



Agenda
Prosper Town Council Meeting
Prosper Town Hall, Council Chambers
250 W. First Street, Prosper, Texas
Tuesday, July 23, 2024
6:15 PM

Welcome to the Prosper Town Council Meeting.

Citizens may watch the meeting live by using the following link: www.prospertx.gov/livemeetings

Addressing the Town Council:

Those wishing to address the Town Council must complete the Public Comment Request Form located on the Town's website or in the Council Chambers.

If you are attending in person, please submit this form to the Town Secretary or the person recording the minutes for the Board/Commission prior to the meeting. When called upon, please come to the podium, and state your name and address for the record.

If you are watching online, please submit this form to the Town Secretary prior to 4:00 p.m. on the day of the meeting in order for your comments to be read into the record. The Town assumes no responsibility for technical issues beyond our control.

In compliance with the Texas Open Meetings Act, the Town Council/Board/Commission may not deliberate or vote on any matter that does not appear on the agenda. The Council/Board/Commission, however, may provide statements of fact regarding the topic, request the topic be included as part of a future meeting, and/or refer the topic to Town staff for further assistance.

Citizens and other visitors attending Town Council meetings shall observe the same rules of propriety, decorum, and good conduct applicable to members of the Town Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the Town Council or while attending the meeting shall be removed from the room, if so directed by the Mayor or presiding officer, and the person shall be barred from further audience before the Town Council during that session. Disruption of a public meeting could constitute a violation of Section 42.05 of the Texas Penal Code.

Call to Order/ Roll Call.

Invocation, Pledge of Allegiance and Pledge to the Texas Flag.

Announcements of recent and upcoming events.

Presentations.

1. Proclamation declaring the month of August 2024 as Gun Safety Awareness Month. (MLS)
2. Recognize Prosper Fire Rescue for receiving the Storm Ready designation. (SB)
3. Recognize Leslie Scott, Director of Library Services for her years of dedicated service to the Town of Prosper. (RB)

CONSENT AGENDA:

Items placed on the Consent Agenda are considered routine in nature and non-controversial. The Consent Agenda can be acted upon in one motion. Items may be removed from the Consent Agenda by the request of Council Members or staff.

- [4.](#) Consider and act upon the minutes from the July 9, 2024, Town Council Work Session meeting. (MLS)
- [5.](#) Consider and act upon the minutes from the July 9, 2024, Town Council Regular meeting. (MLS)
- [6.](#) Consider acceptance of the June 2024 monthly financial report. (CL)
- [7.](#) Consider and act upon authorizing the Town Manager to approve a purchase order to C & P Pump Services, Inc. in the amount of \$64,417 for the repairs to the pump at Whitley Place Park and to execute documents related to the purchase. (DB)
- [8.](#) Consider and act upon whether to direct staff to submit a written notice of appeals on behalf of the Town Council to the Development Services Department, pursuant to Chapter 4, Section 1.5(C)(7) and 1.6(B)(7) of the Town's Zoning Ordinance, regarding action taken by the Planning & Zoning Commission on Preliminary Site Plans and Site Plans. (DH)

CITIZEN COMMENTS

The public is invited to address the Council on any topic. However, the Council is unable to discuss or take action on any topic not listed on this agenda. Please complete a "Public Comment Request Form" and present it to the Town Secretary prior to the meeting. Please limit your comments to three minutes. If multiple individuals wish to speak on a topic, they may yield their three minutes to one individual appointed to speak on their behalf. All individuals yielding their time must be present at the meeting, and the appointed individual will be limited to a total of 15 minutes.

REGULAR AGENDA:

Pursuant to Section 551.007 of the Texas Government Code, individuals wishing to address the Council for items listed as public hearings will be recognized when the public hearing is opened. [If you wish to address the Council, please fill out a "Public Comment Request Form" and present it to the Town Secretary, preferably before the meeting begins.]

Items for Individual Consideration:

- [9.](#) Consider all matters incident and related to the issuance and sale of "Town of Prosper, Texas, Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024", including the adoption of an ordinance authorizing the issuance of such obligations and establishing procedures and delegating authority for the sale and delivery of such obligations. (CL)
- [10.](#) Consider all matters incident and related to the issuance and sale of "Town of Prosper, Texas, General Obligation Bonds, Series 2024", including the adoption of an ordinance authorizing the issuance of such bonds and establishing procedures and delegating authority for the sale and delivery of such bonds. (CL)
- [11.](#) Consider all matters incident and related to the issuance and sale of "Town of Prosper, Texas, Waterworks and Sewer System Revenue Bonds, Series 2024", including the adoption of an ordinance authorizing the issuance of such bonds and establishing procedures and delegating authority for the sale and delivery of such bonds. (CL)

12. Discuss and consider Town Council Subcommittee reports. (DFB)

Possibly direct Town staff to schedule topic(s) for discussion at a future meeting.

EXECUTIVE SESSION:

Recess into Closed Session in compliance with Section 551.001 et seq. Texas Government Code, as authorized by the Texas Open Meetings Act, to deliberate regarding:

Section 551.087 – To discuss and consider economic development incentives and all matters incident and related thereto.

Section 551.072 – To discuss and consider the purchase, exchange, lease, or value of real property for municipal purposes and all matters incident and related thereto.

Section 551.074 – To discuss and consider personnel matters and all matters incident and related thereto.

Section 551.071 - To consult with the Town Attorney regarding proposed amendments to the sign ordinance.

Reconvene in Regular Session and take any action necessary as a result of the Closed Session.

Adjourn.

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted at Prosper Town Hall, located at 250 W. First Street, Prosper, Texas 75078, a place convenient and readily accessible to the general public at all times, and said Notice was posted by 5:00 p.m., on Friday, July 19, 2024, and remained so posted at least 72 hours before said meeting was convened.

Michelle Lewis Sirianni, Town Secretary

Date Notice Removed

Pursuant to Section 551.071 of the Texas Government Code, the Town Council reserves the right to consult in closed session with its attorney and to receive legal advice regarding any item listed on this agenda.

NOTICE

Pursuant to Town of Prosper Ordinance No. 13-63, all speakers other than Town of Prosper staff are limited to three (3) minutes per person, per item, which may be extended for an additional two (2) minutes with approval of a majority vote of the Town Council.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS: The Prosper Town Council meetings are wheelchair accessible. For special services or assistance, please contact the Town Secretary's Office at (972) 569-1073 at least 48 hours prior to the meeting time.



MINUTES

Item 4.

Prosper Town Council Work Session
Prosper Town Hall – Council Chambers
250 W. First Street, Prosper, Texas
Tuesday, July 9, 2024

Call to Order/ Roll Call.

The meeting was called to order at 5:00 p.m.

Council Members Present:

Mayor David F. Bristol
Mayor Pro-Tem Marcus E. Ray
Deputy Mayor Pro-Tem Amy Bartley
Councilmember Craig Andres
Councilmember Chris Kern
Councilmember Jeff Hodges

Council Members Absent:

Councilmember Cameron Reeves

Staff Members Present:

Mario Canizares, Town Manager
Terry Welch, Town Attorney
Michelle Lewis Sirianni, Town Secretary
Chuck Ewings, Assistant Town Manager
Robyn Battle, Executive Director
Mary Ann Moon, EDC Director
David Hoover, Development Services Director
Chris Landrum, Finance Director
Dan Baker, Parks and Recreation Director
Todd Rice, Communications & Media Relations Manager
Jessika Hotchkin, Help Desk Technician I

EXECUTIVE SESSION:

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Section 551.087 – To discuss and consider economic development incentives and all matters incident and related thereto.

Section 551.072 – To discuss and consider the purchase, exchange, lease, or value of real property for municipal purposes and all matters incident and related thereto.

Section 551.074 – To discuss and consider personnel matters and all matters incident and related thereto.

Section 551.071 – Consultation with the Town Attorney to discuss legal issues associated with any agenda item.

The Town Council recessed into Executive Session at 5:03 p.m.

Reconvene into Work Session.

The Town Council reconvened into the Work Session at 6:05 p.m.

No action was taken.

Adjourn.

The meeting was adjourned at 6:05 p.m.

These minutes were approved on the 23rd day of July 2024.

APPROVED:

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

MINUTES

Prosper Town Council Meeting
Prosper Town Hall, Council Chambers
250 W. First Street, Prosper, Texas
Tuesday, July 9, 2024

Call to Order/ Roll Call.

The meeting was called to order at 6:15 p.m.

Council Members Present:

Mayor David F. Bristol
Mayor Pro-Tem Marcus E. Ray
Deputy Mayor Pro-Tem Amy Bartley
Councilmember Craig Andres
Councilmember Chris Kern
Councilmember Cameron Reeves

Council Members Absent:

Councilmember Cameron Reeves

Staff Members Present:

Mario Canizares, Town Manager
Terry Welch, Town Attorney
Michelle Lewis Sirianni, Town Secretary
Bob Scott, Deputy Town Manager
Chuck Ewings, Assistant Town Manager
Robyn Battle, Executive Director
Chris Landrum, Finance Director
Pete Anaya, Assistant Director of Engineering, CIP
David Hoover, Development Services Director
Dan Baker, Parks and Recreation Director
Carrie Jones, Public Works Director
Todd Rice, Communications and Media Relations Manager
Jessika Hotchkin, Help Desk Technician I
Ron Castro, Interim Assistant Police Chief

Invocation, Pledge of Allegiance and Pledge to the Texas Flag.

Jim Lugar with Life Journey Church led the invocation. The Pledge of Allegiance and the Pledge to the Texas Flag were recited.

Announcements of recent and upcoming events.

Councilmember Kern made the following announcements:

Registration is open for the Citizens Fire Academy. Classes will run for 10 weeks, every Thursday evening from 6:30 to 9:00 p.m. starting Thursday, August 1. Residents may register by visiting prospertx.gov/citizensfireacademy. The deadline to register is Thursday, July 11 with limited space available.

The summer season of the Mayor's Fitness Challenge is underway. Any type of exercise counts as fitness minutes. Turn in your tracking sheet by September 9 to earn a free t-shirt and entry in a drawing for Bluetooth Earbuds. Visit prospertx.gov/mayorsfitnesschallenge for more information.

Applications are now being accepted through Friday, August 2 to serve on a Town's Board, Commission, or Committee. More information about the Board and Commissions application process, including an online application form, is available at prosper.tx.gov/boardandcommissions.

This week as part of the Summer Library Program, "Every Animal Has a Story", will spotlight birds. Craft days will take place on Tuesday and Friday from 10 am to 1 pm; Wednesday will offer bird-themed story times several times throughout the day; and Thursday at 10 am features The Raptor Show. Tickets for the show will be available 30 minutes before the event. For more information regarding this weeks events, and upcoming summer events, visit the 2024 Summer Programs at prosper.tx.gov/library.

Presentations.

1. Recognize the Town Secretary's Office with the Texas Municipal Clerks Achievement of Excellence Award. (MLS)

Ms. Lewis Sirianni introduced Tina Stewart, City Secretary with the City of The Colony and TMCA Board member and Tenitrus Parchman, Deputy City Secretary with the City of McKinney who presented the award on behalf of the organization.

CONSENT AGENDA:

Items placed on the Consent Agenda are considered routine in nature and non-controversial. The Consent Agenda can be acted upon in one motion. Items may be removed from the Consent Agenda at the request of Council Members or staff.

- 2. Consider and act upon the minutes from the June 25, 2025 Town Council Work Session meeting. (MLS)**
- 3. Consider and act upon the minutes from the June 25, 2024 Town Council Regular meeting. (MLS)**
- 4. Consider and act upon authorizing the Town Manager to execute an Interlocal Agreement between the Town of Prosper and the City of Celina related to the median mowing and maintenance along Frontier Parkway. (DB)**
- 5. Consider and act upon authorizing the Town Manager to approve the purchase of a striping machine and various signs, markings materials, and supplies from Centerline Supply, Inc. in the amount of \$95,000. (CJ)**
- 6. Consider and act upon authorizing the Town Manager to execute Contract Amendment No. 2 to the Professional Engineering Services Agreement between Garver, LLC, and the Town of Prosper, Texas, related to land acquisition services for the Coleman Street from Gorgeous Road to Prosper Trail and Coleman Street from Prosper Trail to Talon Lane/Amberly Lane projects for \$257,250. (PA)**
- 7. Consider and act upon Ordinance 2024-48 amending Subsection (f) of Section 12.08.023, "Approved and Prohibited Truck Routes; Exemptions," of Article 12.08, "Truck Routes," of Chapter 12, "Traffic," of the Code of Ordinances. (HW)**

Mayor Pro-Tem Ray requested to pull item 5.

Mayor Pro-Tem Ray made a motion to approve items 2 through 4, 6, and 7. Deputy Mayor Pro-Tem Bartley seconded the motion. Motion carried with a 6-0 vote.

Regarding item 5, Ms. Jones introduced the item. She commented that this purchase is approved through the purchasing cooperative and will allow to make purchases through the rest of the fiscal year. This is currently budgeted through Streets. Staff is requesting approval due to the amount threshold through the Purchasing Department.

Mayor Pro-Tem Ray made a motion to approve item 5. Councilmember Hodges seconded the motion. Motion carried with a 6-0 vote.

CITIZEN COMMENTS

Mr. Perry, 850 Kingsley Drive expressed his disappointment in the Town Council's approval of the most recent development referred to as the Arts District. He would like to have a true Arts Center in the Town for the residents to enjoy.

Items for Individual Consideration:

8. Receive an update on the Freedom Fest and Celebrate Prosper events. (DB)

Mr. Baker provided an update to this year's Freedom Fest, which included improvements to setup, stage location, partnerships with the Downtown businesses, and services the Town will be providing.

The Town Council discussed the arrangement of the fencing for the event, the inclusion of Silo Park, entry and exit points, and the overall orientation of the event.

Mr. Baker presented potential changes for the Celebrate Prosper event including proposed additions and future changes.

Deputy Mayor Pro-Tem Bartley requested the staff receive input from the Community Engagement Committee and have a special area for new residents at the event.

9. Receive an update regarding the Downtown Advisory Committee. (RB)

Ms. Battle presented an update of the completed, in-progress, and pending projects that align with the Downtown Master Plan that the Committee has been working on since they formed along with committed and remaining funds based on these projects. Items for future consideration were also presented for feedback.

The Town Council discussed keeping the committee as an Ad-Hoc for the time being, involving the Downtown Business Alliance as necessary for their feedback, and future funding to be jointly contributed from the EDC and the Town.

Ms. Battle added the Town's website is being updated to include a designated page to promote Downtown and is set to launch by August 1.

10. Discuss and consider Town Council Subcommittee reports. (DFB)

CIP Subcommittee: Deputy Mayor Pro-Tem Bartley stated the subcommittee discussed the Prosper Trail project and are evaluating the project list for the next fiscal year.

Possibly direct Town staff to schedule topic(s) for discussion at a future meeting.

No comments were made.

EXECUTIVE SESSION:

Recess into Closed Session in compliance with Section 551.001 et seq. Texas Government Code, as authorized by the Texas Open Meetings Act, to deliberate regarding:

Section 551.087 – To discuss and consider economic development incentives and all matters incident and related thereto.

Section 551.072 – To discuss and consider the purchase, exchange, lease, or value of real property for municipal purposes and all matters incident and related thereto.

Section 551.074 – To discuss and consider personnel matters and all matters incident and related thereto.

Section 551.071 - To consult with the Town Attorney regarding legal issues associated with code enforcement activities and substandard structures, and all matters incident and related thereto.

The Town Council recessed into Executive Session at 7:13 p.m.

Reconvene in Regular Session and take any action necessary as a result of the Closed Session.

The Town Council reconvened into Regular Session at 7:50 p.m.

No action was taken.

Adjourn.

The meeting was adjourned at 7:51 p.m.

These minutes were approved on the 23rd day of July 2024.

APPROVED:

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary



FINANCE

To: Mayor and Town Council

From: Chris Landrum, Finance Director

**Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager**

Re: June 2024 Monthly Financial Report

Town Council Meeting – July 23, 2024

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider acceptance of the June 2024 monthly financial report.

Description of Agenda Item:

The Town Charter requires the submission of monthly financial reports to the Town Council. In summary, both revenues and expenditures are within the expected ranges and no unexpected events have occurred that require significant changes in original projections.

The attached monthly financial report for June 2024 was prepared in the old format. This format is not particularly “user friendly” and staff is looking to reformat the monthly financial reports after the ERP software conversion.

Budget Impact:

There is no budgetary impact affiliated with this item.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Monthly Financial Report – June 30, 2024
2. Third Quarter Financial Summary

Town Staff Recommendation:

Town staff recommends Town Council vote to accept submission of the monthly financial report for the period June 2024 in compliance with the requirements of the Town Charter.

Proposed Motion:

I move to accept the June 2024 Monthly Financial Report in compliance with charter requirements.



MONTHLY FINANCIAL REPORT as of June 30, 2024 Cash/Budgetary Basis

Prepared by
Finance Department

July 23, 2024

TOWN OF PROSPER, TEXAS

MONTHLY FINANCIAL REPORT

June 2024

Table of Contents

General Fund	3
General Fund Charts	4 - 7
Crime Control and Prevention Special Purpose District	8
Fire Control, Prevention, and Emergency Medical Services Special Purpose District	9
TIRZ #1 - Blue Star	10
TIRZ #2	11
Debt Service Fund	12
Special Revenue Fund	13
Park Dedication and Improvement Fund	14
East Thoroughfare Impact Fees Fund	15
West Thoroughfare Impact Fees Fund	16
Water Impact Fees Fund	17
Wastewater Impact Fees Fund	18
Impact Fee Chart	19
Vehicle and Equipment Replacement Fund	20
Health Insurance Fund	21
Water-Sewer Fund	22 - 23
Water-Sewer Fund Charts	24 - 26
Storm Drainage Utility Fund	27
Solid Waste Fund	28
Solid Waste Fund Chart	29
Capital Projects Fund-General	30 - 31
Capital Projects Fund-Water/Sewer	32

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

GENERAL FUND

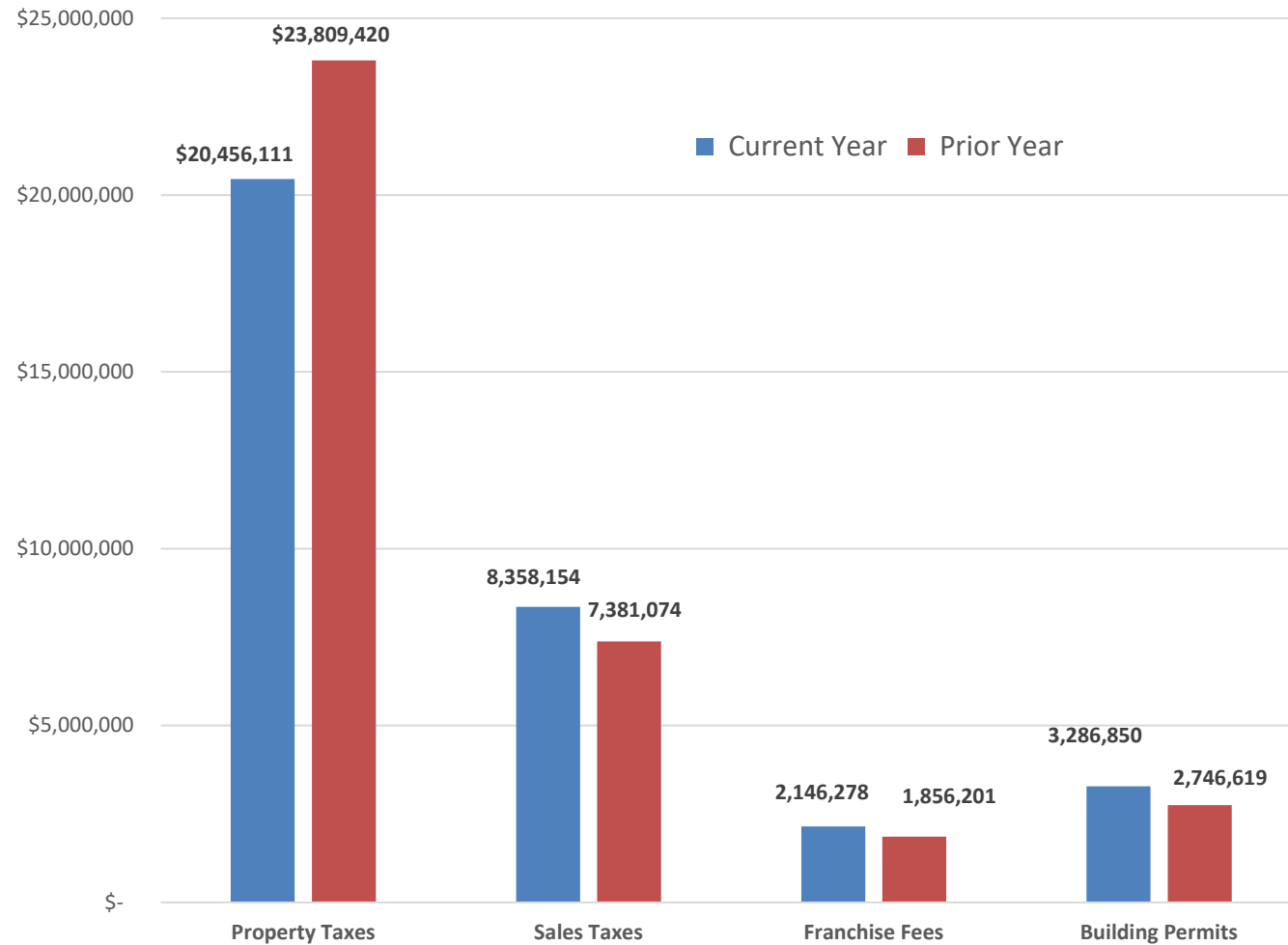
	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actuals	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actuals	Change from Prior Year
REVENUES										
Property Taxes	\$ 21,146,121	\$ -	\$ 21,146,121	\$ 20,456,111	\$ -	\$ 690,010	97%	1,3,5	\$ 23,809,420	-14%
Sales Taxes	11,091,492	-	11,091,492	8,358,154	-	2,733,338	75%		7,381,074	13%
Franchise Fees	3,221,816	-	3,221,816	2,146,278	-	1,075,538	67%	2	1,856,201	16%
Building Permits	3,700,000	-	3,700,000	3,286,850	-	413,150	89%		2,746,619	20%
Other Licenses, Fees & Permits	2,180,050	-	2,180,050	1,355,877	-	824,173	62%		1,519,644	-11%
Charges for Services	1,296,023	-	1,296,023	1,106,207	-	189,816	85%		943,482	17%
Fines & Warrants	300,500	-	300,500	316,282	-	(15,782)	105%		296,143	7%
Intergovernmental Revenue (Grants)	37,840	-	37,840	43,250	-	(5,410)	114%		142,602	-70%
Interest Income	750,000	-	750,000	781,561	-	(31,561)	104%		715,029	9%
Miscellaneous	63,751	-	63,751	166,655	-	(102,904)	261%		110,544	51%
Park Fees	814,100	-	814,100	469,045	-	345,055	58%		461,666	2%
Transfers In	1,297,102	6,084	1,303,186	972,827	-	330,359	75%		926,501	5%
Total Revenues	\$ 45,898,795	\$ 6,084	\$ 45,904,879	\$ 39,459,097	\$ -	\$ 6,445,782	86%		\$ 40,908,924	-4%
EXPENDITURES										
Administration	\$ 9,991,267	\$ (53,954)	\$ 9,937,313	\$ 7,789,130	\$ 608,254	\$ 1,539,930	85%		\$ 6,092,958	28%
Police	9,595,898	411,208	10,007,106	7,202,138	390,836	2,414,132	76%		5,091,873	41%
Fire/EMS	10,562,840	(14,528)	10,548,312	8,033,322	190,659	2,324,331	78%		7,332,166	10%
Public Works	4,567,242	90,681	4,657,923	2,391,921	1,386,820	879,182	81%		2,659,895	-10%
Community Services	7,486,803	(64,931)	7,421,873	5,010,677	774,994	1,636,202	78%		4,027,550	24%
Development Services	4,139,855	(559)	4,139,296	2,381,896	69,715	1,687,686	59%		2,221,591	7%
Engineering	2,684,047	15,613	2,699,660	1,896,403	38,220	765,037	72%		1,916,567	-1%
Transfers Out	-	446,389	446,389	446,389	-	-	100%	4	5,835,364	-92%
Total Expenses	\$ 49,027,952	\$ 829,920	\$ 49,857,872	\$ 35,151,875	\$ 3,459,497	\$ 11,246,500	77%		\$ 35,177,963	0%
REVENUE OVER (UNDER) EXPENDITURES	\$ (3,129,157)	\$ (823,836)	\$ (3,952,993)	\$ 4,307,222					\$ 5,730,962	
Beginning Fund Balance October 1			15,011,987	15,011,987						
Ending Fund Balance			<u>\$ 11,058,994</u>	<u>\$ 19,319,210</u>						

