505.158; or
 - (B) a convention center facility or related improvement such as a convention center, civic center, civic center building, civic center hotel, or auditorium, including parking areas or facilities that are used to park vehicles and that are located at or in the vicinity of other convention center facilities.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 232 (S.B. 466), Sec. 1, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.23, eff. April 1, 2009.

Sec. 377.002. SCOPE. (a) A municipality may create a district as provided in this chapter in:

- (1) all or part of the boundaries of the municipality;
- (2) all or part of the boundaries of the municipality and all or part of the boundaries of the municipality's extraterritorial jurisdiction; or
- (3) all or part of the municipality's extraterritorial jurisdiction.

(b) The municipality may include territory outside of the municipality only to the extent that territory is in the municipality's

extraterritorial jurisdiction.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Amended by Acts 2001, 77th Leg., ch. 20, Sec. 1, eff. May 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 232 (S.B. 466), Sec. 2, eff. September 1, 2005.

Sec. 377.003. CONSTITUTIONAL PURPOSE. This chapter creates a program under Section 52-a, Article III, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 232 (S.B. 466), Sec. 3, eff. September 1, 2005.

SUBCHAPTER B. MUNICIPAL DEVELOPMENT DISTRICT

Sec. 377.021. CREATION. (a) A municipality may call an election on the question of creating a municipal development district under this chapter to plan, acquire, establish, develop, construct, or renovate one or more development projects beneficial to the district.

(b) The order calling the election must:

- (1) define the boundaries of the district; and
- (2) call for the election to be held within those boundaries.

(c) The ballot at an election held under this section must be printed to permit voting for or against the proposition: "Authorizing the creation of the ____ Municipal Development District (insert name of district) and the imposition of a sales and use tax at the rate of ____ of one percent (insert one-eighth, one-fourth, three-eighths, or one-half, as appropriate) for the purpose of financing development projects beneficial to the district."

(d) The district is created if a majority of the registered voters of the proposed district voting at the election favor creation of the district.

(e) If a majority of the registered voters of the proposed district voting at the election to create the district vote against creation of the district, the municipality may not hold another election on the question of creating a municipal development district before the first anniversary of the most recent election concerning creation of a district.

(f) The Election Code governs an election held under this chapter.

(g) In the order calling the election, the municipality may provide for the district boundaries to conform automatically to any changes in the

boundaries of the portion of the municipality or the municipality's extraterritorial jurisdiction included in the district, and the election shall be held on one of the four uniform election dates under Section 41.001, Election Code.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Amended by Acts 2001, 77th Leg., ch. 20, Sec. 2, eff. May 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 232 (S.B. 466), Sec. 4, eff. September 1, 2005.

Sec. 377.022. POLITICAL SUBDIVISION; OPEN MEETINGS. (a) A district is a political subdivision of this state and of the municipality that created the district.

(b) A district is subject to Chapter 551, Government Code.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 232 (S.B. 466), Sec. 5, eff. September 1, 2005.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 377.051. COMPOSITION AND APPOINTMENT OF BOARD. (a) A district is governed by a board of at least four directors.

(b) The board is appointed by the governing body of the municipality that created the district.

(c) Directors serve staggered two-year terms. A director may be removed by the appointing municipality at any time without cause. Successor directors are appointed in the same manner as the original appointees.

(d) To qualify to serve as a director, a person must reside in the municipality that created the district or in that municipality's extraterritorial jurisdiction. An employee, officer, or member of the governing body of the municipality may serve as a director, but may not have a personal interest in a contract executed by the district other than as an employee, officer, or member of the governing body of the municipality.

(e) Notwithstanding Subsection (d), a person may qualify to serve as a director of a district if the person resides in the independent school

district that serves the majority of the district and the district is located in a municipality:

(1) with a population of more than 5,000 and less than 6,000 and that is located wholly in a county with a population of more than 20,000 and less than 25,000 and that borders the Brazos River; or

(2) with a population of more than 1,488 and less than 2,500 and that is located wholly in a county with a population of more than 20,000 and less than 30,000 that borders the Neches River and the Trinity River.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 232 (S.B. 466), Sec. 6, eff. September 1, 2005.

Acts 2015, 84th Leg., R.S., Ch. 874 (H.B. 3186), Sec. 1, eff. June 18, 2015.

