

**CITY OF MANOR, TEXAS DEPOSIT AGREEMENT SUPPLEMENT -
PUBLIC IMPROVEMENT DISTRICT
Lagos PID Improvement Area #1 Bonds**

THIS DEPOSIT AGREEMENT (this “Agreement”) is made and entered into as of _____, 2021 by and between the **CITY OF MANOR, TEXAS** (the “City”) and **706 INVESTMENT PARTNERSHIP, LTD.**, a Texas limited partnership (including its Designated Successors and Assigns, the “Owner”).

WHEREAS, the Owner requested that the City create a public improvement district (the “District”) that included real property within the corporate limits of the City, enter into a PID financing agreement under which the City would, among other things, conduct proceedings pursuant to the provisions of Texas Local Government Code Chapter 372 (the “PID Act”) to levy special assessments, and issue one or more series of bonds (the “Bonds”) in accordance with the PID Act; and

WHEREAS, the City created the District, as approved in City Resolution No. 2019-02; and

WHEREAS, the City levied special assessments on property within the Major Improvement Area of the District, pursuant to City Ordinance No. 556, and issued bonds for the Major Improvement Area of the District, as authorized in City Ordinance No. 563; and

WHEREAS, the Owner previously agreed to advance moneys to be used by the City Manager of the City (the “City Manager”) to pay costs and expenses associated with retaining consultants to assist the City with evaluating the feasibility and desirability of creation of the District, levying assessments, and issuing bonds for the Major Improvement Area of the District; and

WHEREAS, the Owner has now agreed to advance additional moneys to be used by the City Manager to pay costs and expenses associated with retaining the Consultants (herein defined) to assist the City with assessing the feasibility and desirability of (i) levying assessments and (ii) issuing Bonds for Improvement Area #1 of the District (the “PID Feasibility Matters”), such advances being subject to reimbursement or credit as provided in other PID agreements; and

WHEREAS, the parties hereto wish to enter into the Agreement to define the terms and conditions under which moneys will be advanced by and reimbursed to the Owner.

NOW THEREFORE, the parties, for mutual consideration, agree as follows:

SECTION 1. DEPOSITS. The Owner shall deposit with the City the amount of \$69,000.00 (the “Moneys”) to the City Manager within five (5) business days after this Agreement is executed and delivered by the City, which Moneys shall be used by the City exclusively to pay costs incurred and costs generally described in Section 2 hereof. If the Moneys are not deposited in accordance with this Section 1, the City shall not proceed with evaluating the PID Feasibility. The City will notify the Owner if the costs generally described in Section 2 exceed or are expected to exceed

\$69,000.00. The City will draw from the deposit for the Consultant fees and other fees related to the PID Feasibility (the “**Consultant Deposit**”). Whenever the account for the Consultant Deposit reaches a balance below \$5,000.00, the Owner shall deposit an additional \$10,000.00 within five (5) business days of notification by the City Manager (the “Additional Moneys”). If the Additional Moneys are not deposited in accordance with this Section 1, the City shall not proceed with evaluating the PID Feasibility. The City Manager shall cause all Moneys received from the Owner to be deposited into a separate account maintained by or at the direction of the City Manager and the Office of the City Director of Finance. All interest or other amounts earned on Moneys (if any) in such account shall be held in such account for the payment of Project Costs or otherwise applied as set forth in Section 3 hereof.

SECTION 2. USE OF MONEYS ON DEPOSIT. The City has retained P3Works, LLC as assessment consultant; the City has engaged or will engage additional consultants, including but not limited to engineers and attorneys (collectively, “**Consultants**”). The Consultants will assist the City with evaluating the PID Feasibility. The Consultants will be responsible to, and will act as consultants to, the City in connection with the PID Feasibility. The City Manager will use the Moneys to pay costs and expenses of the Consultants that are associated with or incidental to evaluating the PID Feasibility (collectively, “**Project Costs**”). PID Feasibility does not include work by or on behalf of the City regarding development of real property within the District except as such development specifically relates to PID creation or PID matters. The scope of work and terms and conditions of the agreement for the Consultants is, or will be, set forth in an agreement on file in the City Secretary’s office. The City Manager shall maintain records of the payment of all Project Costs and keep such records on file and available for inspection and review by the Owner in the City Secretary’s office. Upon request, but not more than monthly, the City agrees to provide the Owner with copies of all invoices for evaluating the PID Feasibility that have been paid since the last request. If the Owner objects to any portion of an invoice, the City and the Owner agree in good faith to attempt to resolve the dispute within a reasonable period of time.

SECTION 3. UNEXPENDED MONEYS. If proceedings for approval of the PID Financing Agreement are unsuccessful and are terminated or abandoned prior to levying assessments or the issuance of the Bonds, the City Manager shall transfer to the Owner all Moneys, including any interest earnings thereon, then on deposit in the account established and maintained pursuant to Section 1, exclusive of Moneys necessary to pay Project Costs or portions thereof that (i) have been actually incurred and (ii) are due and owing as of the date of such termination or abandonment. Upon the successful issuance of the Bonds, the City shall return unexpended Moneys, and the interest thereon, if any, to Owner.

SECTION 4. RESERVED RIGHTS. This Agreement does not in any way create an obligation or commitment that the City will execute any agreements, and the City expressly reserves the right to terminate or abandon the proceedings at any time, if in the City's sole discretion, it deems such termination or abandonment to be in the best interests of the City.

SECTION 5. BINDING EFFECT. This Agreement shall be binding on the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date above written.

EXECUTED and ACCEPTED this ____ of _____ 2021.

CITY OF MANOR, TEXAS, a municipal corporation

By: _____
Dr. Larry Wallace, Jr., Mayor

Date: _____

ATTEST:

Lluvia T. Almaraz, City Secretary

AGREED TO and ACCEPTED this ____ of _____ 2021.

706 INVESTMENT PARTNERSHIP, LTD.,
a Texas limited partnership

By: 706 Investment GP, Inc.,
a Texas corporation, its General Partner

By: _____

Name: Peter A. Dwyer

Title: President