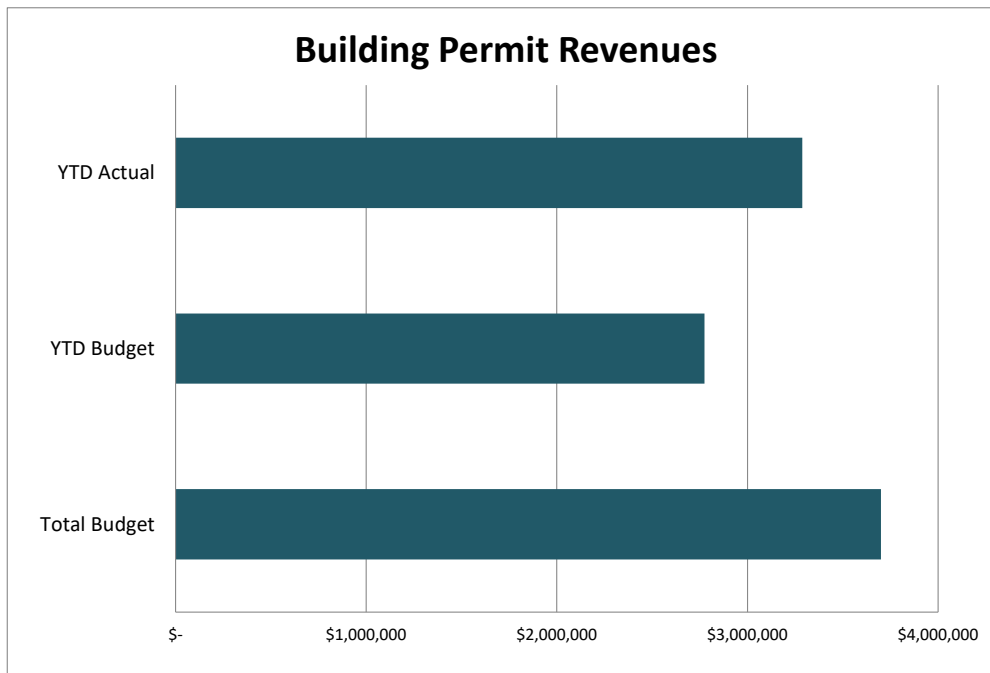
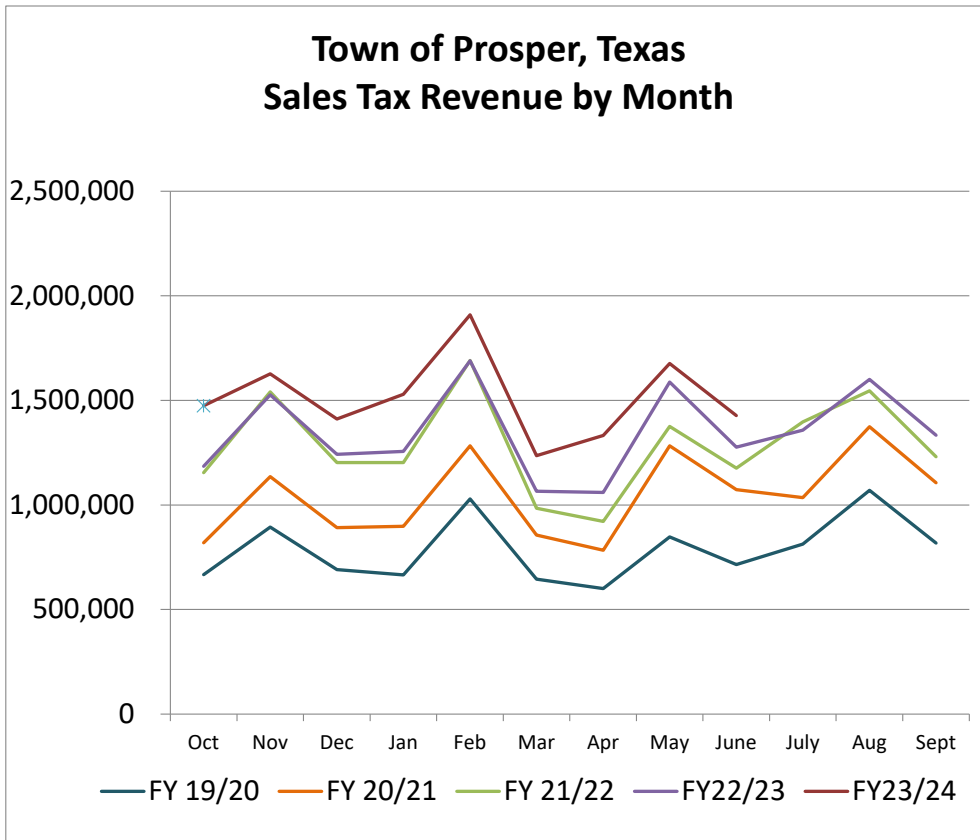
Notes

- Property taxes are billed in October and the majority of collections occur December through February.
- Franchise fees and other various license and fees are paid quarterly or annually.
- The negative change from prior year is due to the capital dedicated portion of the levy being recorded directly to the capital project fund.
- Transfers Out consists of \$122,500 for Downtown Streets & Alleys, \$140,000 for Parks Master Plan & 183,888 for Downtown Improvements, to Capital Projects Fund.
- 2023 TIRZ annual payments reduced April property tax collections by \$1.65M.
- Fund Balance Contingency per Charter and Reserve for FY23 = \$9,586,518 (21%).

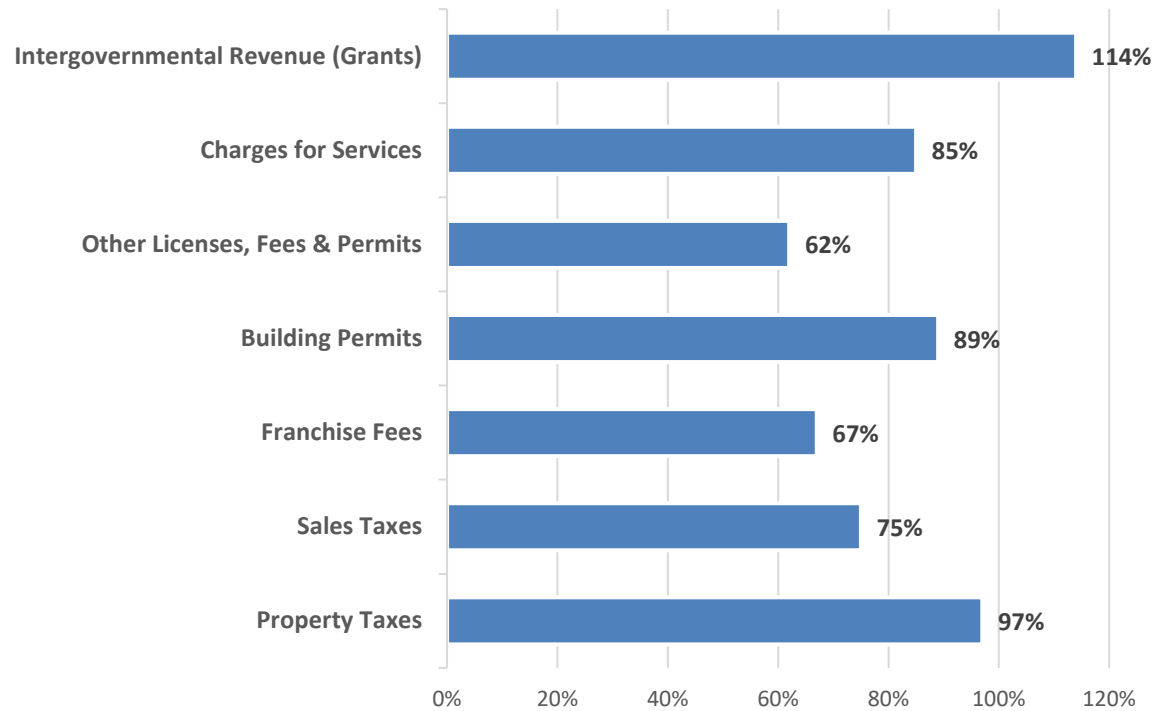
GENERAL FUND REVENUE

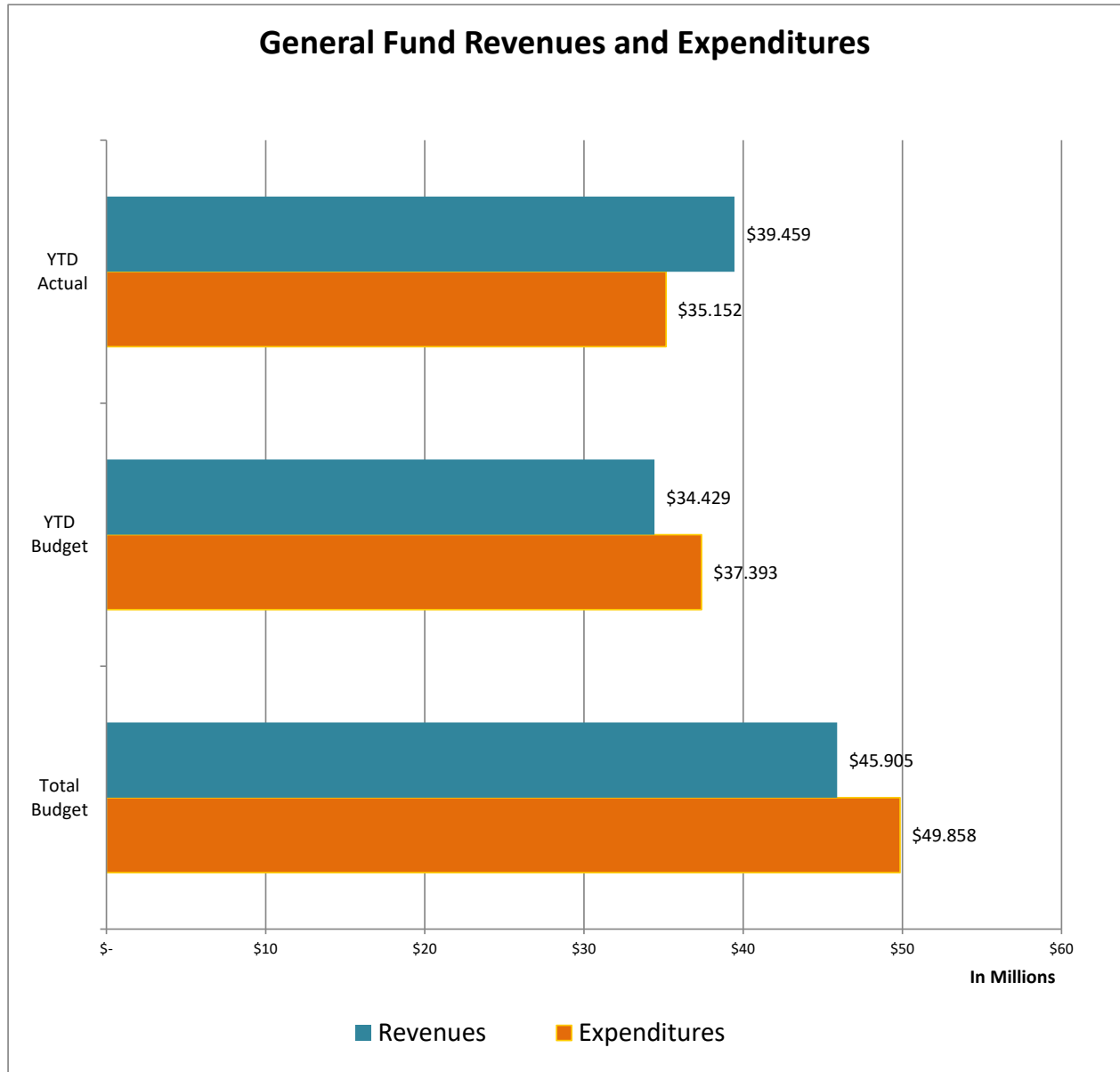
Current YTD to Prior Year YTD Actual Comparison





GENERAL FUND YTD REVENUE % OF ANNUAL BUDGET





TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

CRIME CONTROL AND PREVENTION SPECIAL PURPOSE DISTRICT

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Sales Tax - Town	\$ 3,060,806	\$ -	\$ 3,060,806	\$ 2,247,480	\$ -	\$ 813,326	73%		\$ 1,974,925	14%
Interest Income	1,200	-	1,200	-	-	1,200	0%		(806)	-100%
Other	-	-	-	-	-	-	0%		-	0%
Total Revenue	\$ 3,062,006	\$ -	\$ 3,062,006	\$ 2,247,480	\$ -	\$ 814,526	73%		\$ 1,974,119	14%
EXPENDITURES										
Personnel	\$ 3,167,364	\$ -	\$ 3,167,364	\$ 2,269,532	\$ -	\$ 897,832	72%		\$ 2,118,173	7%
Other	1,200	-	1,200	8,604	-	(7,404)	717%		(7,290)	-218%
Total Expenditures	\$ 3,168,564	\$ -	\$ 3,168,564	\$ 2,278,136	\$ -	\$ 890,428	72%		\$ 2,110,883	8%
REVENUE OVER (UNDER) EXPENDITURES	\$ (106,558)	\$ -	\$ (106,558)	\$ (30,656)					\$ (136,764)	
Beginning Fund Balance October 1			210,707	210,707					302,439	
Ending Fund Balance Current Month			<u>\$ 104,149</u>	<u>\$ 180,051</u>					<u>\$ 165,675</u>	

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES SEPCIAL PURPOSE DISTRICT

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Sales Tax - Town	\$ 3,060,806	\$ -	\$ 3,060,806	\$ 2,249,230	\$ -	\$ 811,576	73%		\$ 1,972,900	14%
Interest Income	600	-	600	3,411	-	(2,811)	569%		1,658	106%
Other	-	-	-	-	-	-	0%		-	0%
Total Revenue	\$ 3,061,406	\$ -	\$ 3,061,406	\$ 2,252,642	\$ -	\$ 808,764	74%		\$ 1,974,558	14%
EXPENDITURES										
Personnel	\$ 3,026,823	\$ -	\$ 3,026,823	\$ 2,145,895	\$ -	\$ 880,928	71%		\$ 1,981,430	8%
Other	2,400	-	2,400	8,604	-	(6,204)	359%		(7,290)	-218%
Total Expenditures	\$ 3,029,223	\$ -	\$ 3,029,223	\$ 2,154,499	\$ -	\$ 874,724	71%		\$ 1,974,139	9%
REVENUE OVER (UNDER) EXPENDITURES	\$ 32,183	\$ -	\$ 32,183	\$ 98,143					\$ 418	
Beginning Fund Balance October 1			495,556	495,556					203,982	
Ending Fund Balance Current Month			<u>\$ 527,739</u>	<u>\$ 593,699</u>					<u>\$ 204,400</u>	

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

TIRZ #1 - BLUE STAR

REVENUES

Impact Fee Revenue:

Water Impact Fees
Wastewater Impact Fees
East Thoroughfare Impact Fees

Property Taxes - Town (Current)

Property Taxes - Town (Rollback)

Property Taxes - County (Current)

Sales Taxes - Town

Sales Taxes - EDC

Interest Income

Transfer In

Total Revenue

EXPENDITURES

Professional Services

Developer Rebate

Transfers Out

Total Expenses

REVENUE OVER (UNDER) EXPENDITURES

Beginning Fund Balance October 1

Ending Fund Balance Current Month

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
\$ -	\$ -	\$ -	\$ -	\$ 80,996	\$ (80,996)	0%		\$ -	0%
750,000	-	-	750,000	460,550	289,450	61%		221,482	108%
-	-	-	-	65,244	(65,244)	0%		-	0%
1,108,174	-	-	1,108,174	1,108,174	0	100%		810,076	37%
-	-	-	-	486,411	(486,411)	0%		-	0%
236,601	-	-	236,601	231,790	4,811	98%		172,956	34%
1,372,209	-	-	1,372,209	873,862	498,347	64%		686,085	27%
1,149,225	-	-	1,149,225	731,860	417,365	64%		574,596	27%
6,000	-	-	6,000	96,290	(90,290)	1605%		70,360	37%
-	-	-	-	-	-	0%		-	0%
\$ 4,622,209	\$ -	\$ -	\$ 4,622,209	\$ 4,135,176	\$ 487,033	89%		\$ 2,535,555	63%
\$ 6,000	\$ -	\$ -	\$ 6,000	\$ -	\$ 6,000	0%		\$ -	0%
4,616,209	-	-	4,616,209	-	4,616,209	0%		-	0%
-	-	-	-	-	-	0%		-	0%
\$ 4,622,209	\$ -	\$ -	\$ 4,622,209	\$ -	\$ 4,622,209	0%		\$ -	0%
		\$ -	\$ -	\$ 4,135,176				\$ 2,535,555	
		989,032	989,032	989,032				301,260	
		<u>\$ 989,032</u>	<u>\$ 5,124,208</u>					<u>\$ 2,836,815</u>	

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

TIRZ #2

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES									
Property Taxes - Town (Current)	\$ 39,537	\$ -	\$ 39,537	\$ 39,537	\$ (0)	100%		\$ 33,061	20%
Property Taxes - Town (Rollback)	-	-	-	44,560	(44,560)	0%		-	0%
Property Taxes - County (Current)	8,441	-	8,441	8,270	171	98%		7,059	17%
Sales Taxes - Town	-	-	-	3,547	(3,547)	0%		-	0%
Sales Taxes - EDC	-	-	-	3,547	(3,547)	0%		-	0%
Interest Income	1,200	-	1,200	2,344	(1,144)	195%		1,275	84%
Total Revenue	\$ 49,178	\$ -	\$ 49,178	\$ 101,806	\$ (52,628)	207%		\$ 41,395	146%
EXPENDITURES									
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	0%		\$ -	0%
Developer Rebate	49,178	-	49,178	-	49,178	0%		-	0%
Transfers Out	-	-	-	-	-	0%		-	0%
Total Expenditures	\$ 49,178	\$ -	\$ 49,178	\$ -	\$ 49,178	0%		\$ -	0%
REVENUE OVER (UNDER) EXPENDITURES			\$ -	\$ 101,806				\$ 41,395	
Beginning Fund Balance October 1			25,501	25,501				25,189	
Ending Fund Balance Current Month			<u>\$ 25,501</u>	<u>\$ 127,307</u>				<u>\$ 66,584</u>	

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

DEBT SERVICE FUND

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Property Taxes-Delinquent	\$ 75,000	\$ -	\$ 75,000	\$ 213,962	\$ -	\$ (138,962)	285%	1	\$ 143,170	49%
Property Taxes-Current	15,069,531	-	15,069,531	15,092,280	-	(22,749)	100%		12,780,028	18%
Taxes-Penalties	40,000	-	40,000	56,929	-	(16,929)	142%		37,881	50%
Interest Income	20,000	-	20,000	215,942	-	(195,942)	1080%		116,638	85%
Transfer In	-	-	-	-	-	-	0%		-	0%
Total Revenues	\$ 15,204,531	\$ -	\$ 15,204,531	\$ 15,579,113	\$ -	\$ (374,582)	102%		\$ 13,077,717	19%
EXPENDITURES										
Professional Services	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ (2,500)	0%	2	\$ -	0%
Bond Administrative Fees	20,000	-	20,000	1,500	-	18,500	8%		500	200%
2013 GO Refunding Bond	185,000	(185,000)	-	-	-	-	0%		-	0%
2014 GO Debt Payment	335,000	-	335,000	-	-	335,000	0%		-	0%
2015 GO Debt Payment	1,365,700	-	1,365,700	1,365,700	-	-	100%		1,309,200	4%
2015 CO Debt Payment	475,000	-	475,000	475,000	-	-	100%		465,000	2%
2016 GO Debt Payment	-	-	-	-	-	-	0%		-	0%
2016 CO Debt Payment	90,000	-	90,000	90,000	-	-	100%		80,000	13%
2017 CO Debt Payment	450,000	-	450,000	450,000	-	-	100%		85,000	429%
2018 GO Debt Payment	150,000	-	150,000	150,000	-	-	100%		145,000	3%
2018 CO Debt Payment	500,000	-	500,000	500,000	-	-	100%		475,000	5%
2019 CO Debt Payment	340,022	-	340,022	340,022	-	-	100%		399,806	-15%
2019 GO Debt Payment	165,000	-	165,000	165,000	-	-	100%		160,000	3%
2020 CO Debt Payment	265,000	-	265,000	265,000	-	-	100%		255,000	4%
2021 CO Debt Payment	260,000	-	260,000	260,000	-	-	100%		245,000	6%
2021 GO Debt Payment	1,290,000	-	1,290,000	1,290,000	-	-	100%		1,225,000	5%
2022 GO Debt Payment	3,603,450	(2,633,450)	970,000	970,000	-	-	100%		1,890,000	-49%
2023 GO Debt Payment	-	2,055,000	2,055,000	2,055,000	-	-	100%		-	0%
2023 GO Refunding Debt Payment	-	175,000	175,000	175,000	-	-	100%		-	0%
Bond Interest Expense	5,458,264	1,383,880	6,842,144	3,414,404	-	3,427,740	50%		2,785,327	23%
Total Expenditures	\$ 14,952,436	\$ 795,430	\$ 15,747,866	\$ 11,969,125	\$ -	\$ 3,778,740	76%		\$ 9,519,832	26%
REVENUE OVER (UNDER) EXPENDITURES	\$ 252,095	\$ (795,430)	\$ (543,335)	\$ 3,609,988					\$ 3,557,885	
Beginning Fund Balance October 1			1,330,265	1,330,265					2,619,367	
Ending Fund Balance Current Month			<u>\$ 786,930</u>	<u>\$ 4,940,253</u>					<u>\$ 6,177,252</u>	

Notes

- 1 Property taxes are billed in October and the majority of collections occur December through February.
- 2 Annual debt service payments are made in February and August.

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

SPECIAL REVENUE FUNDS

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Police Donation Revenue	\$ 15,500	\$ -	\$ 15,500	\$ 15,601	\$ -	\$ (101)	101%		\$ 19,058	-18%
Fire Donation Revenue	15,500	-	15,500	14,551	-	949	94%		11,638	25%
Child Safety Revenue	28,000	-	28,000	13,894	-	14,106	50%		13,725	1%
Court Security Revenue	8,000	-	8,000	9,460	-	(1,460)	118%		8,828	7%
Court Technology Revenue	7,500	-	7,500	7,801	-	(301)	104%		7,342	6%
Municipal Jury revenue	150	-	150	190	-	(40)	127%		175	9%
Tree Mitigation Revenue	-	-	-	105,014	-	(105,014)	0%		244,038	-57%
Police Seizure Revenue	-	-	-	6,130	-	(6,130)	0%		11,122	-45%
LEOSE Revenue	3,000	-	3,000	8,756	-	(5,756)	292%		2,416	262%
CARES Act/ARPA Funding	6,102,367	(6,102,367)	-	-	-	-	0%		-	0%
Escrow Income	-	-	-	167,514	-	(167,514)	0%		-	0%
Interest Income	2,425	-	2,425	78,543	-	(76,118)	3239%		20,031	292%
Interest Income CARES/ARPA Funds	180,000	-	180,000	108,867	-	71,133	60%		165,631	-34%
Transfer In	-	-	-	-	-	-	0%		-	0%
Total Revenue	\$ 6,362,442	\$ (6,102,367)	\$ 260,075	\$ 536,321	\$ -	\$ (276,246)	206%		\$ 504,003	6%
EXPENDITURES										
Police Donation Expense	26,872	-	26,872	423	23,880	2,569	90%		17,842	-98%
Fire Donation Expense	10,000	-	10,000	2,980	-	7,020	30%		8,546	-65%
Child Safety Expense	3,000	-	3,000	264	-	2,736	9%		22,238	-99%
Court Security Expense	16,860	-	16,860	-	-	16,860	0%		50	-100%
Court Technology Expense	13,950	-	13,950	-	-	13,950	0%		-	0%
Tree Mitigation Expense	-	-	-	-	-	-	0%		-	0%
Police Seizure Expense	12,995	-	12,995	867	-	-	7%		4,457	-81%
LEOSE Expenditure	\$ 6,500	\$ -	\$ 6,500	\$ 3,955	\$ -	\$ 2,545	61%		\$ 5,050	-22%
Transfer Out (ARPA Funds)	6,348,861	(6,102,367)	246,494	-	-	246,494	0%		-	0%
Transfer Out (Tree Mitigation Funds)	-	-	-	200,000	-	(200,000)	0%	1	-	0%
Transfer Out (Escrow Funds)	-	-	-	167,514	-	(167,514)	0%	2	-	0%
Total Expenses	\$ 6,439,038	\$ (6,102,367)	\$ 336,671	\$ 376,003	\$ 23,880	\$ (75,340)	119%		\$ 9,507	3855%
REVENUE OVER (UNDER) EXPENDITURES	\$ (76,596)	\$ -	\$ (76,596)	\$ 160,318					\$ 494,496	
Beginning Fund Balance October 1			2,353,529	2,353,529					567,535	
Ending Fund Balance Current Month			\$ 2,276,933	\$ 2,513,848					\$ 1,062,031	

Notes

- 1 \$200,000 for Lakewood Preserve project budgeted in Capital Projects Fund.
- 2 \$167,514 for Windsong Escrow to Impact Fee Fund for Developer Reimbursement.