Acts 2021, 87th Leg., R.S., Ch. 470 (H.B. 4356), Sec. 1, eff. June 14, 2021.

Sec. 377.052. COMPENSATION. A board member is not entitled to compensation, but is entitled to reimbursement for actual and necessary expenses.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.053. MEETINGS. The board shall conduct its meetings in the municipality that created the district.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 232 (S.B. 466), Sec. 7, eff. September 1, 2005.

Sec. 377.054. OFFICERS. The board shall designate from the members of the board a presiding officer, a secretary, and other officers the board considers necessary.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

SUBCHAPTER D. POWERS AND DUTIES

Sec. 377.071. GENERAL POWERS OF DISTRICT. (a) A district may:

- (1) perform any act necessary to the full exercise of the district's powers;
 - (2) accept a grant or loan from a:
 - (A) department or agency of the United States;
 - (B) department, agency, or political subdivision of this state; or
 - (C) public or private person;
 - (3) acquire, sell, lease, convey, or otherwise dispose of property or an interest in property, including a development project, under terms and conditions determined by the district;
 - (4) employ necessary personnel; and
 - (5) adopt rules to govern the operation of the district and its employees and property.
- (b) A district may contract with a public or private person to:
- (1) plan, acquire, establish, develop, construct, or renovate a development project; or
 - (2) perform any other act the district is authorized to perform under this chapter.
- (c) A district may not levy an ad valorem tax.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.072. DEVELOPMENT PROJECT FUND. (a) A district shall establish by resolution a fund known as the development project fund. The district may establish separate accounts within the fund.

- (b) The district shall deposit into the development project fund:
- (1) the proceeds from any sales and use tax imposed by the district;
 - (2) all revenue from the sale of bonds or other obligations by the district; and
 - (3) any other money required by law to be deposited in the fund.

(c) Except as provided by Subsections (d) and (e), the district may use money in the development project fund only to:

- (1) pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more development projects located:
 - (A) in the district; or
 - (B) outside the district, if:
 - (i) the project is located in the extraterritorial jurisdiction of the municipality that created the district;

(ii) the board determines that the development project will provide an economic benefit to the district; and

(iii) the following entities, as applicable, by resolution approve the development project:

(a) the municipality that created the district; and

(b) each municipality in whose corporate limits or extraterritorial jurisdiction the project is located;

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the district or to refund bonds or other obligations; or

(3) pay the costs of operating or maintaining one or more development projects during the planning, acquisition, establishment, development, construction, or renovation or while bonds or other obligations for the planning, acquisition, establishment, development, construction, or renovation are outstanding.

(d) A district located in a county with a population of 3.3 million or more may use money in the development project fund only to:

(1) pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more development projects beneficial to the district if the projects are in the district boundaries or the extraterritorial jurisdiction of the municipality where the district is located;

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the district or to refund bonds or other obligations; or

(3) pay the costs of operating or maintaining one or more development projects during the planning, acquisition, establishment, development, construction, or renovation or while bonds or other obligations for the planning, acquisition, establishment, development, construction, or renovation are outstanding.

(e) A district that is located in a municipality with a population of more than 5,000 and less than 6,000 and that is located wholly in a county with a population of more than 20,000 and less than 25,000 and that borders the Brazos River may use money in the development project fund only to:

(1) pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more development projects inside the county in which the district is located, if the project:

(A) accomplishes a public purpose of the district;

(B) allows the district to retain control over the money to ensure that the district's public purpose is accomplished and to protect

the district's investment; and

(C) benefits the district;

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the district or to refund bonds or other obligations; or

(3) pay the costs of operating or maintaining one or more development projects during the planning, acquisition, establishment, development, construction, or renovation or while bonds or other obligations for the planning, acquisition, establishment, development, construction, or renovation are outstanding.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 911 (H.B. 167), Sec. 1, eff. June 18, 2005.

Acts 2015, 84th Leg., R.S., Ch. 874 (H.B. 3186), Sec. 2, eff. June 18, 2015.

Acts 2021, 87th Leg., R.S., Ch. 661 (H.B. 1554), Sec. 1, eff. June 15, 2021.