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

PARK DEDICATION AND IMPROVEMENT FUNDS

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Park Dedication-Fees	\$ 300,000	\$ -	\$ 300,000	\$ 737,375	\$ -	\$ (437,375)	246%		\$ 205,514	259%
Park Improvements	220,000	-	220,000	646,146	-	(426,146)	294%		144,000	349%
Contributions/Grants	-	-	-	-	-	-	0%		-	0%
Interest-Park Dedication	2,000	-	2,000	26,334	-	(24,334)	1317%		26,259	0%
Interest-Park Improvements	4,050	-	4,050	33,809	-	(29,759)	835%		25,506	33%
Park Dedication - Transfers In	-	-	-	-	-	-	0%		-	0%
Total Revenue	\$ 526,050	\$ -	\$ 526,050	\$ 1,443,664	\$ -	\$ (917,614)	274%		\$ 401,279	260%
EXPENDITURES										
Pecan Grove Park	\$ -	\$ 5,200	\$ 5,200	\$ 5,200	\$ -	\$ -	100%		\$ 743,036	-99%
Capital Project	800,000	(800,000)	-	-	-	-	0%		-	0%
Land Acquisition	913,800	(913,800)	-	-	-	-	0%		-	0%
Transfers Out	-	2,863,800	2,863,800	2,113,800	-	750,000	74%	1	-	0%
Total Expenses	\$ 1,713,800	\$ 1,155,200	\$ 2,869,000	\$ 2,119,000	\$ -	\$ 750,000	74%		\$ 743,036	185%
REVENUE OVER (UNDER) EXPENDITURES	\$ (1,187,750)	\$ (1,155,200)	\$ (2,342,950)	\$ (675,336)					\$ (341,757)	
Beginning Fund Balance October 1			2,316,978	2,316,978						
Ending Fund Balance Current Month			<u>\$ (25,972)</u>	<u>\$ 1,641,643</u>						

Notes

1 \$400,000 for Lakewood Preserve, \$913,800 for Windsong Park land dedication, \$50,000 Downtown Park/Broadway, \$750,000 Windsong Park #3

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024

EAST THOROUGHFARE IMPACT FEES FUND

	Project Budget	Current Year Original Budget	Current Year Budget Amendment	Current Year Amended Budget	Current Year Actual	Current Year Encumbrances	Current Remaining Budget Balance	Prior Years Expenditure	Project Budget Balance
REVENUES									
East Thoroughfare Impact Fees		\$ 1,200,000	\$ -	\$ 1,200,000	\$ 835,934				
East Thoroughfare Other Revenue		-	-	-	-				
Interest-East Thoroughfare Impact Fees		100,000	-	100,000	114,034				
Total Revenues		<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ 949,968</u>				
EXPENDITURES									
Developer Reimbursements									
FM 1461 (SH289-CR 165)	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	\$ 77,074	\$ -	\$ 97,927	\$ -	\$ 97,927
Cambridge Park Estates	250,000	250,000	-	250,000	85,218	-	164,782	-	164,782
Total Developer Reimbursements	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ 162,292</u>	<u>\$ -</u>	<u>\$ 262,709</u>	<u>\$ -</u>	<u>\$ 262,709</u>
Capital Expenditures									
Coit Road (First - Frontier)	\$ 1,289,900	\$ -	\$ 367,540	\$ 367,540	\$ 48,763	\$ 312,776	\$ 6,000	\$ 925,776	\$ 2,585
Impact Fee Study	\$ 47,187	\$ 50,000	\$ (2,813)	\$ 47,187	\$ -	\$ -	\$ 47,187	\$ -	\$ 47,187
Impact Fee Study	52,813	-	44,167	44,167	5,765	38,402	-	8,646	-
Total Projects	<u>\$ 1,389,900</u>	<u>\$ 50,000</u>	<u>\$ 408,893</u>	<u>\$ 458,893</u>	<u>\$ 54,528</u>	<u>\$ 351,179</u>	<u>\$ 53,187</u>	<u>\$ 934,422</u>	<u>\$ 49,772</u>
Transfer to Capital Project Fund	-	-	-	-	-	-	-	-	-
Total Transfers Out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 1,814,900</u>	<u>\$ 475,000</u>	<u>\$ 408,893</u>	<u>\$ 883,893</u>	<u>\$ 216,819</u>	<u>\$ 351,179</u>	<u>\$ 315,895</u>	<u>\$ 934,422</u>	<u>\$ 312,480</u>
REVENUE OVER (UNDER) EXPENDITURES				\$ 416,107	\$ 733,149				
Beginning Fund Balance October 1				2,551,734	2,551,734				
Ending Fund Balance Current Month				<u>\$ 2,967,841</u>	<u>\$ 3,284,883</u>				

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024

WEST THOROUGHFARE IMPACT FEES FUND

	Project Budget	Current Year Original Budget	Current Year Budget Amendment	Current Year Amended Budget	Current Year Actual	Current Year Encumbrances	Current Remaining Budget Balance	Prior Years Expenditure	Project Budget Balance
REVENUES									
West Thoroughfare Impact Fees		\$ 4,000,000	\$ -	\$ 4,000,000	\$ 3,085,119				
West Thoroughfare Other Revenue		-	-	-	-				
Interest-West Thoroughfare Impact Fees		150,000	-	150,000	254,661				
* Transfers In		-	-	-	167,514				
Total Revenues		<u>\$ 4,150,000</u>	<u>\$ -</u>	<u>\$ 4,150,000</u>	<u>\$ 3,507,294</u>				
EXPENDITURES									
Developer Reimbursements									
Parks at Legacy Developer Reimb	\$ 450,000	\$ 450,000	\$ -	\$ 450,000	\$ 308,063		\$ 141,937		\$ 141,937
Star Trail Developer Reimb	1,500,000	1,500,000	-	1,500,000	-		1,500,000		1,500,000
Tellus Windsong Developer Reimb	571,668	571,668	-	571,668	-		571,668		571,668
Legacy Garden Developer Reimb	103,492	103,492	-	103,492	-		103,492		103,492
Westside Developer Reimb	-	-	-	-	69,468		(69,468)		(69,468)
Total Developer Reimbursements	<u>\$ 2,625,160</u>	<u>\$ 2,625,160</u>	<u>\$ -</u>	<u>\$ 2,625,160</u>	<u>\$ 377,531</u>	<u>\$ -</u>	<u>\$ 2,247,629</u>	<u>\$ -</u>	<u>\$ 2,247,629</u>
Capital Expenditures									
Impact Fee Study	\$ 47,187	\$ 50,000	\$ (2,813)	\$ 47,187	\$ -	\$ -	\$ 47,187		\$ 47,187
Impact Fee Study	52,813	-	44,167	44,167	5,765	38,402	-	8,646	-
Fishtrap (Elem-DNT)	300,000	300,000	-	300,000	-	-	300,000		300,000
Teel - 380 Intersect	-	300,000	(300,000)	-	-	-	-		-
Total Projects	<u>\$ 400,000</u>	<u>\$ 650,000</u>	<u>\$ (258,646)</u>	<u>\$ 391,354</u>	<u>\$ 5,765</u>	<u>\$ 38,402</u>	<u>\$ 347,187</u>	<u>\$ 8,646</u>	<u>\$ 347,187</u>
Transfer to Capital Project Fund	300,000	-	300,000	300,000	300,000		-		-
Total Transfers Out	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 3,325,160</u>	<u>\$ 3,275,160</u>	<u>\$ 41,354</u>	<u>\$ 3,316,514</u>	<u>\$ 683,295</u>	<u>\$ 38,402</u>	<u>\$ 2,594,816</u>	<u>\$ 8,646</u>	<u>\$ 2,594,816</u>
REVENUE OVER (UNDER) EXPENDITURES				\$ 833,486	\$ 2,823,999				
Beginning Fund Balance October 1				4,678,905	4,678,905				
Ending Fund Balance Current Month				<u>\$ 5,512,391</u>	<u>\$ 7,502,904</u>				

Notes

* \$167,514 Windsong Escrow From Special Revenue Fund for Developer Reimbursement.

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024

WATER IMPACT FEES FUND

	Project Budget	Current Year Original Budget	Current Year Budget Amendment	Current Year Amended Budget	Current Year Actual	Current Year Encumbrances	Current Remaining Budget Balance	Prior Years Expenditure	Project Budget Balance
REVENUES									
Impact Fees Water		\$ 3,250,000	\$ -	\$ 3,250,000	\$ 2,553,660				
Interest Income		200,000	-	200,000	283,713				
Total Revenues		<u>\$ 3,450,000</u>	<u>\$ -</u>	<u>\$ 3,450,000</u>	<u>\$ 2,837,373</u>				
EXPENDITURES									
Developer Reimbursements									
Cambridge Park Estates	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -
Parks at Legacy Developer Reimb	319,981	319,981	-	319,981	-		319,981		319,981
Star Trail Developer Reimb	412,192	412,192	-	412,192	-		412,192		412,192
Victory at Frontier Developer Reimb	128,471	128,471	-	128,471	-		128,471		128,471
Westside Developer Reimb	300,000	300,000	-	300,000	-		300,000		300,000
TVG Windsong Developer Reimb	1,020,000	1,020,000	-	1,020,000	-		1,020,000		1,020,000
Total Developer Reimbursements	<u>\$ 2,180,644</u>	<u>\$ 2,180,644</u>	<u>\$ -</u>	<u>\$ 2,180,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,180,644</u>	<u>\$ -</u>	<u>\$ 2,180,644</u>
Capital Expenditures									
12" Water Line - DNT	\$ 200,000	\$ 24,250	\$ 58,393	\$ 82,643	\$ 11,965	\$ 23,224	\$ 47,454	\$ 133,107	\$ 31,704
Lower Pressure Plane	-	3,100,000	(3,100,000)	-	-	-	-	-	-
Lower Pressure Plane Easements	1,500,000	-	-	-	-	-	-	95	1,499,905
Impact Fee Study	94,373	100,000	(5,627)	94,373	-	-	94,373		94,373
Impact Fee Study	100,000	-	63,866	63,866	38,829	25,037	-	41,761	(5,627)
Total Projects	<u>\$ 1,894,373</u>	<u>\$ 3,224,250</u>	<u>\$ (2,983,367)</u>	<u>\$ 240,883</u>	<u>\$ 50,793</u>	<u>\$ 48,261</u>	<u>\$ 141,828</u>	<u>\$ 174,962</u>	<u>\$ 1,620,356</u>
Transfer to CIP Fund	3,100,000	-	3,100,000	3,100,000	3,100,000	-	-	-	-
Total Transfers Out	<u>\$ 3,100,000</u>	<u>\$ -</u>	<u>\$ 3,100,000</u>	<u>\$ 3,100,000</u>	<u>\$ 3,100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 7,175,017</u>	<u>\$ 5,404,894</u>	<u>\$ 116,633</u>	<u>\$ 5,521,527</u>	<u>\$ 3,150,793</u>	<u>\$ 48,261</u>	<u>\$ 2,322,472</u>	<u>\$ 174,962</u>	<u>\$ 3,801,000</u>
REVENUE OVER (UNDER) EXPENDITURES				\$ (2,071,527)	\$ (313,421)				
Beginning Fund Balance October 1				7,133,053	7,133,053				
Ending Fund Balance Current Month				<u>\$ 5,061,527</u>	<u>\$ 6,819,633</u>				

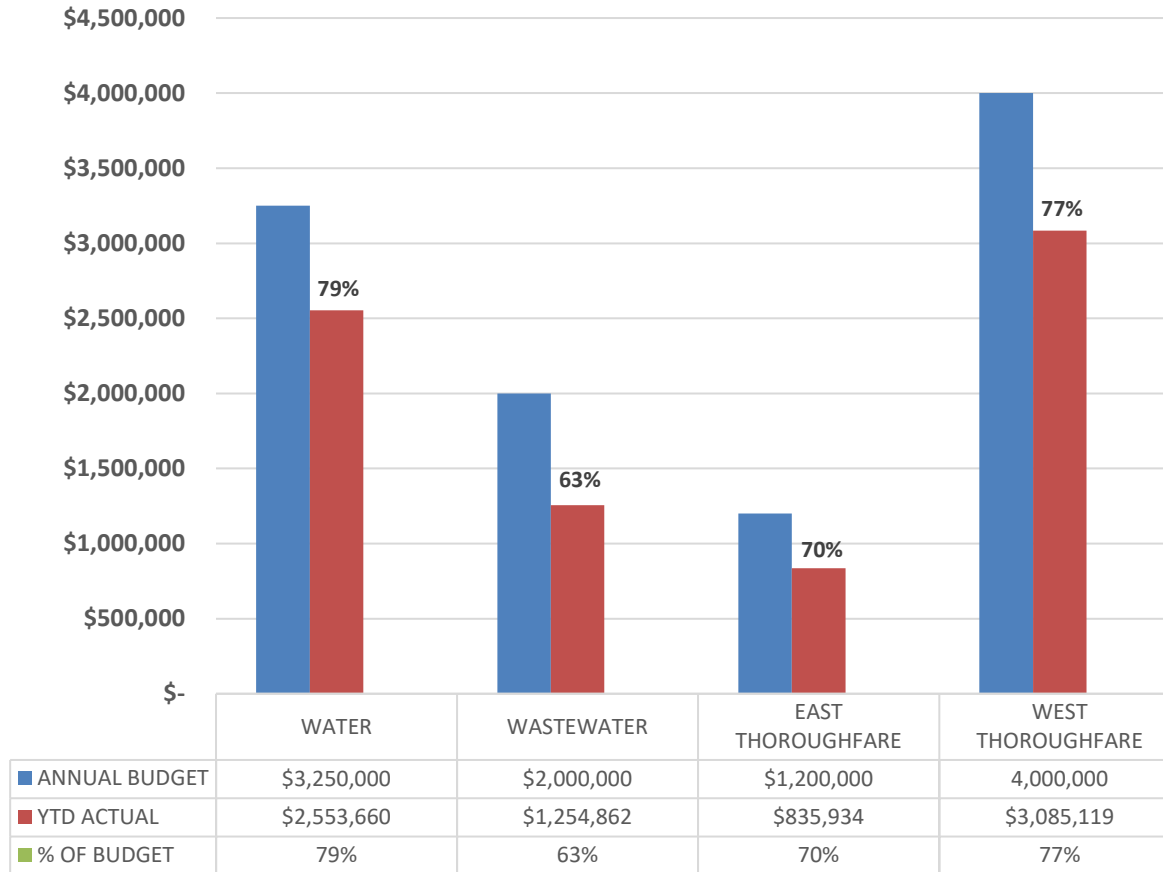
TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024

WASTEWATER IMPACT FEES FUND

	Project Budget	Current Year Original Budget	Current Year Budget Amendment	Current Year Amended Budget	Current Year Actual	Current Year Encumbrances	Current Remaining Budget Balance	Prior Years Expenditure	Project Budget Balance
REVENUES									
Impact Fees Wastewater		\$ 2,000,000	\$ -	\$ 2,000,000	\$ 1,254,862				
Interest Income		100,000	-	100,000	134,984				
Upper Trinity Equity Fee		300,000	-	300,000	209,000				
Total Revenues		<u>\$ 2,400,000</u>	<u>\$ -</u>	<u>\$ 2,400,000</u>	<u>\$ 1,598,846</u>				
EXPENDITURES									
Developer Reimbursements									
TVG Westside Utility Developer Reimb	\$ 222,502	\$ 222,502	\$ -	\$ 222,502	\$ -		\$ 222,502		\$ 222,502
Prosper Partners Utility Developer Reimb	100,000	100,000	-	100,000	-		100,000		100,000
Frontier Estates Developer Reimb	-	-	-	-	21,774		(21,774)		(21,774)
LaCima Developer Reimb	150,000	150,000	-	150,000	9,030		140,970		140,970
Brookhollow Developer Reimb	152,146	152,146	-	152,146	163,676		(11,530)		(11,530)
TVG Windsong Developer Reimb	650,000	650,000	-	650,000	-		650,000		650,000
All Storage Developer Reimb	168,732	168,732	-	168,732	-		168,732		168,732
Legacy Garden Developer Reimb	86,711	86,711	-	86,711	8,915		77,796		77,796
Total Developer Reimbursements	<u>\$ 1,530,091</u>	<u>\$ 1,530,091</u>	<u>\$ -</u>	<u>\$ 1,530,091</u>	<u>\$ 203,395</u>	<u>\$ -</u>	<u>\$ 1,326,696</u>	<u>\$ -</u>	<u>\$ 1,326,696</u>
Capital Expenditures									
Doe Branch Wastewater Lines	\$ 975,000	\$ 112,000	\$ 685,806	\$ 797,806	\$ 149,062	\$ 424,002	\$ 224,742	\$ 275,380	\$ 126,556
Impact Fee Study	84,053	100,000	(15,947)	84,053	-	-	84,053		84,053
Impact Fee Study	115,947	-	74,186	74,186	49,149	25,037	-	41,761	-
Total Projects	<u>\$ 1,175,000</u>	<u>\$ 212,000</u>	<u>\$ 744,045</u>	<u>\$ 956,045</u>	<u>\$ 198,210</u>	<u>\$ 449,039</u>	<u>\$ 308,795</u>	<u>\$ 317,141</u>	<u>\$ 210,609</u>
Transfer to CIP Fund	-	-	-	-	-	-	-	-	-
Total Transfers Out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 2,705,091</u>	<u>\$ 1,742,091</u>	<u>\$ 744,045</u>	<u>\$ 2,486,136</u>	<u>\$ 401,605</u>	<u>\$ 449,039</u>	<u>\$ 1,635,492</u>	<u>\$ 317,141</u>	<u>\$ 1,537,306</u>
REVENUE OVER (UNDER) EXPENDITURES				\$ (86,136)	\$ 1,197,241				
Beginning Fund Balance October 1				2,643,495	2,643,495				
Ending Fund Balance Current Month				<u>\$ 2,557,359</u>	<u>\$ 3,840,737</u>				

IMPACT FEE REVENUE

YTD Actual to Annual Budget



TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

VEHICLE AND EQUIPMENT REPLACEMENT FUND

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%		\$ -	0%
Other Reimbursements	150,000	-	150,000	-	-	150,000	0%		-	0%
Interest Income	250,000	-	250,000	210,219	-	39,781	84%		128,637	63%
Charges for Services	1,478,966	-	1,478,966	1,109,224	-	369,742	75%		1,038,943	7%
Total Revenue	\$ 1,878,966	\$ -	\$ 1,878,966	\$ 1,319,443	\$ -	\$ 559,523	70%		\$ 1,167,579	13%
EXPENDITURES										
Vehicle Replacement	\$ 772,500	\$ 248,374	\$ 1,020,874	\$ 236,659	\$ 716,790	\$ 67,425	93%		\$ 137,570	72%
Equipment Replacement	203,870	241,152	445,022	212,392	241,152	(8,522)	102%		30,243	602%
Technology Replacement	145,200	-	145,200	53,925	-	91,275	37%		61,032	-12%
Total Expenditures	\$ 1,121,570	\$ 489,525	\$ 1,611,095	\$ 502,976	\$ 957,941	\$ 150,178	91%		\$ 228,845	120%
REVENUE OVER (UNDER) EXPENDITURES	\$ 757,396	\$ (489,525)	\$ 267,871	\$ 816,468					\$ 938,734	
Beginning Fund Balance October 1			5,334,214	5,334,214					3,957,862	
Ending Fund Balance Current Month			<u>\$ 5,602,085</u>	<u>\$ 6,150,682</u>					<u>\$ 4,896,596</u>	

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

HEALTH INSURANCE FUND

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Health Charges	\$ 4,871,808	\$ -	\$ 4,871,808	\$ 3,388,137	\$ -	\$ 1,483,671	70%		\$ 2,887,227	17%
Miscellaneous	250,000	-	250,000	110,033	-	139,967	44%		120,503	-9%
Interest Income	5,000	-	5,000	26,106	-	(21,106)	522%		19,006	37%
Total Revenue	\$ 5,126,808	\$ -	\$ 5,126,808	\$ 3,524,277	\$ -	\$ 1,602,532	69%		\$ 3,026,736	16%
EXPENDITURES										
Contractual Services	\$ 149,500	\$ -	\$ 149,500	\$ 105,894	\$ -	\$ 43,606	71%		\$ 139,773	-24%
Employee Health Insurance	4,969,439	-	4,969,439	3,513,030	-	1,456,409	71%		2,965,675	18%
Total Expenditures	\$ 5,118,939	\$ -	\$ 5,118,939	\$ 3,618,924	\$ -	\$ 1,500,015	71%		\$ 3,105,448	17%
REVENUE OVER (UNDER) EXPENDITURES	\$ 7,869	\$ -	\$ 7,869	\$ (94,648)					\$ (78,712)	
Beginning Fund Balance October 1			389,018	389,018					552,615	
Ending Fund Balance Current Month			<u>\$ 396,887</u>	<u>\$ 294,371</u>					<u>\$ 473,903</u>	

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

WATER-SEWER FUND

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Water Charges for Services	\$ 23,114,755	\$ -	\$ 23,114,755	\$ 11,900,928	\$ -	\$ 11,213,827	51%		\$ 11,878,342	0%
Sewer Charges for Services	11,892,552	-	11,892,552	8,358,591	-	3,533,961	70%		7,616,912	10%
Licenses, Fees & Permits	377,705	-	377,705	329,898	-	47,807	87%		300,378	10%
Utility Billing Penalties	186,900	-	186,900	164,454	-	22,446	88%		129,535	27%
Interfund Principal Revenue	-	77,089	77,089	38,292	-	38,797	50%		-	0%
Interest Income	350,000	-	350,000	386,393	-	(36,393)	110%		322,431	20%
Other	3,494,342	(77,089)	3,417,253	547,573	-	2,869,680	16%	2	476,827	15%
Transfer In	-	-	-	-	-	-	0		-	0%
Total Revenues	\$ 39,416,254	\$ -	\$ 39,416,254	\$ 21,726,129	\$ -	\$ 17,690,125	55%		\$ 20,724,425	5%
EXPENDITURES										
Administration	\$ 1,138,944	\$ -	\$ 1,138,944	\$ 840,619	\$ 26,055	\$ 272,270	76%		\$ 806,456	4%
Debt Service	4,609,584	-	4,609,584	2,164,788	-	2,444,796	47%	1	1,701,906	27%
Water Purchases	12,704,415	-	12,704,415	8,654,581	-	4,049,834	68%		7,075,877	22%
Sewer Management Fee	4,560,895	-	4,560,895	3,812,063	-	748,832	84%		2,856,182	33%
Franchise Fee	689,851	-	689,851	517,388	-	172,463	75%		397,145	30%
Public Works	8,226,657	13,800	8,240,457	5,352,647	835,995	2,051,815	75%		4,843,433	11%
Transfer Out	9,255,356	4,056	9,259,412	5,362,780	-	3,896,632	58%	3	1,021,791	425%
Total Expenses	\$ 41,185,702	\$ 17,856	\$ 41,203,558	\$ 26,704,866	\$ 862,050	\$ 12,715,347	67%		\$ 18,702,790	43%
REVENUE OVER (UNDER) EXPENDITURES	\$ (1,769,448)	\$ (17,856)	\$ (1,787,304)	\$ (4,978,737)					\$ 2,021,635	
Beginning Working Capital October 1			17,832,990	17,832,990					12,669,408	
Ending Working Capital			<u>\$ 16,045,686</u>	<u>\$ 12,854,253</u>					<u>\$ 14,691,043</u>	

Notes

- 1 Annual debt service payments are made in February and August.
- 2 Other Revenue includes \$3.0M budgeted for TxDOT reimbursement.
- 3 Transfers out consist of \$2.0M - solid waste loan, \$2.0M - DNT water line relocation, \$400K - Wilson Creek, \$75K - sewer replacement, and \$887,780 - General Fund admin costs.
- 4 Minimum Ending Working Capital balance for FY23 = \$8,278,513 (25%).

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

WATER-SEWER FUND

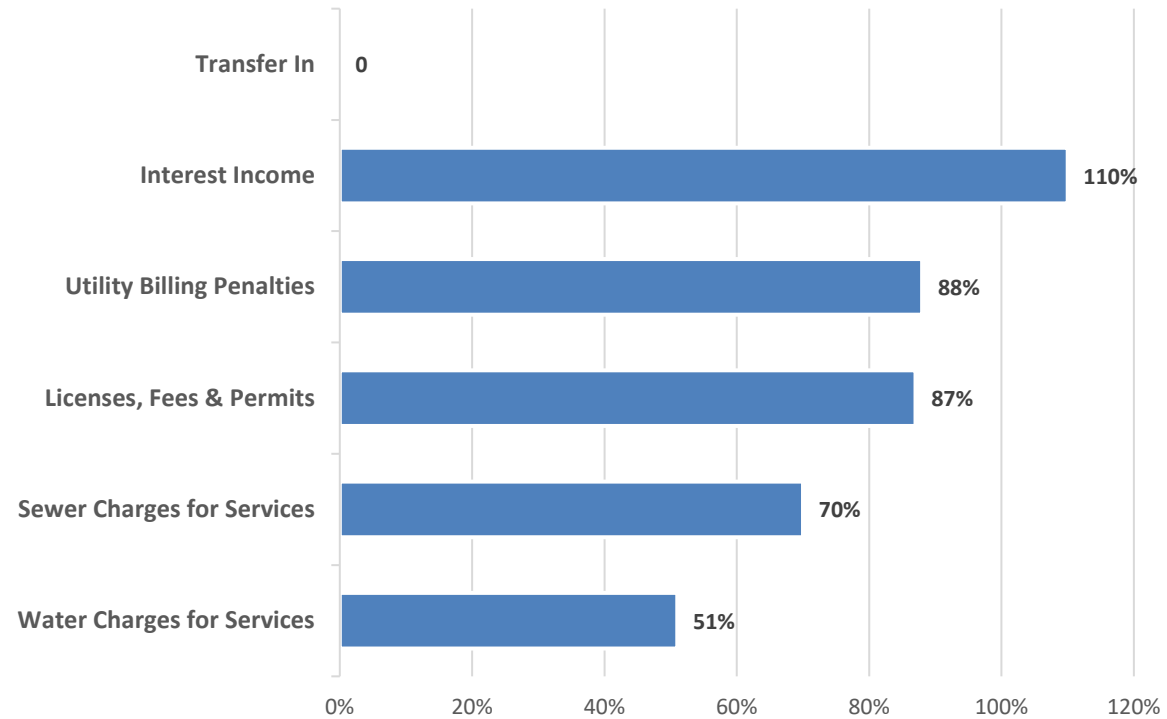
	Jun-24		Jun-23		Growth % Change
	WATER	SEWER	WATER	SEWER	
# of Accts Residential	13,335	12,632	12,464	11,764	7.18%
# of Accts Commercial	452	407	441	397	2.51%
Consumption-Residential	137,597,220	87,779,970	178,257,450	77,509,000	-11.88%
Consumption-Commercial	21,827,200	15,093,560	23,286,570	13,966,240	-0.89%
Consumption-Commercial Irrigation	19,418,240	0	29,200,560	0	-33.50%
Avg Total Res Water Consumption	10,310	0	14,280	0	-27.80%
Billed (\$) Residential	\$ 948,728	\$ 786,537	\$ 1,201,539	\$ 711,259	-9.28%
Billed (\$) Commercial	218,342	151,534	218,904	118,649	9.58%
Billed (\$) Commercial Irrigation	174,219	-	262,953	-	-33.75%
Total Billed (\$)	\$ 1,341,288	\$ 938,072	\$ 1,683,395	\$ 829,907	-9.31%

Average Total Residential Water Consumption by Month				
			Four Year	Cumulative
	FY2024	FY2023	Average	Average
October	19,061	20,110	17,424	17,424
November	10,540	11,190	11,104	28,528
December	8,003	6,273	7,256	35,784
January	7,400	8,049	6,727	42,511
February	6,200	14,280	6,381	48,891
March	7,600	5,839	6,436	55,327
April	8,900	10,053	9,333	64,660
May	9,510	14,092	12,345	77,005
June	10,310	14,281	13,323	90,328
July		16,992	17,885	108,212
August		23,095	23,040	131,252
September		26,836	19,429	150,681
TOTAL (gal)	87,524	162,724	150,681	

Month	Avg. Temp (°F) FY2024	# Rain Days FY2024	Rainfall			
			FY2024	FY2023	Average	Cumulative
October	68°	8	11.30	5.65	8.48	8.48
November	58°	2	0.57	5.82	3.20	11.67
December	53°	5	4.09	3.43	3.76	15.43
January	43°	10	3.86	1.29	2.58	18.01
February	58°	5	1.56	4.51	3.04	21.04
March	61°	12	6.57	2.69	4.63	25.67
April	69°	9	9.07	1.20	5.14	30.81
May	77°	11	9.71	3.62	6.67	37.47
June	84°	5	4.35	2.35	3.35	40.82
July				0.47	0.47	41.29
August				0.07	0.07	41.36
September				1.18	1.18	42.54
Annual		67.00	51.08	32.28	42.54	

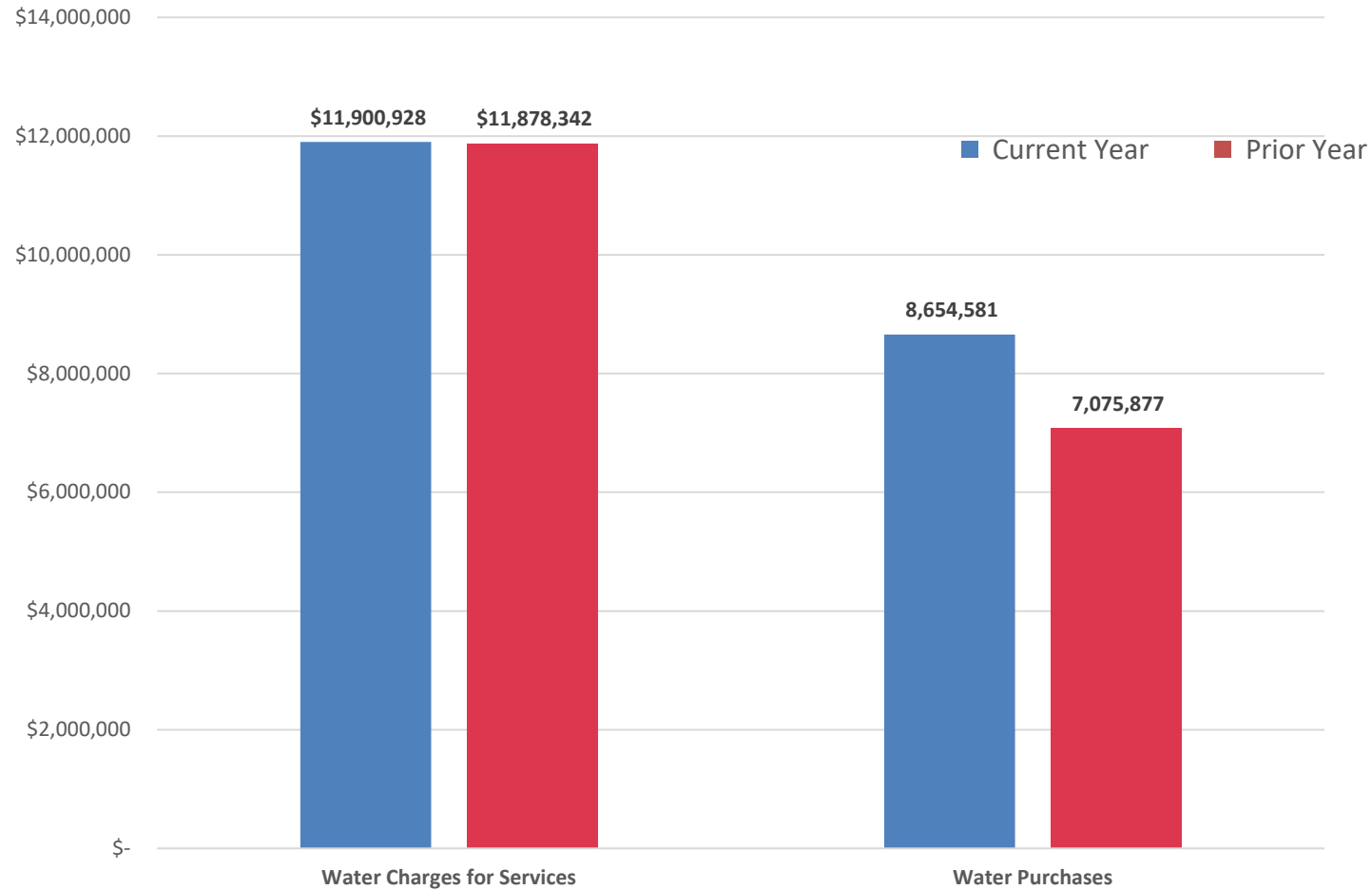
Weather Data: <https://www.wunderground.com/history/monthly/KDAL/date/2023-10>

WATER/SEWER REVENUE YTD % OF ANNUAL BUDGET



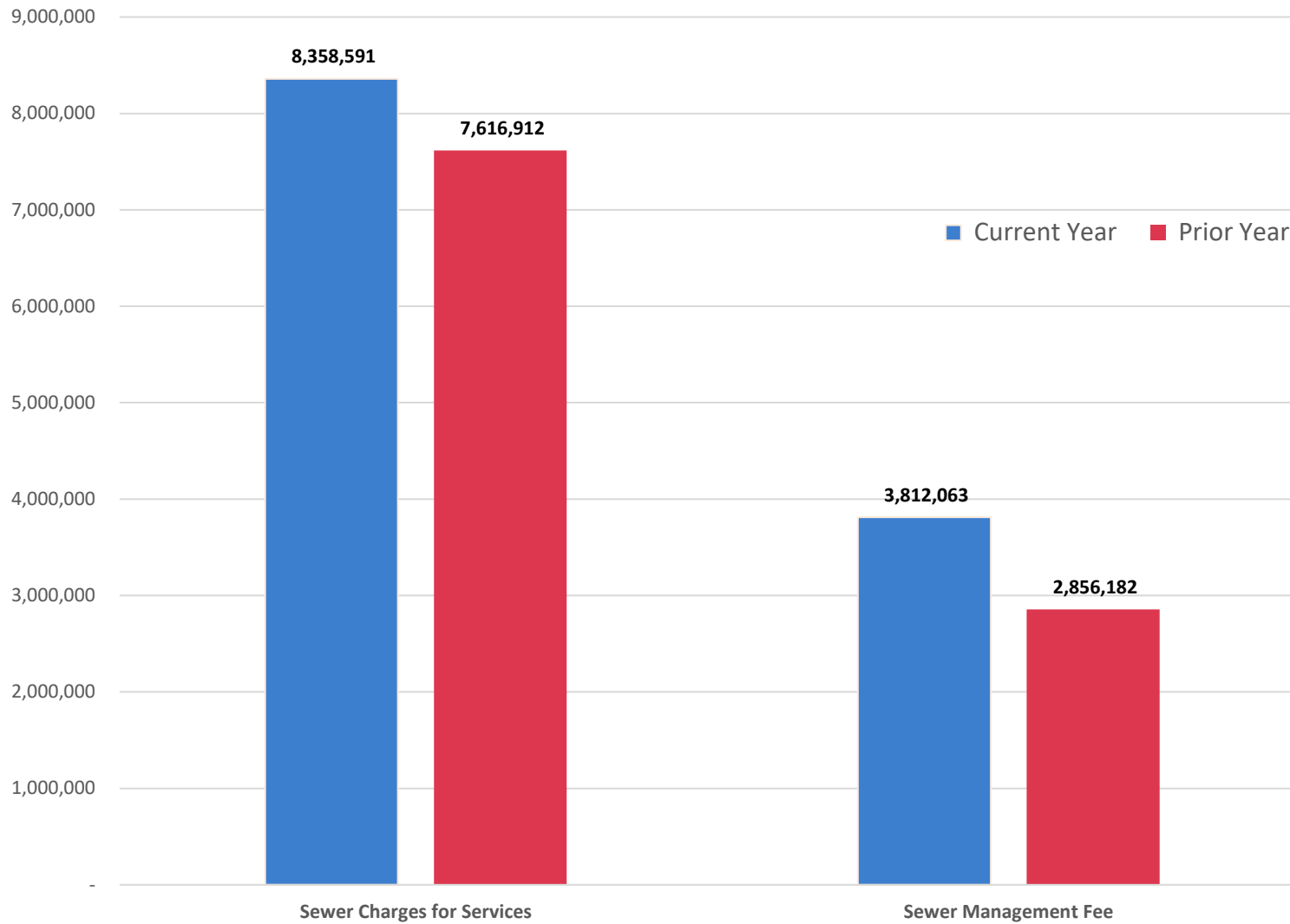
WATER REVENUE AND EXPENSE

Current YTD to Prior Year YTD Actual Comparison



SEWER REVENUE AND EXPENSE

Current YTD to Prior Year YTD Actual Comparison



TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

STORM DRAINAGE UTILITY FUND

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Storm Drainage Utility Fee	\$ 825,000	\$ -	\$ 825,000	\$ 697,528	\$ -	\$ 127,472	85%		\$ 642,586	9%
Drainage Review Fee	-	-	-	3,150	-	(3,150)	0%		-	0%
Interest Income	1,800	-	1,800	9,588	-	(7,788)	533%		(3,417)	-381%
Other Revenue	3,000	-	3,000	-	-	3,000	0%		2,096	-100%
Transfer In	-	-	-	-	-	-	0%		-	0%
Total Revenue	\$ 829,800	\$ -	\$ 829,800	\$ 710,266	\$ -	\$ 119,534	86%		\$ 641,265	11%
EXPENDITURES										
Personnel Services	\$ 329,605	\$ -	\$ 329,605	\$ 236,713	\$ -	\$ 92,892	72%		\$ 125,065	89%
Debt Service	219,463	-	219,463	150,531	-	68,932	69%	2	141,589	6%
Operating Expenditures	153,221	(2,028)	151,193	26,833	39,951	84,409	44%		60,198	-55%
Capital Expenditures	225,000	(225,000)	-	-	-	-	0%		62,230	-100%
Transfers Out	107,996	227,028	335,024	310,046	-	24,978	93%	1	80,997	283%
Total Expenses	\$ 1,035,285	\$ -	\$ 1,035,285	\$ 724,123	\$ 39,951	\$ 271,211	74%		\$ 470,078	54%
REVENUE OVER (UNDER) EXPENDITURES	\$ (205,485)	\$ -	\$ (205,485)	\$ (13,857)					\$ 171,187	
Beginning Working Capital October 1			380,410	380,410					632,579	
Ending Working Capital Current Month			<u>\$ 174,925</u>	<u>\$ 366,553</u>					<u>\$ 803,766</u>	

Notes

- Capital project funds are transferred as needed; General fund transfers are made monthly.
- Annual debt service payments are made in February and August.

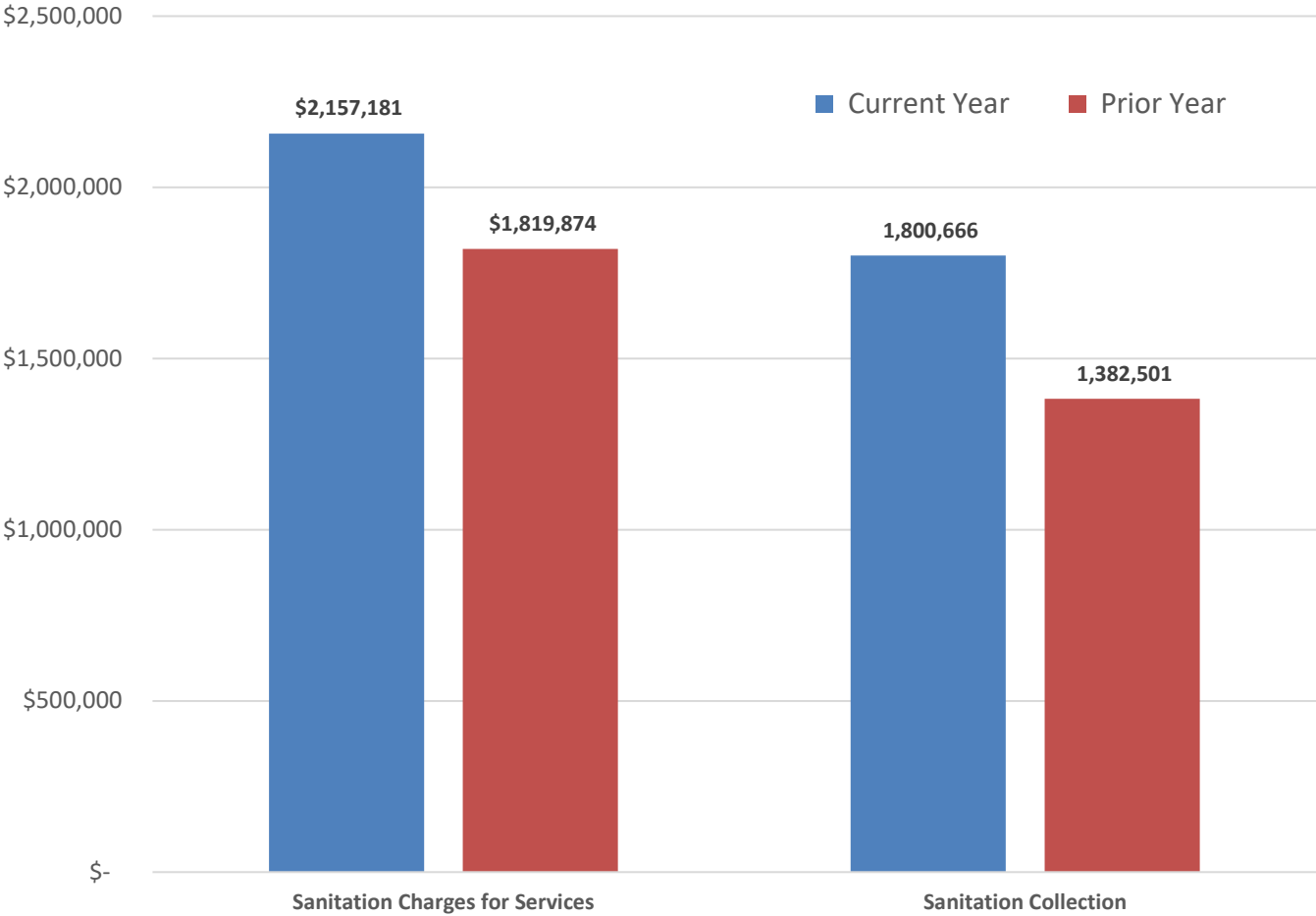
TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024
Expected Year to Date Percent 75%

SOLID WASTE FUND

	Original Budget	Budget Amendment	Amended Budget	Current Year YTD Actual	Current Year Encumbrances	Current Remaining Budget Balance	YTD Percent	Note	Prior Year YTD Actual	Change from Prior Year
REVENUES										
Sanitation Charges for Services	\$ 2,979,722	\$ -	\$ 2,979,722	\$ 2,157,181	\$ -	\$ 822,541	72%		\$ 1,819,874	19%
Interest Income	-	-	-	5,114	-	(5,114)	0%		2,573	99%
Transfer In	2,050,000	-	2,050,000	2,000,000	-	50,000	98%		-	0%
Total Revenues	\$ 5,029,722	\$ -	\$ 5,029,722	\$ 4,162,295	\$ -	\$ 867,427	83%		\$ 1,822,447	128%
EXPENDITURES										
Administration	\$ 2,325,554	\$ (2,092,500)	\$ 233,054	\$ 45,816	\$ -	\$ 187,238	20%		\$ 49,426	-7%
Sanitation Collection	2,668,887	-	2,668,887	1,800,666	-	868,221	67%		1,382,501	30%
Capital Expenditure	-	1,955,000	1,955,000	1,933,413	17,067	4,520	100%		-	0%
Debt Service	-	137,500	137,500	73,125	-	64,375	53%		-	0%
Transfer Out	-	-	-	-	-	-	0%		-	0%
Total Expenses	\$ 4,994,441	\$ -	\$ 4,994,441	\$ 3,853,021	\$ 17,067	\$ 1,124,353	77%		\$ 1,431,927	169%
REVENUE OVER (UNDER) EXPENDITURES	\$ 35,281	\$ -	\$ 35,281	\$ 309,274					\$ 390,519	
Beginning Working Capital October 1			6,018	6,018						
Ending Working Capital			<u>\$ 41,299</u>	<u>\$ 315,292</u>						

SOLID WASTE REVENUE AND EXPENSE

Current YTD to Prior Year YTD Actual Comparison



TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024

CAPITAL PROJECTS FUND - GENERAL

	Project Budget	Current Year Original Budget	Current Year Budget Amendment	Current Year Amended Budget	Current Year Actual	Current Year Encumbrances	Current Remaining Budget Balance	Prior Years Expenditure	Project Budget Balance
REVENUES									
Grants		\$ 1,877,105	\$ -	\$ 1,877,105	\$ -	-	-	-	-
Property Taxes-Delinquent		-	-	-	-	-	-	-	-
Property Taxes-Current		8,502,003	-	8,502,003	8,502,003	-	-	-	-
Taxes-Penalties		-	-	-	-	-	-	-	-
Contributions/Interlocal Revenue		-	-	-	1,685,240	-	-	-	-
Bond Proceeds		-	-	-	-	-	-	-	-
Interest Income		-	-	-	3,381,392	-	-	-	-
Other Revenue		-	-	-	7,872	-	-	-	-
Transfers In - General Fund		-	446,389	446,389	446,389	-	-	-	-
Transfers In - Impact Fee Funds		-	300,000	300,000	300,000	-	-	-	-
Transfers In - Escrows		-	-	-	-	-	-	-	-
Transfers In - Parks		-	800,000	800,000	2,313,800	-	-	-	-
*Transfers In/Out - Bond Funds		-	-	-	34,629,731	-	-	-	-
Total Revenues		\$ 10,379,108	\$ 1,546,389	\$ 11,925,497	\$ 51,266,427	-	-	-	-
EXPENDITURES									
West Prosper Roads	\$ 14,017,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,017,321	\$ -
Fishtrap (seg 2) PIDSD Reimbursement	940,631	-	-	-	-	-	-	940,631	-
DNT Main Lane (US 380 - FM 428)	2,557,062	-	2,557,062	2,557,062	2,557,062	-	0	-	0
Coit Rd (First-Frontier) 4 Lns	6,500,000	-	6,499,199	6,499,199	446,389	-	6,052,810	801	6,052,810
First St (DNT to Coleman)	24,786,567	-	22,644,181	22,644,181	253,689	248,665	22,141,827	2,142,387	22,141,827
Prosper Trl(Coit-Custer)	5,769,088	-	-	-	1,545	-	(1,545)	5,769,088	(1,545)
First Street (Elem-DNT) 4 Lanes	30,895,929	-	23,477,314	23,477,314	9,693,762	13,038,503	745,050	7,418,615	745,050
Preston Road / First Street Dual Left Turns (Design & Construction)	900,000	-	900,000	900,000	70,023	23,577	806,400	-	806,400
First St (Coit-Custer) 4 Lanes	27,269,101	-	8,805,215	8,805,215	7,144,060	237,375	1,423,780	18,463,886	1,423,780
Preston/Prosper Trail Turn Lane	900,000	-	749,462	749,462	330,704	17,588	401,170	150,538	401,170
Craig Street (Preston-Fifth)	450,000	-	123,480	123,480	54,533	40,588	28,360	326,520	28,360
First Street (Teel - Gee Road)	7,225,444	-	2,435,465	2,435,465	2,206,146	217,872	11,447	4,789,978	11,447
Gee Road (First Street - Windsong)	4,041,041	-	1,024,673	1,024,673	506,598	528,479	(10,403)	3,016,368	(10,403)
Coleman (Gorgeous - Prosper Trail)	1,500,000	-	945,443	945,443	84,234	521,351	339,859	554,557	339,859
Coleman (Prosper Trail - PHS)	720,000	-	720,000	720,000	-	-	720,000	-	720,000
Legacy (Prairie - First Street)	11,425,000	-	10,706,174	10,706,174	2,540,145	6,959,674	1,206,354	718,827	1,206,354
Coit/US 380 SB Turn Lanes	300,000	-	276,014	276,014	244,788	27,797	-	23,986	3,429
Parvin (FM 1385 - Legacy)	500,000	-	-	-	-	-	-	500,000	-
US 380 Deceleration Lanes - Denton County	500,000	-	500,000	500,000	43,600	35,550	420,850	-	420,850
Safety Way	800,000	-	800,000	800,000	-	-	800,000	-	800,000
Gorgeous/McKinley	700,000	-	700,000	700,000	-	-	700,000	-	700,000
Renaming of Fishtrap Road to W. First Street	80,000	-	77,123	77,123	-	-	77,123	2,877	77,123
Gee Road (US 380-FM 1385)	2,200,000	-	2,038,300	2,038,300	713,616	779,684	545,000	161,700	545,000
Frontier (Legacy-DNT)	300,000	-	-	-	-	-	-	300,000	-
First Street (Coleman)	500,000	-	499,791	499,791	368,202	128,347	3,242	209	3,242
Star Trail, Phase 5: Street Repairs	1,450,000	-	1,450,000	1,450,000	-	300,000	1,150,000	-	1,150,000
Prosper Trail (Coit - Custer) - 2 WB lanes	400,000	-	400,000	400,000	-	-	400,000	-	400,000
Windsong Pkwy/380 Dual L Turns	152,800	-	152,800	152,800	11,500	11,300	130,000	-	130,000
Teel Parkway (US 380 - First Street Rd) NB 2 Lanes (Design)	5,850,000	-	5,637,136	5,637,136	1,946,440	3,622,521	68,175	212,864	68,175
Traffic Improvement Projects	-	-	-	-	-	-	-	-	-
Parking Lot & Alley Improvements	122,500	-	122,500	122,500	34,220	88,280	-	-	-
Coleman St (First-Go)	660,000	-	660,000	660,000	-	-	660,000	-	660,000
US380 Median Lighting	465,912	-	-	-	-	-	-	465,912	-
Fifth Street Quiet Zone	500,000	-	500,000	500,000	-	-	500,000	-	500,000
Traffic Signal - Fishtrap & Artesia Boulevard	65,000	-	65,000	65,000	16,400	43,850	4,750	-	4,750
Med Lighting 380-Mah	300,000	-	300,000	300,000	-	-	300,000	-	300,000
Traffic Signal - DNT/Frontier	281,500	-	281,500	281,500	16,125	66,875	198,500	-	198,500
Traffic Signal - Teel Pkwy & Prairie Drive	65,000	-	65,000	65,000	13,600	27,150	24,250	-	24,250
Pedestrian Hybrid Beacons	777,600	-	777,600	777,600	26,250	61,350	690,000	-	690,000
Crswalk Sign Markings Flashers	-	-	-	-	-	-	-	-	-
Traffic Signal First	578,333	-	578,333	578,333	-	113,333	465,000	-	465,000
Traffic Warrant Stud	14,667	-	14,667	14,667	-	-	-	-	-
Acad Traffic Signal	503,480	-	503,480	503,480	34,330	134,598	334,552	-	334,552
DNT Signal Conduit Relocations	173,449	-	173,449	173,449	-	173,449	-	-	-
Opticom Repair/Installation	85,000	-	85,000	85,000	-	82,557	2,443	-	2,443
Capital Expenditures		4,176,553	(4,176,553)	-	-	-	-	-	-
Total Street Projects	\$ 158,222,425	\$ 4,176,553	\$ 94,068,809	\$ 98,245,362	\$ 29,357,959	\$ 27,544,979	\$ 41,342,423	\$ 59,977,063	\$ 41,342,423