Sec. 377.073. BONDS AND OTHER OBLIGATIONS. (a) A district may issue bonds, including revenue bonds and refunding bonds, or other obligations to pay the costs of a development project.

(b) The bonds or other obligations and the proceedings authorizing the bonds or other obligations shall be submitted to the attorney general for review and approval as required by Chapter 1202, Government Code.

(c) The bonds or other obligations must be payable from and secured by the revenues of the district.

(d) The bonds or other obligations may mature serially or otherwise not more than 30 years from their date of issuance.

(e) The bonds or other obligations are not a debt of and do not create a claim for payment against the revenue or property of the district other than a development project for which the bonds are issued.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Amended by Acts 2001, 77th Leg., ch. 1420, Sec. 8.339, eff. Sept. 1, 2001.

Sec. 377.074. PUBLIC PURPOSE OF PROJECT. (a) The legislature finds for all constitutional and statutory purposes that a development project is owned, used, and held for public purposes by the district.

(b) Section 25.07(a), Tax Code, does not apply to a leasehold or other possessory interest granted by the district while the district owns

the development project.

(c) The development project is exempt from taxation under Section 11.11, Tax Code, while the district owns the project.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

SUBCHAPTER E. SALES AND USE TAX

Sec. 377.101. SALES AND USE TAX. (a) A district by order may impose a sales and use tax under this subchapter.

(b) A district may impose a tax under this subchapter only if the tax is approved at an election held under Section 377.021.

(c) A district may not adopt a sales and use tax under this subchapter if the adoption of the tax under this subchapter would result in a combined tax rate of all local sales and use taxes of more than two percent in any location in the district.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.102. TAX CODE APPLICABLE. (a) Chapter 323, Tax Code, governs the imposition, computation, administration, collection, and remittance of a tax authorized under this subchapter except as inconsistent with this subchapter.

(b) Section 323.101(b), Tax Code, does not apply to the tax authorized by this subchapter.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.103. TAX RATE. The rate of a tax adopted under this subchapter must be one-eighth, one-fourth, three-eighths, or one-half of one percent.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.104. REPEAL OR RATE CHANGE. (a) A district that has adopted a sales and use tax under this subchapter may by order and subject to Section 377.101(c), change the rate of the tax or repeal the tax if the change or repeal is approved by a majority of the registered voters of that district voting at an election called and held for that purpose.

(b) The tax may be changed under Subsection (a) in one or more increments of one-eighth of one percent to a maximum of one-half of one

percent.

(c) The ballot for an election to change the tax shall be printed to permit voting for or against the proposition: "The adoption of a sales and use tax at the rate of ____ of one percent (insert one-fourth, three-eighths, or one-half, as appropriate)."

(d) The ballot for the election to repeal the tax shall be printed to permit voting for or against the proposition: "The repeal of the sales and use tax for financing development projects in the _____ Municipal Development District (insert name of district)."

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.105. IMPOSITION OF TAX. (a) If the district adopts the tax, a tax is imposed on the receipts from the sale at retail of taxable items in the district at the rate approved at the election.

(b) There is also imposed an excise tax on the use, storage, or other consumption in the district of tangible personal property purchased, leased, or rented from a retailer during the period that the tax is effective in the district. The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sale price of the tangible personal property.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.106. EFFECTIVE DATE OF TAX. Except as provided by Section 377.107, the adoption of the tax, the change of the tax rate, or the repeal of the tax takes effect on the first day of the first calendar quarter occurring after the expiration of the first complete quarter occurring after the date on which the comptroller receives a notice of the results of the election adopting, changing, or repealing the tax.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.107. COLLECTION OF TAX TO PAY BONDS OR OTHER OBLIGATIONS.

(a) If the district votes to repeal the sales and use tax under Section 377.104, and the district had issued bonds or incurred other obligations secured by the tax before the date of the election, the district shall continue to collect the tax until the bonds or other obligations are paid.

(b) The district shall immediately notify the comptroller when the bonds or other obligations have been paid.

(c) The repeal of the tax takes effect on the first day of the first calendar quarter occurring after the expiration of the first complete quarter occurring after the date on which the comptroller receives the notice under Subsection (b).

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

Sec. 377.108. DEPOSIT OF TAX REVENUES. Revenue from the tax imposed under this subchapter shall be deposited in the development project fund of the district imposing the tax.