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024

CAPITAL PROJECTS FUND - GENERAL

	Project Budget	Current Year Original Budget	Current Year Budget Amendment	Current Year Amended Budget	Current Year Actual	Current Year Encumbrances	Current Remaining Budget Balance	Prior Years Expenditure	Project Budget Balance
Turf Irrigation SH289	\$ 48,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,935	\$ -
Lakewood Preserve, Phase 2	5,102,255	-	5,102,255	5,102,255	3,530,435	247,877	1,323,943	-	1,323,943
Doe Branch Property Trail Connections	1,684,000	-	1,684,000	1,684,000	-	227,300	1,456,700	-	1,456,700
Downtown Pond Improvements	120,000	-	108,240	108,240	-	-	108,240	11,760	108,240
Raymond Community Park	19,800,000	-	18,991,658	18,991,658	2,638,154	15,965,125	388,379	808,342	388,379
Green Ribbon Lovers	2,295,000	-	2,295,000	2,295,000	-	-	2,295,000	-	2,295,000
Windsong Park #3	750,000	-	750,000	750,000	-	-	750,000	-	750,000
Downtown Park	300,000	-	300,000	300,000	-	105,700	194,300	-	194,300
Windsong Parkland Dedication	1,913,800	-	1,913,800	1,913,800	1,913,800	-	-	-	-
Froniter Park Pond Repairs	473,000	-	473,000	473,000	-	453,891	19,109	-	19,109
Various Hike and Bike Trails	580,680	-	580,680	580,680	-	-	580,680	-	580,680
Prosper Trail Screening (Preston - Deer Run)	750,000	-	750,000	750,000	-	157,000	593,000	-	593,000
Parks Master Plan Up	140,000	-	140,000	140,000	63,312	68,895	7,793	-	7,793
Downtown Monumentation	66,500	-	66,500	66,500	-	66,500	-	-	-
Downtown Improvements	553,389	-	553,389	553,389	-	-	553,389	-	553,389
Total Park Projects	\$ 34,577,558	\$ -	\$ 33,708,521	\$ 33,708,521	# \$ 8,145,700	\$ 17,292,287	\$ 8,270,533	\$ 869,037	\$ 8,270,533
PD Car Camera and Body worn Camera System	\$ 387,225	\$ -	\$ 370,325	\$ 370,325	\$ -	\$ -	\$ 370,325	\$ 16,900	\$ 370,325
Station #3 Quint Engine	1,495,000	-	25,120	25,120	17,825	7,509	(215)	1,469,880	(215)
Station #3 Ambulance	495,000	-	40,109	40,109	1,308	6,304	32,497	454,891	32,497
Parks & Public Works, Phase 1	3,450,000	-	3,450,000	3,450,000	420	1,186,667	2,262,913	-	2,262,913
Public Safety Complex, Phase 2-Design	1,562,823	-	-	-	-	-	-	1,562,823	-
Public Safety Complex, Phase 2-Dev Costs	124,691	-	975	975	975	-	-	123,716	-
Public Safety Complex, Phase 2-Construction	14,499,866	-	-	-	-	-	-	14,499,866	-
Public Safety Complex, Phase 2-FFE	1,108,321	-	8,375	8,375	8,375	-	-	1,099,946	0
Fire Station #4 - Design	965,855	-	492,868	492,868	-	543,520	(50,652)	472,987	(50,652)
Fire Station #4 - Engine	1,250,000	-	27,213	27,213	14,794	10,461	1,958	1,222,787	1,958
Fire Station #4 - Ambulance	552,000	-	427,568	427,568	8,574	379,768	39,226	124,432	39,226
Fire Station #4 - Other Costs	8,250	-	-	-	-	-	-	8,250	-
Fire Station #4 Construction	10,168,195	-	10,168,195	10,168,195	-	-	10,168,195	-	10,168,195
Parks and Public Works Parking Lot	-	-	-	-	-	-	-	-	-
Interim Community Center	-	-	-	-	-	-	-	-	-
Finish Out Interior Spaces Town Hall First and Second Floor	650,000	-	650,000	650,000	44,247	373,447	232,306	-	232,306
Library Master Plan	130,000	-	130,000	130,000	9,838	88,538	31,625	-	31,625
Emergency Warning Sirens	296,887	-	296,887	296,887	296,380	506	-	-	-
PD Station Improvements	353,728	-	353,728	353,728	-	148,006	205,722	-	205,722
Total Facility Projects	\$ 37,497,841	\$ -	\$ 16,441,362	\$ 16,441,362	\$ 402,736	\$ 2,744,727	\$ 13,293,900	\$ 21,056,478	\$ 13,293,900
Transfer Out	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 230,297,824	\$ 4,176,553	\$ 144,218,692	\$ 148,395,245	\$ 37,906,396	\$ 47,581,993	\$ 62,906,856	\$ 81,902,579	\$ 62,906,856
REVENUE OVER (UNDER) EXPENDITURES				\$ (136,469,748)	\$ 13,360,030				
Beginning Fund Balance (Restricted for Capital Projects) October 1				77,609,702	77,609,702				
Ending Fund Balance (Restricted for Capital Projects) Current Month				\$ (58,860,046)	\$ 90,969,732				

*Transfers In/Out - Bonds--Bond and CIP funds are both in the Capital Projects Fund so transfers between these funds are netted together and eliminated.

TOWN OF PROSPER, TEXAS
MONTHLY FINANCIAL REPORT
June 30, 2024

CAPITAL PROJECTS FUND-WATER/SEWER

	Project Budget	Current Year Original Budget	Current Year Budget Amendment	Current Year Amended Budget	Current Year Actual	Current Year Encumbrances	Current Remaining Budget Balance	Prior Year Expenditure	Project Budget Balance
REVENUES									
Interest Income		\$ -	\$ -	\$ -	\$ 1,315,485				
Bond Proceeds		-	-	-	-				
Grants		-	6,102,367	6,102,367	8,888,286				
Transfers In		-	471,613	471,613	2,700,000				
Transfers In - ARPA Funds		6,348,980	(6,348,980)	-	-				
Transfers In - Impact Fee Funds		-	-	-	3,100,000				
Transfers In - Bond Funds		-	-	-	-				
Total Revenues		\$ 6,348,980	\$ 225,000	\$ 6,573,980	\$ 16,003,771				
EXPENDITURES									
Lower Pressure Plane Pump Station Design	\$ 18,267,115	\$ -	\$ 7,603,154	\$ 7,603,154	\$ 5,149,204	\$ 2,901,875	\$ (447,924)	\$ 10,663,960	\$ (447,924)
LPP Water Line Phase, 2A	12,663,890	-	12,663,890	12,663,890	599,773	7,101,331	4,962,786	-	4,962,786
Broadway (Parvin-Craig)	-	-	-	-	-	-	-	-	-
Fishtrap (Elem-DNT) (Legacy Water Line)	15,000	-	-	-	-	-	-	15,000	-
Doe Branch Parallel Interceptor	7,400,000	-	7,400,000	7,400,000	-	-	7,400,000	-	7,400,000
Doe Branch, Phase 3 WWTP	55,000,000	6,348,980	48,651,020	55,000,000	6,102,367	-	48,897,633	-	48,897,633
Sanitary Sewer Replacement	75,000	-	75,000	75,000	42,136	-	32,864	-	32,864
Wilson Creek WW Line	400,000	-	400,000	400,000	-	8,525	391,475	-	391,475
Parks & Public Works, Phase 1	600,000	-	600,000	600,000	-	593,333	6,667	-	6,667
DNT (Prosper Trail - Frontier Parkway) 12-inch WL	4,500,000	-	4,500,000	4,500,000	1,200,924	25,147	3,273,928	-	3,273,928
Upper Doe Branch WW Line (Teel-PISD Stadium)	4,050,000	-	4,050,000	4,050,000	-	-	4,050,000	-	4,050,000
DNT Water Line Relocation (US 380 - First St)	2,146,650	-	2,127,151	2,127,151	544,842	896,091	686,218	19,499	686,218
Master Plan Projects	939,007	-	939,007	939,007	-	-	939,007	-	939,007
5 MG Ground Storage	600,000	-	600,000	600,000	-	-	600,000	-	600,000
Water Line Relocation Frontier	3,400,000	-	3,137,000	3,137,000	63,773	317,395	2,755,831	263,000	2,755,831
Total Water & Wastewater Projects	\$ 110,056,662	\$ 6,348,980	\$ 92,746,222	\$ 99,095,202	# \$ 13,703,021	\$ 11,843,698	\$ 73,548,484	\$ 10,961,460	\$ 73,548,484
Old Town Regional Pond #2	\$ 48,386	\$ -	\$ 17,177	\$ 17,177	\$ 10,804	\$ 6,310	\$ 63	\$ 31,210	\$ 63
BNSF Drainage Reimbursement	500,000	-	500,000	500,000	500,000	-	-	-	-
Doe Branch Creek Erosion Control	225,000	-	225,000	225,000	-	198,032	26,968	-	26,968
Total Drainage Projects	\$ 773,386	\$ -	\$ 742,177	\$ 742,177	# \$ 510,804	\$ 204,342	\$ 27,031	\$ 31,210	\$ 27,031
Transfer out	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 110,830,048	\$ 6,348,980	\$ 93,488,399	\$ 99,837,379	\$ 14,213,824	\$ 12,048,039	\$ 73,575,515	\$ 10,992,669	\$ 73,575,515
REVENUE OVER (UNDER) EXPENDITURES				\$ (93,263,399)	\$ 1,789,947				
Beginning Fund Balance (Restricted for Capital Projects) October 1				40,601,835	40,601,835				
Ending Fund Balance (Restricted for Capital Projects) Current Month				<u>\$ (52,661,564)</u>	<u>\$ 42,391,782</u>				

TOWN OF PROSPER

REPORT TO TOWN COUNCIL

FY 2024 RESULTS OF THIRD QUARTER ENDING JUNE 30, 2024

In compliance with the Town Charter, Town Management presents to the Council the following summary of the third quarter financial results. These results are presented on a cash/budgetary basis in which certain accruals including property taxes, sales tax, payroll, accounts payable etc. are recorded on a cash basis month by month to facilitate more timely financial reporting and then at year end are recorded for the purposes of reporting in the audited financial statements to reduce the difference between budget basis and GAAP (Generally Accepted Accounting Principles) basis.

In summary, both revenues and expenditures are occurring within the expected ranges and no unexpected events have occurred that require significant changes in original projections. With 75% of the year now complete, results for the major operations of the funds with related commentary are:

GENERAL FUND

- Revenues total \$39,459,097, or 86% of annual budget.
- Property Tax Collections are 97% of annual budget.
- Sales Tax Revenues are 75% of annual budget, an increase of 13% from the prior year.
- Franchise Fees are 67% of annual budget, an increase of 16% from the prior year.
- Building Permit Revenues are 89% of annual budget, an increase of 20% from the prior year.
- Expenditures total \$35,151,875, or 77% of annual budget.

Revenues:

It is common for a disproportionate percentage of General Fund revenues to be received early in the year as our largest revenue-property taxes are due January 31st with many paying by the end of December to receive the income tax deduction in the current calendar year. Sales tax revenue is 13% higher than the previous year and on track to meet budget expectations. Many franchise fees are paid on a quarterly basis which creates a lag early in the year but organic growth is creating substantial growth in receipts from the prior year. Finally, Building Permit revenue is exceeding the 75% reference point due to several high dollar commercial permits.

Expenditures:

Expenditures halfway through the year are slightly above than the 75% reference point.

IMPACT FEE REVENUES

- Water Impact Fees total \$2,553,660 which is 79% of annual budget.
- Wastewater Impact Fees total \$1,254,862 which is 63% of annual budget.
- Street Impact Fees for East Thoroughfare Impact Fees total \$835,934 which is 70% of annual budget.
- Street Impact Fees for West Thoroughfare Impact Fees total \$3,085,119 which is 77% of annual budget.

Due to their nature, impact fees can vary significantly throughout the year. West impact fees are primarily single family residential and are generated when a home builder takes out a permit for a single home. As such, they will occur more evenly throughout the year. Large multi-family will be collected all at once.

WATER & SEWER FUND

- Revenues total \$21,726,129, or 55% of annual budget and up 5% from prior year
- Expenditures total \$26,704,866, or 67% of annual budget and up 43% from prior year
- Transfers out shows an increase of 425% from the prior year due to the loan to the solid waste fund and large one-time CIP transfers.

Revenues:

Due to monthly billing of utility accounts and recording of revenues monthly on a cash basis, the revenues for July through September are traditionally the highest use months explaining why revenues are lower than the 75% reference point at the end of June. Revenue continues to grow from the prior year due to the consistent increase in residential and commercial accounts; however, the growth has been limited by an uncharacteristically wet spring.

Expenditures:

Due to the “take or pay” fee structures of regional suppliers, expenditures tend to have less seasonal variation than revenues. The water purchases expenditures have increased 22% due to the North Texas Municipal Water District Monthly Minimum payment increasing, from \$884,485 to \$961,261 per month. The sewer management fees have increased due to higher rates from our suppliers along with surcharges for excess flows to Upper Trinity Regional Water District.

Mario Canizares
Town Manager



PARKS AND RECREATION

To: Mayor and Town Council

From: Dan Baker, Parks and Recreation Director

Through: Mario Canizares, Town Manager
Robyn Battle – Executive Director

Re: Whitley Place Park Pump Repairs

Town Council Meeting – July 23, 2024

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider and act upon authorizing the Town Manager to approve a purchase order to C & P Pump Services, Inc. in the amount of \$64,417 for the repairs to the pump at Whitley Place Park and to execute documents related to the purchase.

Description of Agenda Item:

The pumps that feed the irrigation system from the pond at Whitley Place Park were struck by lightning in May and necessitate immediate repair to maintain its functionality and safety. C & P Pump Services, Inc. has been identified as a qualified vendor capable of performing these repairs. The total cost for the repair services is quoted at \$64,417. C & P Pump Services, Inc. is a TIPS vendor #220603. C & P Pump Services, Inc. will provide labor, crane, and equipment to remove and reinstall Three (3) Pumps and Ronk Converter. These pumps provide water to Town and HOA landscaping.

Per the Whitley Place Escrow and Facilities Agreement, the HOA shares in the maintenance cost of the irrigation system which includes the pumps.

Budget Impact:

Funds will be provided through Repairs & Maintenance, 100-5320-60-02.

The Town has filed a claim with TML and is awaiting reimbursement.

The Town will be reimbursed via invoice by the HOA for the HOA's share of maintenance (50%) for anything not covered by the TML claim reimbursement per Exhibit B of the attached Whitley Place Escrow and Facilities Agreement.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. C & P Pump Services, Inc. Quote
2. Tips Contract #220603
3. Whitley Place Escrow and Facilities Agreement
4. C & P Pump Services, Inc. PO

Town Staff Recommendation:

Town Staff recommends that the Town Council authorize the Town Manager to approve a purchase order to C & P Services, Inc. in the amount of \$64,417 for the repairs to the pump at Whitley Place Park and to execute documents related to the purchase.

Proposed Motion:

I move to authorize the Town Manager to approve a purchase order to C & P Services, Inc. in the amount of \$64,417 for the repairs to the pump at Whitley Place Park and to execute documents related to the purchase.

C & P P U M P S E R V I C E S , I N C .

June 12, 2024

Quote # 33912

Town of Prosper
121 W. Broadway
Prosper, Texas 75078

Subject: Whitley Place
Tips # 220603

Attention: David Gamblin
Item I

Provide labor, crane, and equipment to remove and reinstall Three (3) Pumps and Ronk Converter.

Total Price, Crane	\$2,400.00
<u>Total Price, Labor</u>	<u>\$4,320.00</u>
Total Price,	\$6,720.00

Item II Pump I

Repair Goulds Model 5THC/5 Stage Submersible Turbine with 15hp Motor will include the following:

New 4" Column Pipe
New Goulds 5THC/5 Stage Pump
New 15hp, 460-volt Motor
Sandblast and Paint
Total Price, Parts, and Labor \$8,020.00

Item III Pump II

Repair Goulds Model 85GS75 Submersible Turbine with 7½hp Motor will include the following:

One (1) New Goulds Model 85GS75 Pump
New 7.5hp Centipro Motor
New 2" Column Pipe 161" Long
Sandblast and Paint
Total Price, Parts, and Labor \$6,590.00

Item IV Pump # 3

Repair Goulds Model 6CHC/4 Stage Submersible Pump will include the following:

New Goulds 6CHC/4 Stage Pump
New 20hp 460-volt Motor
New 4"X90" Column Pipe
Sandblast and Paint
Total Price, Parts, and Labor \$8,598.00

2417NW DALLAS STREET GRAND PRAIRIE, TEXAS 75050
P.O. BOX 530644 GRAND PRAIRIE, TEXAS 75053
972-263-6906 TEL 972-263-5836 FAX

C & P P U M P S E R V I C E S , I N C .

Page 2

Quote # 33912

Item V**New Control Panel to Consist of the following:****One (1) 7.5hp, 230-volt VFD****One (1) 15hp, 230-volt VFD****One (1) 20hp, 230-volt VFD****One (1) Oasis Controller****One (1) Metal Enclosure****All Wiring****Distributor Block****Total Price, Parts, and Labor 34,489.00**

Items I-V Total Price, \$64,417.00*****Bid price is firm for 30 days*****

Warranty is one (1) year on all parts and products with 90 days warranty on labor. Above, prices do not include Texas Sales Tax. Sales tax must be added unless an exemption certificate is attached to your order.

If upon tear down and inspection of all the above equipment, any further damage is found, we will notify you prior to proceeding with any further work.

Any pump equipment left on C&P Pump premises for over 30 days is subject to disposal.

Thank you for your consideration of this quotation. If I can be of further assistance in this or any other matter, please do not hesitate to call me.

Sincerely,***Paul Upchurch*****Paul Upchurch****Service Manager/Owner****Approval for work:** _____**Date:** _____**Purchase Order #** _____

**2417NW DALLAS STREET GRAND PRAIRIE, TEXAS 75050
P.O. BOX 530644 GRAND PRAIRIE, TEXAS 75053
972-263-6906 TEL 972-263-5836 FAX**

EMAIL PO & VENDOR QUOTE TO: TIPSP0@TIPS-USA.COM
PO AND QUOTE MUST REFERENCE VENDOR'S TIPS CONTRACT NUMBER
ATTACH PO AS A PDF - ONLY ONE PO (WITH QUOTE) PER ATTACHMENT

Notice:

Many Vendors utilize specific warranties, subscription agreements, license agreements, EULA's, etc. ("Supplemental Agreements") when you purchase specific goods or services from that Vendor. Since the Supplemental Agreements do not necessarily apply to every Member, every jurisdiction, or every purchase, TIPS does NOT now negotiate the terms of those agreements on Members' behalf. If you are required to sign such a supplementary agreement by the TIPS Vendor, TIPS strongly encourages Members not to proceed with a purchase until they have carefully reviewed and negotiated all applicable Supplemental Agreements. TIPS recommends you work with your entity's legal counsel to ensure compliance with the legal requirements of your entity and your jurisdiction.

[TIPS Purchase Order Procedure here](#)

OVERVIEW

DUE DILIGENCE

CONTACTS

PRINT PROFILE

PrintVENDOR **C and P Services**

2417 NW DALLAS ST. GRAND PRAIRIE TX,75050

WEBSITE CPPUMP.COMSERVICE/PRODUCTS (RICH KREEKON) C AND P PUMPS INC. SERVICE, SELL, AND
DESCRIPTION REPAIR PUMPING SYSTEMSCONTRACT: **220603** Pumping Equipment Sales, Parts, Service, and MaintenanceEnd Date: Aug-31-2025 EDGAR COMPLIANCE: [View Doc.](#)

20080410000431270 04/10/2008 02:56:34 PM AG 1/11

After Recording Return to:
Town Manager
Town of Prosper
 P. O. Box 307
 Prosper, Texas 75078

ESCROW/REIMBURSEMENT/FACILITIES MAINTENANCE AGREEMENT
(Whitley Place)

THIS ESCROW/REIMBURSEMENT/FACILITIES MAINTENANCE AGREEMENT ("Agreement") is entered into by and between the **TOWN OF PROSPER, TEXAS**, a municipal corporation ("Town"), and **WHITLEY PLACE HOMEOWNERS' ASSOCIATION, INC.**, a Texas nonprofit corporation ("HOA") on the terms and conditions hereinafter set forth.

WHEREAS, Town and Developer of that certain property comprising approximately 320 acres zoned Planned Development pursuant to Ordinance No. 06-127 adopted on November 28, 2006 known as Whitley Place ("Development") entered into that certain Developer's Agreement, dated March 25, 2008 filed for record under Clerk's File No. 20080410000431270, Collin County Land Records ("Park Development Agreement") whereby Developer, among other things dedicated certain tracts of land, and/or easements thereon, to Town and HOA (hereinafter defined as "Property"); and

WHEREAS, HOA and Town agree that use of the Property benefits residents of the Whitley Place Development, specifically, and residents of the Town, as a whole; and

WHEREAS, Town maintains, whether through public or private funds, park land located in Town; and

WHEREAS, HOA has requested that Town maintain the Property at a level that is above and beyond the level at which Town normally and/or routinely maintains park land in Town; and

WHEREAS, in consideration of HOA agreeing to share in the maintenance costs of the Property as set forth herein, Town agrees to maintain the Property as set forth below.

NOW, THEREFORE, in consideration of the covenants and conditions contained in this Agreement, Town and HOA agree as follows:

1. **Land Subject to Agreement.** The tracts of land that are the subject of this Agreement are situated in the Larkin McCarty Survey, Abstract No. 600, in the Town of Prosper, Collin County, Texas, and more particularly described as:

- (a) 2.5± acres of land ("Area A"); and
- (b) a hike and bike trail easement containing 2.0± acres of land ("Area B"); and
- (c) 10.3± acres of land ("Area C"); and
- (d) 12.0± acres of land ("Area E"); and

- (e) unless and until fee simple title is conveyed to Town and Town has assumed all maintenance obligations thereof, 7.0± acres of land ("Area F"); and
- (f) 3.0± acres of land ("Area G-1").

Areas A, B, C, E, F and G-1 are more particularly described in and/or depicted on Exhibit "A", attached hereto and incorporated herein for all purposes (collectively referred to herein as the "Property"). The word "Property" as used herein shall refer to the land and any and all improvements located thereon. The parties represent that ownership of each Area shall be as set forth in the Park Development Agreement.

2. **Term of Agreement.** The term of this Agreement will commence on the 25th day of March 2008 ("Effective Date") and shall continue to remain in effect unless and until earlier terminated by written Agreement of the parties.

3. **Maintenance of Property.** (a) **Maintenance Obligations.** Maintenance of the Property shall be in accordance the specifications and schedule attached hereto as Exhibit "B" and incorporated herein for all purposes ("Maintenance Obligations").

(b) **Town Maintenance Obligations.** Subject to Paragraph 3(c), Town agrees to maintain the Property in accordance with the Maintenance Obligations, utilizing Town employees if jointly agreed to by the HOA and the Town, and/or third party contractors. In the event Town determines that it is in the best interest of Town and its citizens to hire third party contractors to perform all or a portion of the Maintenance Obligations, Town shall comply with any and all procurement laws.

(c) **HOA Maintenance Obligations/Escrow Funds.** (1) HOA shall be responsible for any and all costs associated with the Maintenance Obligations until seventy percent (70%) of the lots, as determined by the Whitley Place Zoning Exhibit, dated November 2006 a copy of which is attached hereto as Exhibit "C" and incorporated herein for all purposes, located within the Whitley Place Development in its entirety have received a Certificate of Occupancy ("CO") from Town ("Event"). After the Event, the HOA shall be responsible for 50% of the costs associated with the Maintenance Obligations. Should Developer, its successors and/or assigns as authorized herein, subsequent to the date of this Agreement, sale a portion of the Development to a third party, HOA and Town shall enter into an amendment to this Agreement, the form of which shall be reasonably agreed upon, so that the Maintenance Obligations reflect the intent of the parties regarding the Event.

(2) The Town will be responsible for all maintenance obligation costs for "Area F" once the Event has occurred or upon Town's acceptance of conveyance prior to the Event.

(3) HOA shall, within thirty (30) days of receiving notice from Town, pay into an escrow account, at the location solely determined by Town, funds equal to twenty-five percent (25%) of the estimated total annual cost for Town's performance of

the Maintenance Obligations, said amount to be reasonably agreed upon by the parties hereto ("Escrow Funds"). In lieu of the first annual deposit of the Escrow Funds, HOA shall provide the Maintenance Obligations at no cost to Town and in accordance with all independent contractor requirements promulgated by Town. In March 2009, the Town will begin performance of the Maintenance Obligations at which time the Escrow Funds will be due from the HOA. At no time shall the Escrow Funds exceed the estimated total cost for the Maintenance Obligations for the subject year as determined by the parties and as provided herein. The Escrow Funds will be available to Town to pay for the costs of performing the Maintenance Obligations each year this Agreement is in effect if HOA fails to perform any obligation set forth herein after receiving thirty (30) days written notice from Town at which time Town shall, in its sole discretion, be entitled to use, at any time, all or a portion of the Escrow Funds in connection with its performance of the Maintenance Obligations. In addition, if any amount of the Escrow Funds remains in the account after the termination of this Agreement and payment of all financial obligations set forth herein, as reasonably determined by Town, ("Remaining Escrow Funds") HOA shall be entitled to, as its sole property, the Remaining Escrow Funds. Interest in the fund will accrue and any amount in excess of the required twenty-five percent (25%) of the estimated total annual cost for Town's performance of the Maintenance Obligations may be credited to the HOA's portion of reimbursement or refunded to the HOA, such decision to be made by the HOA. Notwithstanding anything to the contrary herein, Town and HOA agree that Town shall, under no circumstance, be responsible for any part or portion of the costs associated, directly or indirectly, with the Maintenance Obligations until the occurrence of the Event.

(4) On or before the fifth (5th) day of each month, HOA shall tender to Town one-twelfth (1/12th) of the amount of the agreed upon annual cost of performing the Maintenance Obligations; provided, however, HOA shall, within thirty (30) days of receipt of Town's invoice, tender to Town those amounts incurred by Town hereunder that were not included in the initially agreed upon annual cost of performing the Maintenance Obligations but is included in the scope of work itemized in **Exhibit "B"**.