Added by Acts 1997, 75th Leg., ch. 529, Sec. 1, eff. Sept. 1, 1997.

**AGREEMENT FOR PUBLIC IMPROVEMENT DISTRICT
ADMINISTRATION SERVICES**

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

RECITALS

WHEREAS, the City Council is anticipating the creation of The Prairie at Blue Ridge Public Improvement District No. _ ("PID No. _" or "District") to finance the costs of certain public improvements for the benefit of property within the District; and

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

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

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

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

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

ARTICLE I

TERM OF AGREEMENT

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

ARTICLE II

SERVICES TO BE PROVIDED BY P3WORKS

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

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

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

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

ARTICLE III

PAYMENT TERMS AND CONDITIONS

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

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

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

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

ARTICLE IV

TERMINATION OF THIS AGREEMENT

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

ARTICLE V

GENERAL PROVISIONS

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

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

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

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

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

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

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

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

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

5.9 All notices, requests, demands, and other communications which are required to be given

under this agreement shall be in writing and shall be deemed to have been duly given upon the delivery by registered or certified mail, return receipt requested, postage prepaid thereon, as follows:

To P3Works:

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

To City:

Eddie Sims
City Secretary
200 S Main
Blue Ridge, Texas 75424

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

Executed on this _____ day of _____, 2022:

P3Works, LLC

BY: _____
Mary V. Petty
Managing Partner

City of Blue Ridge

BY: _____
Rhonda Williams
Mayor

EXHIBIT A
SERVICES TO BE PROVIDED

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

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

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

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

District Due Diligence and Preparation of PID Plan of Finance

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

Preparation of Service and Assessment Plan

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

Bond Issuance Support

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

Participation in Presentations to City Council or other Public Forums

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

BASIC DISTRICT ADMINISTRATION SERVICES

If no bonds are sold:

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

If bonds are sold:

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

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

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

Prepare Annual Service and Assessment Plan Update

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

Administration of Bond Funds (if bonds are sold)

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

Provide Public Information Request Support

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

Delinquency Management

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

Website Setup

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

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

\$7,500 One Time Lump Sum Fee

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

ADDITIONAL DISTRICT ADMINISTRATION SERVICES

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

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

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

Continuing Disclosure Services

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

Developer Payment Request Administration

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

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

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

EXHIBIT B
IRMA EXEMPTION LETTER



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

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

Edie Sims
City Secretary
200 S Main
Blue Ridge, Texas 75424

RE: IRMA Exemption/Acceptance Letter

To Whom It May Concern:

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

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

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

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

Mary V. Petty
Managing Partner
P3Works, LLC

Jon Snyder
Managing Partner
P3Works, LLC

**CITY OF BLUE RIDGE
RESOLUTION NO. 2022-0802-001**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2022 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

WHEREAS, the City of Blue Ridge, Texas (“City”) is a gas utility customer of Atmos Energy Corp., Mid-Tex Division (“Atmos Mid-Tex” or “Company”), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee (“ACSC”), a coalition of similarly-situated cities served by Atmos Mid-Tex (“ACSC Cities”) that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism (“RRM”) tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program (“GRIP”) process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

RESOLUTION NO. 2022-0802-001

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2022, Atmos Mid-Tex filed its 2022 RRM rate request with ACSC Cities based on a test year ending December 31, 2021; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2022 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$115 million on a system-wide basis with an Effective Date of October 1, 2022; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS:

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$115 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2022 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$115 on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2022 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

RESOLUTION NO. 2022-0802-001

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2022.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 2ND DAY OF AUGUST, 2022.

Mayor

ATTEST:

City Secretary

RESOLUTION NO. 2022-0802-001

APPROVED AS TO FORM:

City Attorney

July 28, 2022

MODEL STAFF REPORT FOR RESOLUTION OR ORDINANCE

BACKGROUND AND SUMMARY

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2022, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2021, entitled it to additional system-wide revenues of \$141.3 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to \$115 million, \$83.26 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be \$95.8 million instead of the claimed \$141.3 million.

The Executive Committee recommends a settlement at \$115 million. The Effective Date for new rates is October 1, 2022. ACSC members should take action approving the Resolution/Ordinance before September 30, 2022.

RATE TARIFFS

Atmos generated rate tariffs attached to the Resolution/Ordinance will generate \$115 million in additional revenues. Atmos also prepared a Proof of Revenues supporting the settlement figures. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of \$4.60 on a monthly basis, or 6.7 percent. The increase for average commercial usage will be \$14.34 or 4.3 percent. Atmos provided bill impact comparisons containing this figures.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When

new rates become effective on October 1, 2022, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates.

Comparison to Other Mid-Tex Rates (Residential)

	<u>Average Bill</u>	<u>Compared to RRM Cities</u>
RRM Cities:	\$73.22	-
DARR:	\$71.96	(\$1.26)
ATM Cities:	\$78.72	\$5.50
Environs:	\$78.53	\$5.31

Note: DARR rate is as-filed 1/22/22. Also note that DARR uses a test year ending in September rather than December.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution/Ordinance.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$115 million from ACSC Cities.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution/Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Resolution/Ordinance.

8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution/Ordinance. This section further directs that the remaining provisions of the Resolution/Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage.
11. This section directs that a copy of the signed Resolution/Ordinance be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$141.3 million in additional system-wide revenues, the RRM settlement at \$115 million for ACSC Cities reflects substantial savings to ACSC Cities. Settlement at \$115 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution/Ordinance before September 30, 2022. New rates become effective October 1, 2022.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 21.55 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 21.60 per month
Commodity Charge – All <u>Ccf</u>	\$0.36223 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	\$ 63.50 per month
Rider CEE Surcharge	(\$ 0.01) per month ¹
Total Customer Charge	\$ 63.49 per month
Commodity Charge – All Ccf	\$ 0.14137 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2022.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailement Overpull Fee

Upon notification by Company of an event of curtailement or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailement or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Agreement

An Agreement for Gas Service may be required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Application

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

Type of Service

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	\$ 1,204.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4939 per MMBtu
Next 3,500 MMBtu	\$ 0.3617 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0776 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Imbalance Fees

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Curtailment Overpull Fee

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement

A transportation agreement is required.

Notice

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

- i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification
- $WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf
- R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.
- HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class
- NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.
- ADD = billing cycle actual heating degree days.
- BL_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the j th customer in i th rate schedule is computed as:

$$WNA_{ij} = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the j th customer in i th rate schedule.

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2022	

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.58	0.1422	88.85	0.6666
Austin	9.90	0.1372	233.56	0.7819
Dallas	14.17	0.1938	186.38	0.9394
Waco	10.07	0.1308	140.10	0.7170
Wichita Falls	11.43	0.1398	131.57	0.5610

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at atmosenergy.com/mtx-wna, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

**City of Blue Ridge
Inactive Account Balances Report**

ACCOUNT	SERVICE ADDRESS	BALANCE
10003	411 B N Bus Hwy 78	\$20.47
10005	304 S MORROW	*\$51.14
10009	211 E PRITCHARD	*\$35.48
10020	518 W FM 545	\$942.54
10049	321 S BUS 78	*\$33.96
10114	308 W DAVIS	\$66.30
10136	401 S. Morrow	\$51.48
10155	213 N MAIN	\$27.83
10260	305 Bratcher	\$86.43
10298	1206 N Hwy 78	\$219.91
10315	306 W DAVIS	*\$3.62
10316	402 N Bus 78	\$14.49
10324	308 W FM 545	\$156.58
10325	215 N Morrow	\$431.65
10381	212 Hilltop Circle	\$41.46
10403	103 S MORROW # B	\$123.87
10404	228 E PRITCHARD	*\$31.54
10503	610 S Bus Hwy 78	\$211.11
10505	306 Oak St.	\$476.41
10515	1194 N Bus 78	*\$157.61
10531	306 Oak # St.	\$70.23
10545	305 S. Bratcher	\$135.74
10547	1206 N BUS 78	\$62.54
10589	308 W LAMM	*\$457.46
10596	303 N CHURCH	*\$83.36
10602	322 S Main ST # APT A	*\$392.78
10604	953 N BUS 78	\$28.06
10624	12 BOWLING LN	*\$72.63

Total Balance Due \$4,486.68