(5) Notwithstanding anything to the contrary herein, Town and HOA agree that Town shall, under no circumstance, be responsible for any part or portion of the costs associated, directly or indirectly, with the Maintenance Obligations until the occurrence of the Event.

4. **Default**. In the event HOA fails to comply with any of the provisions of this Agreement, Town shall have the following remedies in addition to Town's other rights and remedies, at law or in equity:

- a. to refuse to perform the Maintenance Obligations; and/or
- b. to seek specific performance of this Agreement.

In the event of Town's default under this Agreement, HOA will be entitled to seek specific performance of this Agreement as its sole and exclusive remedy.

5. **Continuity.** This Agreement shall be a covenant running with the land and shall be binding upon HOA, its officers, directors, successors, assigns (as authorized herein) and/or grantees. In addition, the parties shall cause this Agreement to be filed in the Land Records of Collin County.

6. **Miscellaneous.**

(a) **Notice.** Any notice required to be sent under this Agreement must be in writing and may be served by depositing same in the United States Mail, addressed to the party to be notified, postage pre-paid and registered or certified with return receipt requested, or by delivering the same in person to such party via a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the parties shall be as follows:

If to Town, addressed to it at:

Town of Prosper
ATTN: Town Manager
121 West Broadway
P. O. Box 307
Prosper, Texas 75078
Telephone: (972) 346-2640
Facsimile: (972) 346-2111

If to HOA, addressed to it at:

Whitley Place Homeowners' Association
ATTN: Dale Clark, President
16250 Dallas N. Parkway
Dallas, Texas 75248
Telephone: (972) 931-8971 ext. 6
Facsimile: (972) 931-8975

(b) **Assignment.** This Agreement is not assignable without the prior written consent of Town.

(c) **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.

(d) **Entire Agreement.** This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the parties hereto.

(e) **Venue.** This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Collin County, Texas.

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

(g) **Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. A facsimile signature will also be deemed to constitute an original if properly executed.

(h) **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.

(i) **Savings/Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(k) **Representations.** Each signatory represents this Agreement has been read by the party for which this Agreement is executed and that such party has had an opportunity to confer with its counsel.

(l) **Miscellaneous Drafting Provisions.** This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.

(m) **Sovereign Immunity.** The parties agree that Town has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.

(n) **No Third Party Beneficiaries.** Nothing in this Agreement shall be construed to

create any right in any third party not a signatory to this Agreement, and the parties do not intend to create any third party beneficiaries by entering into this Agreement.

(o) **Attorneys' Fees.** In any legal proceeding brought to enforce the terms of this Agreement, 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, as it exists or may be amended.

(p) **Incorporation of Recitals.** The representations, covenants and recitations set forth in the foregoing recitals of this Agreement are true and correct and are hereby incorporated into the body of this Agreement and adopted as findings of Town and the HOA and/or its authorized representatives.

(q) **Force Majeure.** Notwithstanding anything herein to the contrary, no party shall be liable for the failure to perform its duties described herein if such failure is caused by a catastrophe, riot, war, governmental order or regulation, fire, accident, Act of God, or other similar or different contingency beyond the reasonable control of the subject party(ies).

(r) **Waiver.** Waiver by either party of any breach of this Agreement, or the failure of either party to enforce any of the provisions of this Agreement, at any time, shall not in any way affect, limit or waive such party's right thereafter to enforce and compel strict compliance.

(s) **HOA's Warranties/Representations.** All warranties, representations and covenants made by HOA in this Agreement or in any certificate or other instrument delivered by HOA to Town under this Agreement shall be considered to have been relied upon by Town and will survive the satisfaction of any fees and/or payments made under this Agreement, regardless of any investigation made by Town or on Town's behalf.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the latest date as reflected by the signatures below.

TOWN:

TOWN OF PROSPER, TEXAS

By: _____

Mike Land, Town Manager

Date: _____

3/27/08

HOA:

WHITLEY PLACE
HOMEOWNERS' ASSOCIATION, INC.,
a Texas nonprofit corporation

By: _____

Dale Clark, President

Date: _____

3-27-08

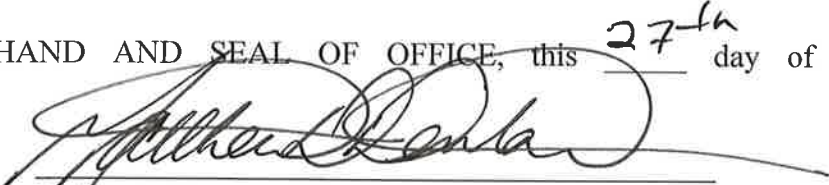
STATE OF TEXAS

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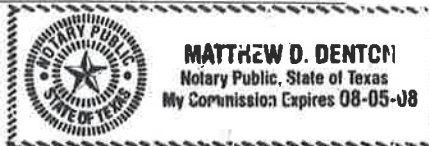
COUNTY OF COLLIN

BEFORE ME, the undersigned authority, on this day personally appeared Mike Land known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me he is the duly authorized representative for the **TOWN OF PROSPER, TEXAS**, and he executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of March, 2008.


Notary Public in and for the State of Texas

My Commission Expires:

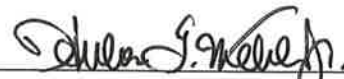


STATE OF TEXAS

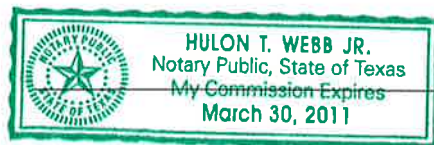
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§COUNTY OF COLLIN

BEFORE ME, the undersigned authority, on this day personally appeared Dale Clark, President of **WHITLEY PLACE HOMEOWNERS' ASSOCIATION, INC.**, a Texas nonprofit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and who acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated on behalf of said corporation.

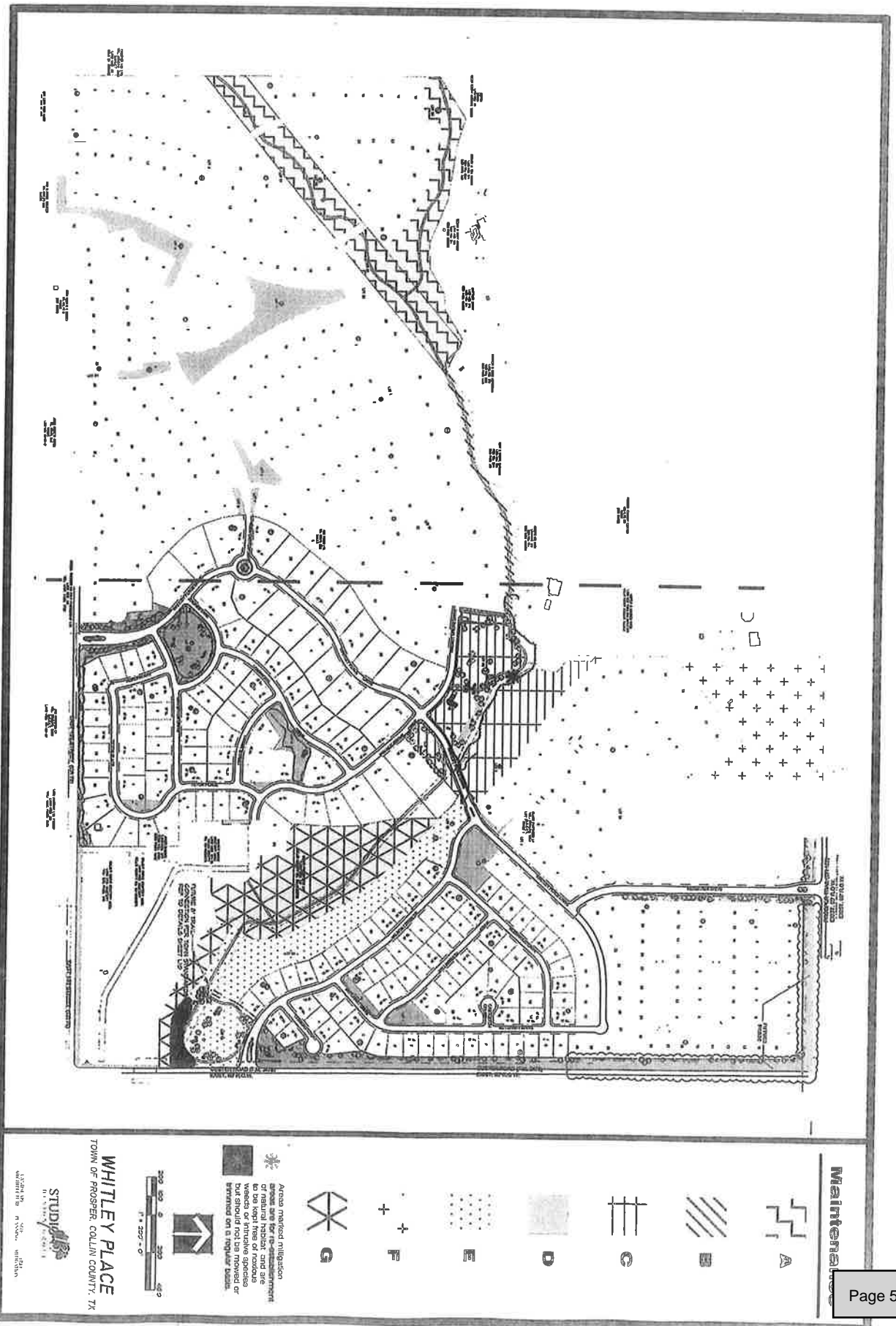
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27th day of March, 2008.


Notary Public in and for the State of Texas

My Commission Expires:



LEGAL DESCRIPTION AND/OR DEPICTION OF
THE PROPERTY (AREAS A, B, C, E, F AND G-1)



**WHITLEY PLACE HOMEOWNERS ASSOCIATION and
TOWN OF PROSPER SHARED MAINTENANCE**

Utilities

- 5100 Water - C -
- 5110 Electric - C -
- 5100 Water - E -
- 5110 Electric - E -

Landscape Maintenance

- 5210 Landscape Maintenance Precision Mowing - C - 36 mows
- 5210 Landscape Maintenance Precision Mowing - E - 36 mows
- 5215 Fertilize - C - 4 times
- 5215 Fertilize - E - 4 times
- 5220 Natural Area Mowing - A - 6 mows
- 5220 Hike and Bike Trail Mowing - A - 8 mows
- 5220 Line Trim Natural Area Edge - A - 6 mows
- 5220 Hike and Bike Trail Mowing - B - 8 mows
- 5220 Line Trim Natural Area Edge - B - 6 mows
- 5220 Natural Area Mowing - C - 6 mows
- 5220 Hike and Bike Trail Mowing - C - 8 mows
- 5220 Line Trim Natural Area Edge - C - 6 mows
- 5220 Natural Area Mowing - E - 6 mows
- 5220 Hike and Bike Trail Mowing - E - 8 mows
- 5220 Line Trim Natural Area Edge - E - 6 mows
- 5220 Mow as needed F
- 5220 Hike and Bike Trail Mowing - G (City owned portion) - 8 mows
- 5220 Line Trim Natural Area Edge - G (City owned portion) - 6 mows
- 5220 Natural Area Mowing - G (City owned portion) - 6 mows
- 5245 Landscape Maintenance and Repair - C & E - as needed
- 5260 Irrigation Repairs - C & E - as needed

Grounds Maintenance

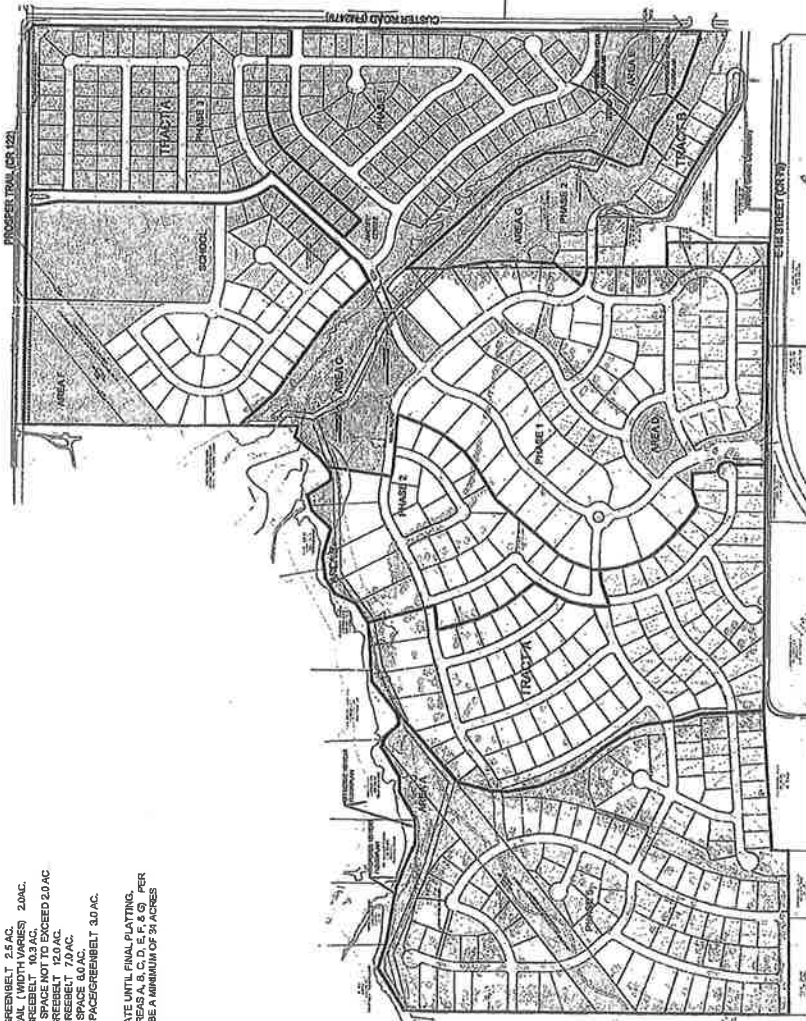
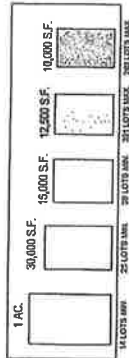
- 5510 Trail Maintenance - A - as needed
- 5530 Grounds Porter - A - 12 times
- 5599 Remove Limb Debris - A - as needed
- 5510 Trail Maintenance - B - as needed
- 5530 Grounds Porter - B - 12 times
- 5599 Remove Limb Debris - B - as needed
- 5510 Structure Maintenance - C - as needed
- 5510 Trail Maintenance - C - as needed
- 5520 Lake Maintenance - C - as needed
- 5525 Aeration Systems Maintenance - C - as needed
- 5530 Grounds Porter - C - 40 times
- 5540 Lights Maintenance - C - as needed
- 5598 Trim Trees/Shrubs planted according to approved landscape plan - C - 2 times
- 5599 Remove Limb Debris - C - as needed
- 5510 Trail Maintenance - E - as needed
- 5520 Lake Maintenance - E - as needed
- 5520 Structure Maintenance - E - as needed
- 5525 Aeration Systems Maintenance - E - as needed
- 5530 Grounds Porter - E - 20 times
- 5598 Trim Trees/Shrubs planted according to approved landscape plan - E - 2 times
- 5599 Remove Limb Debris - E - as needed
- 5510 Trail Maintenance - G (City owned portion) - as needed
- 5530 Grounds Porter - G (City owned portion) - 12 times
- 5599 Remove Limb Debris - G (City owned portion) - as needed

Note: Frequencies and scopes listed above are approximate and will vary depending on maturity of landscape, weather, intensity of public use, etc. Projects initiated by HOA such as flower beds and planting of annuals, holiday lighting, or decorations will not be considered cost sharing by the Town of Prosper.

WHITLEY PLACE ZONING EXHIBIT



VICINITY MAP
NTD



THE THOROUGHFARE ALIGNMENTS SHOWN ON THIS EXHIBIT ARE FOR ILLUSTRATION PURPOSES AND DO NOT SET THE ALIGNMENT. THE ALIGNMENT IS DETERMINED AT THE TIME OF FINAL PLAT.

ZONING EXHIBIT

FOR
WHITLEY PLACE
A PLANNED DEVELOPMENT ON 333.77 ACRES
IN THE LARKIN MCCARTY SURVEY, ABSTRACT NO. 800
COLLIN COUNTY, TEXAS

OWNER:
CC JOINT VENTURES, LTD.
10000 West Loop West
Suite 210
Dallas, Texas 75246
Phone: (972) 931-6271

PREPARED BY:
HUNT-ZOLLARS
10000 West Loop West
Suite 210
Dallas, Texas 75246
Phone: (972) 931-6271

AREA SUMMARY

PROPERTY GROSS ACREAGE 333.77 ACRES
MAX NO. RESIDENTIAL LOTS 652
GROSS RESIDENTIAL DENSITY 1.91 DU/AC
OPEN SPACE/PARKLAND 34 ACRES
SCHOOL 12.1 ACRES
NET ACREAGE 293.5 ACRES
NET DENSITY (MAX) 2.22 DU/AC

OPEN SPACE SUMMARY*

OPEN SPACE/GREENBELT 3.5 AC.
HNE & BIKE TRAIL (WIDTH VARIES) 20AC.
OPEN SPACE/GREENBELT 10.3 AC.
PRIVATE OPEN SPACE NOT TO EXCEED 2.0 AC
OPEN SPACE/GREENBELT 15.0 AC.
OPEN SPACE/GREENBELT 7.0 AC.
PRIVATE OPEN SPACE 5.0 AC.
PUBLIC OPEN SPACE/GREENBELT 3.0 AC.

* AREA CALCULATIONS ARE APPROXIMATE UNTIL FINAL PLATTING.
THE TOTAL OPEN SPACE (TOTAL OF AREAS A, B, C, D, E, F & G) PER WHITLEY PLACE P.D. GUARANTEE WILL BE A MINIMUM OF 31 ACRES FOR THIS SITE.

**TOWN OF PROSPER**

Town of Prosper
PO Box 307
Prosper, Texas 75078

Purchasing Office
Phone: (972) 569-1018
Email: jcarter@prospertx.gov

PURCHASE ORDER Item 7.

P.O. No.: 24449

Date: 06/14/24

DELIVERY ADDRESS:

PARKS - OPERATIONS
TOWN OF PROSPER
101 DYLAN DR. SUITE D
PROSPER, TX 75078

C & P Pump Services, Inc
PO Box 530644
Grand Prairie, TX 75053

Vendor No.:

2978

Delivery Date:

06/27/24

	QTY	DESCRIPTION	ACCOUNT NO.	UNIT AMOUNT	TOTAL AMOUNT
1	1	Repair Whitley Place Pond Motor Pumps. Ref Quote #33912, TIPS Contract 220603, and Town of Prosper PO Terms and Conditions.	10053206002	64,417.00	64,417.00
GRAND TOTAL					64,417.00

CONDITIONS OF PURCHASE

- The Town of Prosper's complete Standard Terms & Conditions for Purchase Orders is available online at <https://www.prospertx.gov/government/departments/purchasing/%20standard-terms-conditions-insurance-requirements/>, and incorporated by reference.
- Payment terms are Net 30 days per the Texas Prompt Payment Act.
- Invoices shall be mailed to: Town of Prosper, Attn: Accounts Payable, P.O. Box 307, Prosper, TX 75078, or emailed to ap@prospertx.gov.
- The Town of Prosper is exempt from paying federal excise and transportation taxes and Texas State or local sales


Purchasing Manager



PLANNING

To: Mayor and Town Council

From: David Hoover, AICP, Director of Development Services

Through: Mario Canizares, Town Manager
Chuck Ewings, Assistant Town Manager

Re: Notice of Appeals

Town Council Meeting – July 23, 2024

Strategic Visioning Priority: 3. Commercial Corridors are ready for Development

Agenda Item:

Consider and act upon whether to direct staff to submit a written notice of appeals on behalf of the Town Council to the Development Services Department, pursuant to Chapter 4, Section 1.5(C)(7) and 1.6(B)(7) of the Town's Zoning Ordinance, regarding action taken by the Planning & Zoning Commission on Preliminary Site Plans and Site Plans.

Description of Agenda Item:

Attached are the Preliminary Site Plans and Site Plans that were acted on by the Planning & Zoning Commission on July 2, 2024. Per the Zoning Ordinance, the Town Council can direct staff to submit a written notice of appeal on behalf of the Town Council to the Development Services Department for any Preliminary Site Plans and Site Plans acted on by the Planning & Zoning Commission.

Budget Impact:

There is no budgetary impact affiliated with this item.

Attached Documents:

1. DEVAPP-24-0038 – Children's Hunger Fund, Block 1, Lot 1 (Approved 5-0)
2. DEVAPP-24-0057 – Westside Addition, Block A, Lot 6 (Approved 5-0)

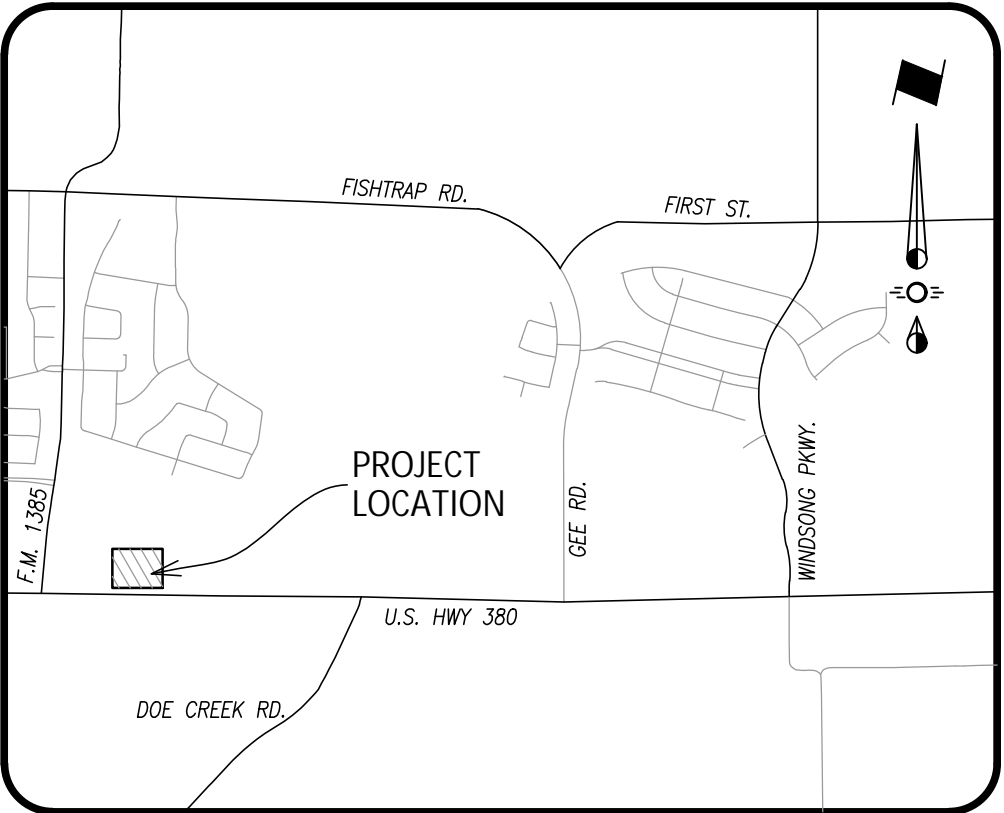
Town Staff Recommendation:

Town Staff recommends the Town Council take no action on this item.

Proposed Motion:

N/A





Vicinity Map

Town of Prosper Site Plan Notes:

- 1) All development standards shall follow Town Standards.
- 2) Landscaping shall conform to landscape plans approved by the Town of Prosper.
- 3) All development standards shall follow Fire Requirements per the Town of Prosper.
- 4) Handicapped parking areas and building accessibility shall conform to the Americans with Disabilities Act (ADA) and with the requirements of the current, adopted Building Code.
- 5) All signage is subject to Building Official approval.
- 6) Impact fees will be assessed in accordance with the land use classification(s) identified on the Site Data Summary Table; however, changes to the proposed land use at the time of CO and/or finish-out permit may result in additional impact fees and/or parking requirements.
- 7) The approval of a Preliminary Site Plan shall be effective for a period of two (2) years from the date that the Preliminary Site Plan is approved by the Planning & Zoning Commission, at the end of which time the applicant must have submitted and received the approval of a Site Plan approval is null and void.
- 8) Open Space requirements shall follow the Zoning Ordinance, per tract. Open Space shall not include vehicular paving, required parking lot landscape islands, building footprint, utility yards, required landscape setbacks, sidewalks, and detention pond.

SITE DATA

Zoning: Mixed Use PD-94
Proposed Use: Retail/Restaurant

Lot Area: 1,679 Ac. 73,141 Sq. Ft.)
Building Area: 13,822 Sq. Ft.
Building Height: 1 Story, 25'-0" Max.

Lot Coverage: 19.1%
Floor Area Ratio: 0.19:1
HC Parking Required: 3 Spaces
Total HC Parking Provided: 4 Spaces
Parking Required: Retail 1:250 Sq. Ft.(11,822 Sq. Ft.) = 48 Sp.
Restaurant 1:100 Sq. Ft.(2,000 Sq. Ft) = 20 Sp.
Total Required:68 Spaces

Total Parking Provided: 68 Spaces Incl. 4 HC

Landscape Required: 544 Sq Ft
Landscape Provided: 13,383 Sq Ft
Open Space Required: 5,120 Sq Ft
Open Space Provided: 5,298 Sq Ft
Impervious Surface: 24,861 Sq. Ft.

LEGEND

- FIRELANE, ACCESS, DRAINAGE, & UTILITY EASEMENT BY OTHERS
- PROPOSED FIRELANE, ACCESS, DRAINAGE & UTILITY EASEMENT
- PROPOSED SIDEWALK
- 1/2" IRON ROD W/ PLASTIC CAP STAMPED "SPARSENG" SET, UNLESS OTHERWISE NOTED.
- POWER POLE
- GUY WIRE ANCHOR
- OVERHEAD POWER LINE
- CONTROL MONUMENT
- PROPOSED FIRE HYDRANT
- EXISTING FIRE HYDRANT

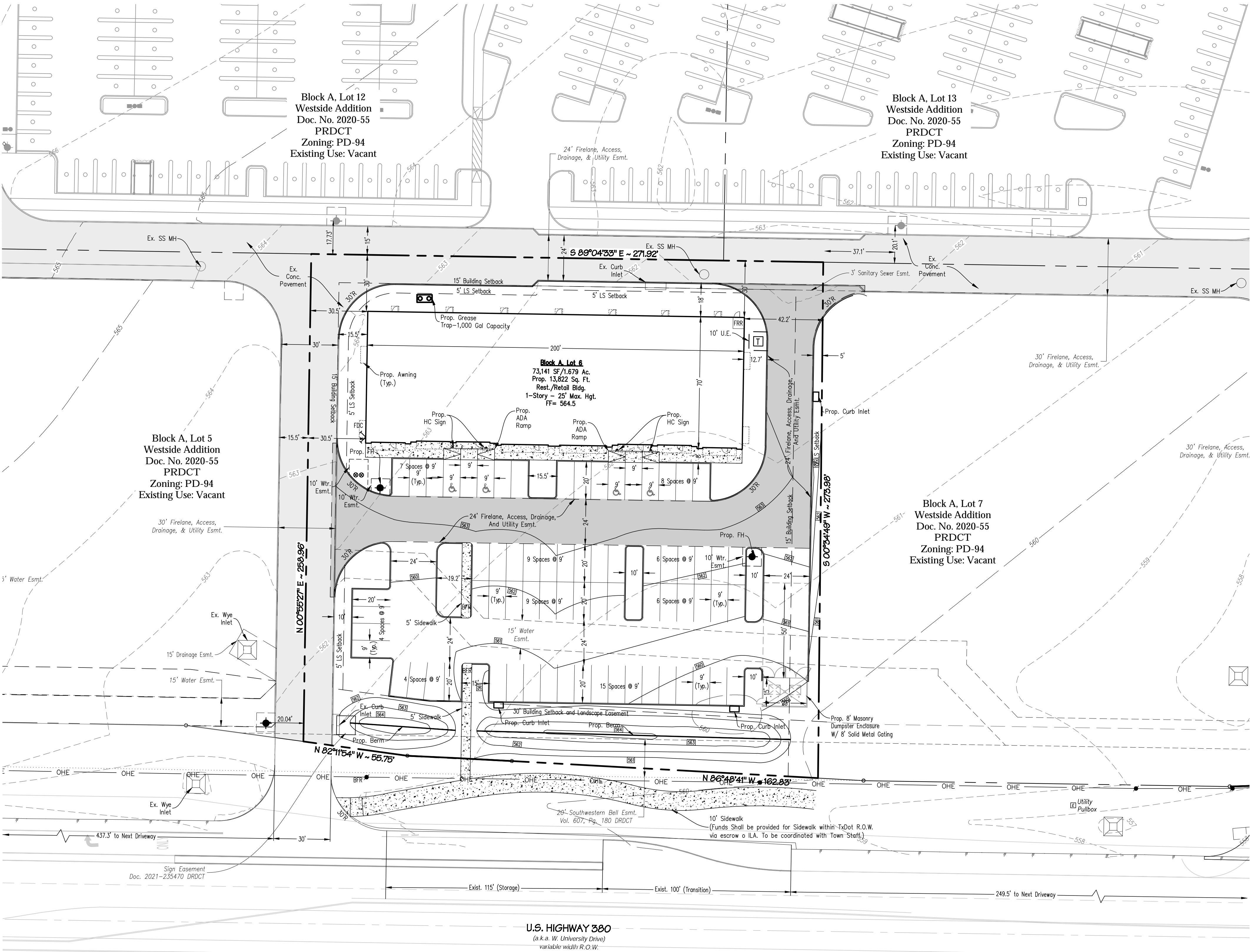
Site Plan

WESTSIDE 6 RETAIL

Westside Addition - Block A, Lot 6
SITUATED IN THE J. GONZALES SURVEY, ABSTRACT NO. 447
AND IN THE J. HAYNES SURVEY, ABSTRACT NO. 573
IN THE TOWN OF PROSPER, DENTON COUNTY, TEXAS
73,141 Sq. Ft./1,679 Acres
Current Zoning: PD-94
Town Case No. DEVAPP-24-0057

OWNER / APPLICANT
Westside Lot 6 Retail Partners, LP
2701 Little Elm Pkwy.
Suite 100-448
Little Elm, Texas 75068
Telephone (515) 231-9531
Contact: Pavana Vennapusu

ENGINEER / SURVEYOR
Spiars Engineering, Inc.
765 Custer Road, Suite 100
Plano, TX 75075
Telephone: (972) 422-0077
TBPELS No. F-2121 and No. F-10043100
Contact: Karis Smith



All dimensions are to face of curb or edge of building unless otherwise noted.
All curb radii are 2' unless otherwise noted.

Notes:

1. The thoroughfare alignments shown on this exhibit are for illustration purposes and does not set the alignment. The alignment is determined at time of final plot.
2. Headlight screening will be provided in accordance with Town Standards.

FINANCE

To: Mayor and Town Council

From: Chris Landrum, Finance Director

**Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager**

Re: Parameters Ordinance – Certificates of Obligation, Series 2024

Town Council Meeting – July 23, 2024

Strategic Visioning Priority: 1. Acceleration of Infrastructure

Agenda Item:

Consider all matters incident and related to the issuance and sale of “Town of Prosper, Texas, Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024”, including the adoption of an ordinance authorizing the issuance of such obligations and establishing procedures and delegating authority for the sale and delivery of such obligations.

Description of Agenda Item:

The Town Council at the May 28, 2024, meeting approved beginning the required process for issuance of certificates of obligations through a Notice of Intent, required advertising and setting a timetable for issuance. The attached ordinance establishes the parameters for issuance of certificates of obligation for the projects:

Wastewater \$31,250,000

The Town has historically sold debt through a competitive sale on the Tuesday morning of a Town Council meeting and then completed the sale with Town Council approval that evening. It is recommended that Town Council pass an Ordinance on July 23, 2024 authorizing issuance of the certificates of obligation with delegated authority to the Town Manager or Deputy Town Manager, to complete final pricing of the debt. This method is commonly used in refunding debt issues or during uncertain market conditions. The ordinance would allow for delegation to the Town Manager that meets the following conditions:

- Issue the certificates through a competitive or negotiated sale;
- for an amount not to exceed \$31,500,000;
- with a final maturity of August 15, 2044;

Approval of this ordinance has the following advantages to obtain the lowest interest rate for the Town’s Bond sale:

- Flexibility to sell on a day based on the best market conditions instead of only a Town Council Tuesday
- Allows for immediate award to the lowest bidder

Budget Impact:

The debt service payments for the Bonds will be funded from surplus revenue from the water and sewer fund.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P. and Chris Settle of McCall, Parkhurst, and Horton, the Town's bond counsel, have reviewed the ordinance as to form and legality.

Attached Documents:

1. Ordinance
2. Timeline (Exhibit A)
3. Use of Proceeds (Exhibit B)

Town Staff Recommendation:

Town staff recommends adoption of an ordinance authorizing the issuance and sale of "Town of Prosper, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024", and approving all other matters related thereto.

Proposed Motion:

I move to adopt an ordinance authorizing the issuance and sale of "Town of Prosper, Texas, Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024" and approving all other matters related thereto.

ORDINANCE 2024-XX

ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF PROSPER, TEXAS, COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024; ESTABLISHING SALE PARAMETERS; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

THE STATE OF TEXAS §
COLLIN AND DENTON COUNTIES §

WHEREAS, the Town Council (the "Council") of the Town of Prosper, Texas (the "Town"), deems it advisable to issue Certificates of Obligation in the amount of up to \$31,500,000 for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code, Subchapter B, Chapter 1502, Texas Government Code and Chapter 1371, Texas Government Code; and

WHEREAS, the Council has heretofore passed a resolution authorizing and directing the Town Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in said Town, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code, and posted to the Town's Internet website, all in timing and manner provided in Section 271.049, Texas Local Government Code; and

WHEREAS, the Town received no petition from the qualified electors of the Town protesting the issuance of such Certificates of Obligation; and

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates was submitted to the voters of the Town during the preceding three years and failed to be approved; and

WHEREAS, the Town is an "issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long term indebtedness, in long term indebtedness proposed to be issued, or in a combination of outstanding or proposed long term indebtedness and (ii) some amount of long term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this

Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS:

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE CERTIFICATES.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Certificates are hereby authorized to be issued and delivered in the maximum aggregate principal amount hereinafter set forth for the Projects (defined below) and to pay legal, fiscal and engineering fees in connection with the Projects, including payment of the costs of issuance of the Certificates.

(c) Each Certificate issued pursuant to this Ordinance shall be designated (unless otherwise provided in the Pricing Certificate): "TOWN OF PROSPER, TEXAS, COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2024," and initially there shall be issued, sold and delivered hereunder fully registered Certificates, without interest coupons, payable to the respective registered owners thereof (with the initial Certificate being made payable to the Underwriter as described herein), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"). The Certificates shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption, if applicable, prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DEFINITIONS. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

"Attorney General" shall mean the Attorney General of the State.

"Authorized Officials" shall mean the Mayor, the Mayor Pro Tem, the Town Secretary and each Pricing Officer.

"Certificates" shall mean and include the Certificates initially issued and delivered pursuant to this Ordinance and all substitute Certificates exchanged therefor, as well as all other substitute Certificates and replacement Certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State.

"Delivery Date" shall mean the date or dates of delivery of the Certificates to the Underwriter against payment therefor, as determined by the Pricing Officer in the Pricing Certificate.

"Projects" shall mean extending, constructing and improving the Town's sewer system, including acquiring sewage treatment capacity in the Doe Branch Water Reclamation Plant of the Upper Trinity Regional Water District ("Upper Trinity"), which is to be owned and operated by Upper Trinity as part of its Northeast Regional Water Reclamation System.

"Purchase Contract" shall mean (i) a purchase agreement between the Town and the Underwriter, pertaining to the purchase of the Certificates by the Underwriter sold through a negotiated sale conducted as a public underwriting; (ii) a private placement agreement between the Town and the Underwriter, pertaining to the purchase of the Certificates by the Underwriter sold through a negotiated sale conducted as a private placement; and (iii) the bid form prepared in accordance with the notice of sale and bidding instructions and submitted by potential purchasers of any Certificates sold pursuant to a competitive sale.

"State" shall mean the State of Texas.

"Underwriter" shall mean the initial purchaser(s) of the Certificates designated by the Pricing Officer in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the Deputy Town Manager and the Town Manager of the Town are each individually authorized to act on behalf of the Town in selling and delivering the Certificates (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"), carrying out the procedures specified in this Ordinance, including determining the principal amount of Certificates to be issued, the amount to be applied against each proposition, the date or dates of the Certificates, any additional or different designation or title by which the Certificates shall be known, the price at which the Certificates will be sold, the years in which the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, if any, upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the Town, as well as any mandatory sinking fund redemption provisions, whether the Certificates shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, approving modifications or additions to the Rule 15c2-12 continuing disclosure undertaking, and all other matters relating to the issuance, sale and delivery of the Certificates, including, without limitation, procuring municipal bond insurance and approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

(i) the aggregate original principal amount of the Certificates shall not exceed \$31,500,000;

- (ii) no Certificate shall mature after August 15, 2044; and
- (iii) the true interest cost of the Certificates shall not exceed 4.75%.

(b) In establishing the aggregate principal amount of the Certificates, the Pricing Officer shall establish an amount not exceeding the amount authorized in subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Certificates are authorized and to pay costs of issuing the Certificates. The delegations made hereby shall expire if not exercised by the Pricing Officer on or prior to the ninetieth (90th) day following the adoption of this Ordinance. The Certificates shall be sold at such price, with and subject to such terms as set forth in the Pricing Certificate.

(c) The Certificates may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Certificates are sold by private placement, the Pricing Certificate shall so state, and the Pricing Certificate may make changes to this Ordinance to effect such private placement, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the provisions herein relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information).

(d) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Council hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Certificates set forth in this Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, in the Town's best interests, and the Pricing Officer is hereby authorized to make and include in the Pricing Certificate a finding to that effect.

Section 4. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange. The Town shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Certificates (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Town hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Town and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Town shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Town shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such

registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth as **Exhibit A** of this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(b) Authentication. Except as provided in subsection (e) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Town or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Certificates in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller.

(c) Payment of Certificates and Interest. The Town hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Town and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Substitute Paying Agent/Registrar. The Town covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the Town will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Town reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Town covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying

Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Town. Upon any change in the Paying Agent/Registrar, the Town promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Certificates. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Town at least 35 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Town shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth as **Exhibit A** of this Ordinance. The Certificates initially issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Certificate, in the FORM OF CERTIFICATE set forth as **Exhibit A** of this Ordinance.

(f) Book-Entry-Only System. Unless the Certificates are sold by private placement, the Certificates issued in exchange for the Certificates initially issued to the Underwriter shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) of this Section, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates, as shown in the

Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a physical Certificate evidencing the obligation of the Town to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. If the Certificates are subject to the DTC book-entry system, and in the event that the Town determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Town to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representation letter of the Town to DTC.

(i) Cancellation of Initial Certificate. On the Delivery Date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the order of the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and the Town Secretary, approved by the Attorney General and registered and signed by the Comptroller in the manner prescribed by law, will be delivered to the Underwriter or its designee. If the Certificates are sold subject to the book-entry system of DTC, then upon payment for the initial Certificate, the Paying Agent/Registrar shall insert the Delivery Date on Certificate No. T-

1, cancel the initial Certificate and deliver to DTC on behalf of the Underwriter one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Town, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Town shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

Section 5. FORM OF CERTIFICATES. The form of the Certificate, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State to be attached only to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. The Form of Certificate as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Certificate to be reproduced as an exhibit to the Pricing Certificate.

Section 6. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Town at an official depository bank of said Town. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Town, and shall be used only for paying the interest on and principal of said Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said Town shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Town, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Town, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest

and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limits prescribed by law.

(b) The Certificates are additionally secured by and payable from a pledge of the revenues of the Town's combined Waterworks and Sewer Systems remaining after payment of all operation and maintenance expenses thereof (the "Net Revenues"), and all debt service, reserve and other requirements in connection with all of the Town's revenue obligations (now or hereafter outstanding) that are payable from all or part of the Net Revenues of the Town's Waterworks and Sewer Systems, constituting "Surplus Revenues." The Town shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to Section 6, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of Section 6, if Surplus Revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to Section 6 may be reduced to the extent and by the amount of the Surplus Revenues then on deposit in the Interest and Sinking Fund. The Town reserves the right, without condition or limitation, to issue other obligations secured in whole or in part by a parity lien on and pledge of the Surplus Revenues, for any purpose permitted by law.

(c) Chapter 1208, Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Town hereunder, and is therefore valid, effective and perfected. Should State law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Town hereunder is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in said pledge, the Town agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 7. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Town with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem

taxes herein levied and pledged or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Town expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Town be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Town, or deposited as directed in writing by the Town. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Town or deposited as directed in writing by the Town.

(c) Subject to any statement to the contrary that may be included in the Pricing Certificate, the term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the Town shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Town elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

Section 8. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the registered owner applying for a replacement certificate shall furnish to the Town and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the registered owner shall furnish to the Town and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Ordinance, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the Town may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Town whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1206.022, Government Code, this Section shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Town or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 9. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination and approval by the Attorney General and their registration by the Comptroller. Upon registration of the Certificates, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall sign the Comptroller's Registration Certificate attached to such Certificates in the manner prescribed by law, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Town's Bond Counsel and the assigned CUSIP numbers may, at the option of

the Town, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates. In addition, if bond insurance is obtained, the payment of the insurance premium is hereby approved and the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Underwriter to accept delivery of the Certificates is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Town, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the Underwriter. The engagement of such firm as bond counsel to the Town in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed.

Section 10. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Town covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Town covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Town, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with B

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Town for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Town understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Town that the covenants contained

herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the Town will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the Town agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Town hereby authorizes and directs the Authorized Officials, individually but not jointly, to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Town, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Town covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Projects on its books and records in accordance with the requirements of the Code. The Town recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Town recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The Town agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the Town shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of the Projects. The Town covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Town of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purpose of the foregoing, the Town may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Town shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 11. SALE OF CERTIFICATES; OFFICIAL STATEMENT.

(a) The Certificates shall be sold and delivered subject to the provisions of Section 1 and Section 3 and pursuant to the terms and provisions of the Purchase Contract, which the Pricing

Officer is hereby authorized to execute and deliver and in which the Underwriter of the Certificates shall be designated. The Certificates shall initially be registered in the name of the Underwriter or its designee, as set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the Town, to approve the distribution and delivery of a preliminary official statement and a final official statement relating to the Certificates to be used by the Underwriter in the marketing of the Certificates, if applicable.

Section 12. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL FILING FEE; APPROPRIATION.

(a) The Authorized Officials shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Town a Blanket Issuer Letter of Representations with DTC regarding the Book-Entry-Only System, a Paying Agent/Registrar Agreement with the Paying Agent/Registrar, the Purchase Contract between the Town and the Underwriter, if any, all forms and documents necessary to ensure the interest on the Certificates is exempt from federal income taxation, and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the Certificates. In addition, prior to the Delivery Date, the Authorized Officials are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect or omission in this Ordinance or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Certificates by the Attorney General. Notwithstanding anything to the contrary contained herein, while the Certificates are subject to DTC's Book-Entry-Only System and to the extent permitted by law, the Blanket Issuer Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict. The Mayor and Town Secretary sign each Certificate, including the initial Certificate(s), with their manual or facsimile signatures, and the official seal of the Town shall be duly impressed, or placed in facsimile, on each Certificate. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Underwriter to accept delivery of the Certificates is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Town, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as bond counsel to the Town in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed.

(c) To pay the debt service coming due on the Certificates, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

(d) In accordance with the provisions of Section 1202.004, Texas Government Code, in connection with the submission of the Certificates to the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Certificates, subject to a minimum of \$750 and a maximum of \$9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Certificates. The Town hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Certificates, made payable to the "Texas Attorney General," be promptly furnished to the Town's Bond Counsel, for payment to the Attorney General in connection with his review of the Certificates.

Section 13. COMPLIANCE WITH RULE 15c2-12.

(a) If the Certificates are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply, unless modified by the Pricing Officer in the Pricing Certificate:

(i) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(ii) Annual Reports.

(A) The Town shall provide annually to the MSRB, within the timeframe set forth in the Pricing Certificate, in the electronic format prescribed by the MSRB, certain updated financial information and operating data pertaining to the Town, being the information described in the Pricing Certificate.

(B) Any financial information described in the Pricing Certificate to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Town appended to the Official Statement, or such other accounting principles as the Town may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Town commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within the period set forth in the Pricing Certificate, then the Town shall provide unaudited financial information of the type described in the Pricing Certificate within such period, and audited financial statements for

the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

(C) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(D) All financial information, operating data, financial statements and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(iii) Event Notices. The Town shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Certificates:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Town;
- (13) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar

terms of a Financial Obligation of the Town, any of which affect security holders, if material; and

- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Town in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Town in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town, and (b) the Town intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Town shall notify the MSRB, in a timely manner, of any failure by the Town to provide financial information or operating data in accordance with subsection (a)(ii) of this Section by the time required by subsection (a)(ii).

(iv) Limitations, Disclaimers and Amendments.

(A) The Town shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Town remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Town in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Certificates no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(C) UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(D) No default by the Town in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(E) The provisions of this Section may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Town (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the Town so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Town may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

(b) If the Certificates are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the Underwriter as may be necessary for the sale of the Certificates on the most favorable terms to the Town.

Section 14. METHOD OF AMENDMENT. The Town hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Town may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Town's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating a majority of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Town; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Town shall desire to amend this Ordinance under subsection (b) of this Section, the Town shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Town shall receive an instrument or instruments executed by the holders of at least a majority in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Town may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Town and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Town, but such revocation shall not be effective if the holders of a majority in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Town shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Town.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Town or the Council.

Section 16. INTEREST EARNINGS ON CERTIFICATE PROCEEDS; USE OF PREMIUM RECEIVED FROM SALE OF CERTIFICATES.

(a) Interest Earnings. Interest earnings derived from the proceeds that are deposited to the Capital Projects Fund (defined below) shall be retained therein and used for the purposes for which the Certificates were issued, provided that after the completion of such purposes, any amounts remaining therein shall be deposited to the Interest and Sinking Fund for the Certificates. It is further provided, however, that any interest earnings on Certificate proceeds that are required to be rebated to the United States of America pursuant to this Ordinance in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for purposes of this Section.

(b) Use of Certificate Premium. The net premium received from the sale of the Certificates shall be applied as determined by the Pricing Officer in the Pricing Certificate.

(c) Establishment of Construction Fund.

(i) The Town has heretofore created and established, and hereby covenants to continue to maintain on the books of the Town, a separate fund entitled the "Capital Projects Fund" (the "Capital Projects Fund") for use by the Town for payment of all lawful costs associated with the Projects. Proceeds of the Certificates in the amount determined by the Pricing Officer in the Pricing Certificate shall be deposited into the Capital Projects Fund. Upon payment of all Project costs, any Certificate proceeds remaining on deposit in the Capital Projects Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in this Ordinance.

(ii) The Town may place proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Town hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the Projects.

(iii) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 17. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

Section 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 19. APPROPRIATION. To pay the debt service coming due on the Certificates, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

[Execution page follows]

**DULY PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF THE
TOWN OF PROSPER, TEXAS, ON THIS 23RD DAY OF JULY, 2024.**

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney

(Town Seal)

Exhibit A**FORM OF CERTIFICATES**

(a) The form of the Certificate, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the Certificates to be completed with information set forth in the Pricing Certificate. The Form of Certificate as it appears in this **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Certificate to be reproduced as an exhibit to the Pricing Certificate.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS TOWN OF PROSPER, TEXAS, COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2024	PRINCIPAL AMOUNT \$_____
----------	---	--------------------------------

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
_____%	_____, 2024	August 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the Town of Prosper, located in Collin and Denton Counties, Texas (the "Town"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amount specified above. The Town promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the [Delivery Date] above at the Interest Rate per annum specified above. Interest is payable on [February 15, 2025 and semiannually on each August 15 and February 15] thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but

has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of [U.S. Bank Trust Company, National Association, Dallas, Texas], which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Town required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the [last business] day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Town covenants with the registered owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is dated _____, 2024, and is authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ for paying all or a portion of the Town's contractual obligations incurred in connection with (i) extending, constructing and improving the Town's sewer system, including acquiring sewage treatment capacity in the Doe Branch Water Reclamation Plant of the Upper Trinity Regional Water District ("Upper Trinity"), which is to be owned and operated by Upper Trinity as part of its Northeast Regional Water Reclamation System; and (ii) paying legal, fiscal and engineering fees in connection with such projects, including payment of the costs of issuance of the Certificates.

ON AUGUST 15, 20__, or any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Town, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Town (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

IN ADDITION TO THE FOREGOING OPTIONAL REDEMPTION, the Certificates scheduled to mature on August 15 in each of the years 20__ and 20__ (the "Term Certificates") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Certificates, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Certificate Maturity: August 15, 20__		Term Certificate Maturity: August 15, 20__	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
August 15, 20__		August 15, 20__	
August 15, 20__		August 15, 20__	
August 15, 20__		August 15, 20__	
August 15, 20__		August 15, 20__	
August 15, 20__*		August 15, 20__*	

* Stated maturity.

The principal amount of Term Certificates required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Town, by the principal amount of any Term Certificates which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Town at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Town at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the

date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST THIRTY days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Town, all as provided in the Certificate Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE CERTIFICATES, unless certain prerequisites to such redemption required by the Certificate Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Town, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the Town will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the principal denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar,

together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Town. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange of any Certificates during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Certificate called for redemption in part.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Town, resigns, or otherwise ceases to act as such, the Town has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Town, and have been pledged for such payment, within the limits prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the Surplus Revenues of the System remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the Town's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the System, all as provided in the Certificate Ordinance.

THE TOWN HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the registered owner of this Certificate, the registered owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and

available for inspection in the official minutes and records of the governing body of the Town, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the Town.

IN WITNESS WHEREOF, the Town has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Town and countersigned with the manual or facsimile signature of the Town Secretary of said Town, and has caused the official seal of the Town to be duly impressed, or placed in facsimile, on this Certificate.

Town Secretary
Town of Prosper, Texas

Mayor
Town of Prosper, Texas

(Town Seal)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Registration
Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

[U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, Dallas, Texas]
Paying Agent/Registrar

By: _____
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(b) Initial Certificate Insertions.

(i) The initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

- A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. ____" shall be deleted.
- B. the first paragraph shall be deleted and the following will be inserted:

"THE TOWN OF PROSPER, TEXAS, in Collin and Denton Counties, Texas (the "Town"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on August 15 in each of the years, in the principal amounts and bearing interest at the per annum rates set forth in the following schedule

<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		

The Town promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the [Delivery Date] above, at the respective Interest Rate per annum specified above. Interest is payable on [February 15, 2024 and semiannually on each August 15 and February 15] thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The initial Certificate shall be numbered "T-1."

Town of Prosper, TX

Certificates of Obligation, Series 2024

OR Water and Sewer Revenue Bonds, Series 2024

Item 9.

Preliminary Schedule of Events (as of May 8, 2024)

May-24						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Jun-24						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Jul-24						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Aug-24						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sep-24						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

**Complete
By**

Day

Event

28-May-24

Tuesday

Town Council approves publication of Notice of Intent for the Certificates. Publication will occur in the Town's paper of record.

3-Jun-24

Monday

HilltopSecurities requests information for preparation of the Official Statement

5-Jun-24

Wednesday

1st publication of Notice of Intent for Certificates

10-Jun-24

Monday

HilltopSecurities receives requested information

12-Jun-24

Wednesday

2nd publication of Notice of Intent for Certificates

17-Jun-24

Monday

Draft Official Statement distributed to the Town and Bond Counsel

24-Jun-24

Monday

HilltopSecurities receives comments on Official Statement

1-Jul-24

Monday

Distribute POS to Rating Agencies

16-Jul-24

Tuesday

Rating Agency meetings at the Town
(Potentially meeting w/ S&P, Moody's and Fitch)

23-Jul-24

Tuesday

Town Council approval of Parameter Ordinance for Certificates of Obligation* **OR Water and Sewer Revenue Bonds**

29-Jul-24

Monday

Anticipated receipt of credit ratings

30-Jul-24

Tuesday

Electronically mail CO Official Statement OR Water and Sewer Revenue Bond Official Statement to potential purchasers**

6-Aug-24

Tuesday

Pricing; Pricing Officer adopts final pricing**

4-Sep-24

Wednesday

Closing and delivery of funds to the Town**

* Pricing must occur within 90 days of Council approval of the Parameter Ordinance.

** Preliminary, subject to change.

EXHIBIT B

Project Name	CO Issuance
Wastewater Projects	
Doe Branch Expansion, Phase 3 WWTP: 2322-WW	\$27,500,000
Doe Branch Parallel Interceptor: 2103-WW	\$3,750,000
TOTAL CO ISSUANCE	\$31,250,000

No water projects for the Series 2024 CO issuance.



FINANCE

To: Mayor and Town Council

From: Chris Landrum, Finance Director

**Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager**

Re: Parameters Ordinance – GO Bonds, Series 2024

Town Council Meeting – July 23, 2024

Strategic Visioning Priority: 1. Acceleration of Infrastructure

Agenda Item:

Consider all matters incident and related to the issuance and sale of "Town of Prosper, Texas, General Obligation Bonds, Series 2024", including the adoption of an ordinance authorizing the issuance of such bonds and establishing procedures and delegating authority for the sale and delivery of such bonds. (CL)

Description of Agenda Item:

Proceeds from the sale of the Bonds will be used to fund the planned capital projects:

- Public Safety projects (\$10,200,000)
- Parks and recreational projects (\$10,900,000)
- Streets, roads, bridges, and intersections (\$15,307,062)

The attached ordinance would authorize the issuance of the Bonds and delegate to the Deputy Town Manager or the Finance Director the final pricing within 180 days that meets the following conditions:

- Issue the bonds through a competitive or negotiated sale
- the voted authorization from the Election used in the issuance of such Bonds shall be taken from the following propositions: Proposition A (and shall not exceed \$10,200,000); Proposition B (and shall not exceed \$10,900,000 in total voted authorization used); and Proposition C (and shall not exceed \$15,307,062 in total voted authorization used); the amount used of voted authorization from each proposition shall be set forth in a Pricing Certificate
- at a rate not to exceed 4.75% in the aggregate
- with a final maturity of February 15, 2044

Approval of this ordinance has the following advantages to obtain the lowest interest rate for the Town's Bond sale:

- Flexibility to sell on a day based on the best market conditions instead of only a Town Council Tuesday meeting date
- Allows for immediate award to the lowest bidder.

Budget Impact:

The debt service payments for the Bonds will be funded from I&S fund tax revenues.

Chris Settle of McCall, Parkhurst and Horton, the Town's bond counsel, prepared the attached Resolution, and Terrence Welch of Brown & Hofmeister, L.L.P. has reviewed the resolution as to form and legality.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Resolution
2. Timeline (Exhibit A)
3. Use of Proceeds (Exhibit B)

Town Staff Recommendation:

Town staff recommends adoption of an ordinance authorizing the issuance and sale of "Town of Prosper, Texas General Obligation Bonds, Series 2024", and approving all other matters related thereto.

Proposed Motion:

I move to adopt an ordinance authorizing the issuance and sale of "Town of Prosper, Texas, General Obligation Bonds, Series 2024" and approving all other matters related thereto.

TOWN OF PROSPER, TEXAS**ORDINANCE 2024-XX**

ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF PROSPER, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2024, ESTABLISHING SALE PARAMETERS, PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

**THE STATE OF TEXAS
COUNTIES OF COLLIN AND DENTON**

WHEREAS, the bonds hereinafter authorized (the "Bonds") represent a portion of the bonds approved by the voters of the Town at an election held in the Town on November 3, 2020 (the "Election") under three propositions totaling \$210,000,000, and the Town Council (the "Council") deems it necessary and advisable to authorize, issue and deliver a portion of the bonds authorized at the Election, in the amounts set forth in a Pricing Certificate (hereinafter defined) from the approved Propositions, as set forth below:

<u>Election Prop.</u>	<u>Purpose</u>	<u>Bonds Approved</u>	<u>Bonds Previously Issued</u>	<u>Amount Being Issued⁽¹⁾</u>	<u>Amount Remaining⁽¹⁾</u>
A	For designing, constructing, improving and equipping public safety facilities in the Town, consisting of fire stations, an emergency operations center, a public safety training facility and administrative facilities relating thereto.	\$30,000,000	\$18,600,000	\$10,200,000	\$1,200,000
B	For designing, constructing, improving and equipping parks, trails and recreational facilities in the Town and the acquisition of land and interests in land for such purposes.	\$30,000,000	\$14,830,000	\$10,900,000	\$4,270,000
C	For constructing, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections in the Town and related drainage improvements, utility relocations, landscaping, curbs and sidewalks, traffic safety and operational improvements, entryway signage and other street and road signage and costs associated with such projects, and interests in land as may be necessary for such purposes, and excluding certain road projects to be funded with other obligation.	\$150,000,000	\$77,178,033	\$15,307,062	\$57,514,905

(1) Includes premium deposited into the Capital Projects Fund and applied against voted authorization. The table above shall be updated with such changes necessary to reflect the final pricing information and shall also be reproduced in the Pricing Certificate.

WHEREAS, the Bonds are being issued and delivered pursuant to Chapter 1331, Chapter 1371 (each as defined below), and the Town's Home Rule Charter; and; and

WHEREAS, the Town is an "issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term

debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, the Council hereby finds and determines that it is in the best interests of the Town to issue the Bonds, in one or more series, for the purposes stated herein, and to delegate to the Pricing Officer the authority to act on behalf of the Town in selling and delivering the Bonds and setting the dates, price, interest rates, interest payment periods and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in one or more Pricing Certificates to be executed by the Pricing Officer, all in accordance with the provisions of Section 1371.053, Texas Government Code, as amended; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS:

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. (a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Bonds are hereby authorized to be issued and delivered, in one or more series, in the maximum aggregate principal amount hereinafter set forth for the public purposes of providing funds to (i) pay for the costs of the Projects (defined below) and (ii) pay the costs incurred in connection with the issuance of the Bonds.

(c) Each Bond issued pursuant to this Ordinance shall be designated (unless otherwise provided in the Pricing Certificate): "TOWN OF PROSPER, TEXAS, GENERAL OBLIGATION BOND, SERIES 2024," and initially there shall be issued, sold and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof (with the initial Bond(s) being made payable to the Underwriter as described herein), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption, if applicable, prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DEFINITIONS. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

"Attorney General" shall mean the Attorney General of the State.

"Authorized Officials" means the Mayor, the Mayor Pro Tem, the Town Secretary and each Pricing Officer.

"Bonds" means and includes the Bonds initially issued and delivered pursuant to this Ordinance and all substitute Bonds exchanged therefor, as well as all other substitute Bonds and replacement Bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Chapter 1331" means Chapter 1331, Texas Government Code, as amended.

"Chapter 1371" means Chapter 1371, Texas Government Code, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State.

"Delivery Date" shall mean the date or dates of delivery of any series of Bonds to the Underwriter against payment therefor, as determined by the Pricing Officer in the Pricing Certificate.

"Projects" shall mean (i) designing, constructing, improving and equipping public safety facilities in the Town, consisting of fire stations, an emergency operations center, a public safety training facility and administrative facilities relating thereto; (ii) designing, constructing, improving and equipping parks, trails and recreational facilities in the Town and the acquisition of land and interests in land for such purposes; and (iii) constructing, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections in the Town and related drainage improvements, utility relocations, landscaping, curbs and sidewalks, traffic safety and operational improvements, entryway signage and other street and road signage and costs associated with such projects, and interests in land as may be necessary for such purposes, and excluding certain road projects to be funded with other obligation.

"Purchase Contract" means (i) a bond purchase agreement between the Town and the Underwriter, pertaining to the purchase of the Bonds by the Underwriter sold through a negotiated sale conducted as a public underwriting; (ii) a private placement agreement between the Town and the Underwriter, pertaining to the purchase of the Bonds by the Underwriter sold through a negotiated sale conducted as a private placement; and (iii) the bid form prepared in accordance with the notice of sale and bidding instructions and submitted by potential purchasers of any Bonds sold pursuant to a competitive sale.

"State" shall mean the State of Texas.

"Underwriter" shall mean the initial purchaser(s) of the Bonds designated by the Pricing Officer in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER. (a) As authorized by Section 1371.053, Texas Government Code, as amended, the Deputy Town Manager and the Finance Director of the Town are each individually hereby authorized to act on behalf of the Town in selling and delivering the Bonds (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"),

determining whether the Bonds shall be issued in one or more series or subseries and carrying out the procedures specified in this Ordinance, including determining the principal amount of Bonds to be issued, the amount to be applied against each proposition, determining whether the Bonds shall be issued in one or more series or subseries, the date or dates of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, if any, upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Town, as well as any mandatory sinking fund redemption provisions, whether the Bonds of any series shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, approving modifications or additions to the Rule 15c2-12 continuing disclosure undertaking, approving modifications to the term Defeasance Securities, and all other matters relating to the issuance, sale, and delivery of the Bonds, including without limitation procuring municipal bond insurance and approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

(i) the maximum original principal amount of the Bonds shall not exceed \$36,750,000;

(ii) no Bond of any series (if multiple series are issued) shall mature after August 15, 2044; and

(iii) the true interest cost rate for the Bonds shall not exceed 4.75% in the aggregate.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to the date that is 180 days after the adoption of this Ordinance. The Pricing Officer may determine to issue one or more series of Bonds and may exercise the authority granted herein on one or more dates to effectuate the issuance of multiple series of Bonds if multiple series are issued and, if multiple series are issued, each separate series may close on separate dates or on the same date, as determined by the Pricing Officer. The Bonds shall be sold at such prices, with and subject to such terms as set forth in one or more Pricing Certificates.

(c) The Bonds of one or more series may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Bonds of one or more series are sold by private placement, the applicable Pricing Certificate shall so state, and the applicable Pricing Certificate may make changes to this Ordinance to effect such private placement of such Bonds, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the provisions relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information).

(d) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Council hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Bonds set forth in this Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, the most advantageous reasonably available, and the Pricing Officer is hereby authorized to make and include a finding to that effect in the Pricing Certificate.

Section 4. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange. The Town shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Bonds (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Town hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Town and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Town shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Town shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth as **Exhibit A** of this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication. Except as provided in subsection (e) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Town or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller.

(c) Payment of Bonds and Interest. The Town hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Town and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Substitute Paying Agent/Registrar. The Town covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Town will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Town reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Town covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Town. Upon any change in the Paying Agent/Registrar, the Town promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Town at least 35 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Town shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth as **Exhibit A** of this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance are not required

to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Certificate, in the FORM OF BOND set forth as **Exhibit A** of this Ordinance.

(f) Book-Entry-Only System. Unless the Bonds are sold by private placement, the Bonds issued in exchange for the Bonds initially issued to the Underwriter shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Town to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. If the Bonds are subject to the DTC book-entry system, and in the event that the Town determines that DTC is incapable of discharging its responsibilities described herein and in the Town's Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial

owners of the Bonds that they be able to obtain certificated Bonds, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Town's Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Bond(s). On the Delivery Date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and Town Secretary, approved by the Attorney General, and registered and signed by the Comptroller in the manner prescribed by law, will be delivered to the Underwriter or its designee. If the Bonds are sold subject to the book-entry system of DTC, then upon payment for the initial Bond(s), the Paying Agent/Registrar shall insert the Delivery Date on the initial Bond(s), cancel each of the initial Bond(s) and deliver to DTC on behalf of the Underwriter one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Town, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Town shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 5. FORM OF BONDS. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State to be attached only to

the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. The Form of Bond as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

Section 6. TAX LEVY. (a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Town as a separate fund or account and the funds therein shall be deposited into and held at an official depository bank of said Town. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Town, and shall be used only for paying the interest on and principal of said Bonds. All amounts received from the sale of the Bonds as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds are outstanding and unpaid, the governing body of said Town shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures (but never less than 2% of the original amount of said Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Town, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Town, for each year while any of said Bonds are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. If lawfully available moneys of the Town are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Town under this Section, and is therefore valid, effective, and perfected. Should State law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Town under this Section is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Town agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 7. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by

reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Town with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Town will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsections (a)(i) or (ii) of this Section shall not be irrevocable, provided that (1) in the proceedings providing for such payment arrangements, the Town expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Town also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Town, or deposited as directed in writing by the Town. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsections (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Town or deposited as directed in writing by the Town.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Town shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Town elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 8. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Town and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Town and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bond, the Town may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Town whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Town or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall

authenticate and deliver such Bonds in the form and manner and with the effect, as provided in this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 9. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor (or, in the absence of the Mayor, the Mayor Pro Tem) is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General, and their registration by the Comptroller. Upon registration of the Bonds, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall sign the Comptroller's Registration Certificate attached to such Bonds in the manner prescribed by law, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Town's Bond Counsel and the assigned CUSIP numbers may, at the option of the Town, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

Section 10. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The Town covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Town covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Town, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(iv) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(v) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with:

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(viii) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(ix) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Town for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Town understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Town that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Town will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Town agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Town hereby authorizes and directs the Authorized Officials to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Town, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Town covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Projects on its books and records in accordance with the requirements of the Code. The Town recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Town recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The Town agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Town shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of the Projects. The Town covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Town of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Town may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Town shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 11. SALE OF BONDS; OFFICIAL STATEMENT. (a) The Bonds shall be sold

and delivered subject to the provisions hereof and pursuant to the terms and provisions of a Purchase Contract, which the Pricing Officer is hereby authorized to execute and deliver and in which the Underwriter shall be designated. The Bonds shall initially be registered in the name of the Underwriter, unless otherwise set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the Town, to approve the distribution and delivery of a preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriter in the marketing of the Bonds, if applicable.

Section 12. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL FILING FEE; APPROPRIATION. (a) The Authorized Officials, individually or jointly, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Town such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Letter of Representations, the Bonds and the sale of the Bonds. In addition, prior to the delivery of the Bonds, the Authorized Officials are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in this Ordinance or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Town, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as bond counsel to the Town in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

(c) To pay the debt service coming due on the Bonds, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

(d) In accordance with the provisions of Section 1202.004, Texas Government Code, in connection with the submission of the Bonds to the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Bonds, subject to a minimum of \$750 and a maximum of \$9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Bonds. The Town hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Bonds, made payable to the "Texas Attorney General," be promptly furnished to the Town's Bond Counsel, for payment to the Attorney General in connection with his review of the Bonds.

Section 13. COMPLIANCE WITH RULE 15c2-12. (a) If the Bonds are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply, unless modified by the Pricing Officer in the Pricing Certificate:

(i) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(ii) Annual Reports. (A) The Town shall provide annually to the MSRB, within the timeframe set forth in the Pricing Certificate, in the electronic format prescribed by the MSRB, certain updated financial information and operating data pertaining to the Town, being the information described in the Pricing Certificate.

(B) Any financial information described in the Pricing Certificate to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Town appended to the Official Statement, or such other accounting principles as the Town may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Town commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within the period set forth in the Pricing Certificate, then the Town shall provide unaudited financial information of the type described in the Pricing Certificate within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

(C) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(D) All financial information, operating data, financial statements and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any

document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(iii) Event Notices. The Town shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Town;
- (13) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
- (15) Incurrence of a Financial Obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Town, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Town in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of

the Town in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town, and (b) the Town intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Town shall notify the MSRB, in a timely manner, of any failure by the Town to provide financial information or operating data in accordance with subsection (a)(ii) of this Section by the time required by subsection (a)(ii).

(iv) Limitations, Disclaimers and Amendments. (A) The Town shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Town remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Bonds no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(C) UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(D) No default by the Town in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(E) The provisions of this Section may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a

change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Town (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Town so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Town may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

(b) If the Bonds are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the Underwriter as may be necessary for the sale of the Bonds on the most favorable terms to the Town.

Section 14. METHOD OF AMENDMENT. The Town hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Town may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the Registered Owners, (v) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be materially inconsistent with the provisions of this Ordinance and that shall not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in a majority of the principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Town; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then outstanding Bonds,

nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Town shall desire to amend this Ordinance under this Section, the Town shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Town shall receive an instrument or instruments executed by the Registered Owners of at least a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment (or 100% if such amendment is made in accordance with paragraph (b)), which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Town may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Town and all Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and shall be conclusive and binding upon all future Registered Owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Town, but such revocation shall not be effective if the Registered Owners the required amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Bonds, the Town shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

Section 15. INTEREST EARNINGS ON BOND PROCEEDS; USE OF PREMIUM RECEIVED FROM SALE OF BONDS. (a) Interest Earnings. Interest earnings derived from the proceeds that are deposited to the Capital Projects Fund (defined below) shall be retained therein and used for the purposes for which the Bonds were issued, provided that after the completion of such purposes, any amounts remaining therein shall be deposited to the Interest and Sinking Fund for the Bonds. It is further provided, however, that any interest earnings on bond proceeds that are required to be rebated to the United States of America pursuant to this Ordinance in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for purposes of this Section.

(b) Use of Bond Premium. The net premium received from the sale of the Bonds shall be applied as determined by the Pricing Officer in the Pricing Certificate.

(c) Use of Bond Proceeds.

(i) The Town has heretofore created and established, and hereby covenants to continue to maintain on the books of the Town, a separate fund entitled the "Capital Projects Fund" (the "Capital Projects Fund") for use by the Town for payment of all lawful costs associated with the Projects. Proceeds of the Bonds in the amount determined by the Pricing Officer in the Pricing Certificate shall be deposited into the Capital Projects Fund. In addition, the amount to be applied against each bond proposition shall be determined by the Pricing Officer in the Pricing Certificate, and the table in the preambles hereto shall be reproduced in the Pricing Certificate to reflect such determination. Upon payment of all Project costs, any Bond proceeds remaining on deposit in the Capital Projects Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in this Ordinance.

(ii) The Town may place proceeds of the Bonds (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Town hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the Projects.

(iii) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 16. GOVERNING LAW. This Ordinance shall be construed and enforced in accordance with the laws of the State and the United States of America.

Section 17. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 18. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an event of default (an "Event of Default"):

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Town.

Section 19. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 20. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Bond authorized under this Ordinance, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or officials of the Town or the Council.

Section 21. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

[Execution page follows]

**DULY PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF THE
TOWN OF PROSPER, TEXAS, ON THIS 23RD DAY OF JULY, 2024.**

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney

(Town Seal)

Exhibit A**FORM OF BOND**

(a) The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the Bonds to be completed with information set forth in the Pricing Certificate. The Form of Bond as it appears in this **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS TOWN OF PROSPER, TEXAS, GENERAL OBLIGATION BOND, SERIES 2024	PRINCIPAL AMOUNT \$_____
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INTEREST RATE _____%	DELIVERY DATE [September 4], 2024	MATURITY DATE February 15, 20__	CUSIP NO.
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, TOWN OF PROSPER, TEXAS, in Collin and Denton Counties, Texas (the "Town"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the Delivery Date, on [February 15, 2025, and on each August 15 and February 15] thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the designated corporate

trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Town required by the ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the [last business] day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent/Registrar. The Town covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is dated as of [August 15], 2024, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ for the public purpose of [(i) designing, constructing, improving and equipping public safety facilities in the Town, consisting of fire stations, an emergency operations center, a public safety training facility and administrative facilities relating thereto; (ii) designing, constructing, improving and equipping parks, trails and recreational facilities in the Town and the acquisition of land and interests in land for such purposes; (iii) constructing, improving, extending, expanding, upgrading and developing streets and roads, bridges and intersections in the Town and related drainage improvements, utility relocations, landscaping, curbs and sidewalks, traffic safety and

operational improvements, entryway signage and other street and road signage and costs associated with such projects, and interests in land as may be necessary for such purposes, and excluding certain road projects to be funded with other obligation; and (iv) paying the costs incurred in connection with the issuance of the Bonds.]

ON [FEBRUARY 15, 2034] or on any date thereafter, the Bonds may be redeemed prior to their scheduled maturities, at the option of the Town, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Town (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared at the close of business on the day of mailing such notice; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Town, all as provided in the Bond Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless certain prerequisites to such redemption required by the Bond Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Town, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Town shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the

Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Town. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange of any Bonds during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Bond or any portion thereof called for redemption prior to maturity, within 30 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Town, resigns, or otherwise ceases to act as such, the Town has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Town, and have been pledged for such payment, within the limits prescribed by law.

THE TOWN ALSO HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such

terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Town, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the Town.

IN WITNESS WHEREOF, the Town has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Town and countersigned with the manual or facsimile signature of the Town Secretary of the Town, and has caused the official seal of the Town to be duly impressed, or placed in facsimile, on this Bond.

Town Secretary
Town of Prosper, Texas

Mayor
Town of Prosper, Texas

(Town Seal)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated:

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
Dallas, Texas,
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT

(Please print or type clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: _____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(e) Insertions for the Initial Bond.

(i) The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) the first paragraph shall be deleted and the following will be inserted:

"THE TOWN OF PROSPER, TEXAS (the "Town"), being a political subdivision located in Collin and Denton Counties, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		

The Town promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on [February 15, 2025 and on each August 15 and February 15] thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(C) The initial Bond shall be numbered "T-1."

Town of Prosper

General Obligation Bonds, Series 2024

Preliminary Schedule of Events (as of May 8, 2024)

May-24						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Jun-24						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Jul-24						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Aug-24						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sep-24						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Complete By

Day

Event

3-Jun-24	Monday	HilltopSecurities requests information for preparation of the Official Statement
10-Jun-24	Monday	HilltopSecurities receives requested information.
17-Jun-24	Monday	Draft Official Statement distributed to the Town and Bond Counsel
24-Jun-24	Monday	HilltopSecurities receives comments on Official Statement
1-Jul-24	Monday	Distribute GO Bond POS to Rating Agencies
16-Jul-24	Tuesday	Rating Agency meetings at the Town (Potentially meeting w/ S&P, Moody's, and Fitch)
23-Jul-24	Tuesday	Town Council consideration of GO Bond Parameter Ordinance
25-Jul-24	Thursday	Target date to receive Certified Taxable Assessed Valuation
29-Jul-24	Monday	Anticipated receipt of credit ratings
30-Jul-24	Tuesday	Electronically mail GO Bond Official Statement to potential purchasers**
6-Aug-24	Tuesday	GO Bond pricing; Pricing Officer adopts final pricing**
4-Sep-24	Wednesday	GO Bond closing and delivery of funds to the Town**

** Preliminary, subject to change.

**Exhibit B - Use of Proceeds
Series 2024 – GO Bonds**

Prop A	Public Safety	Amount
	Fire Station #4 (Construction)	10,200,000

Subtotal Public Safety \$ 10,200,000

Prop B	Parks and Recreation Projects	Amount
2122-PK	Raymond Park, Phase 1: (Construction)	10,900,000

Subtotal Parks \$ 10,900,000

Prop C	Streets and Transportation Projects	Amount
1512-ST	First Street (DNT - Coleman): (Construction)	9,000,000
1710-ST	Coit Road (First - Frontier) - 4 lanes: (Land/Esmt)	1,700,000
2153-ST	Teel (US 380 - First St) - 2 NB lanes: (Construction)	1,400,000
	Legacy (First - Star Trail) - 2 NB lanes: (CO to 1st street)	650,000
	Braided Ramps (NTTA)	2,557,062

Subtotal Streets \$ 15,307,062

Prop A Total	\$ 10,200,000
Prop B Total	\$ 10,900,000
Prop C Total	\$ 15,307,062

GRAND TOTAL \$ 36,407,062



FINANCE

To: Mayor and Town Council

From: Chris Landrum, Finance Director

**Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager**

Re: Parameters Ordinance – Revenue Bonds, Series 2024

Town Council Meeting – July 23, 2024

Strategic Visioning Priority: 1. Acceleration of Infrastructure

Agenda Item:

Consider all matters incident and related to the issuance and sale of "Town of Prosper, Texas, Waterworks and Sewer System Revenue Bonds, Series 2024", including the adoption of an ordinance authorizing the issuance of such bonds and establishing procedures and delegating authority for the sale and delivery of such bonds.

Description of Agenda Item:

The attached ordinance establishes the parameters for issuance of waterworks and sewer system revenue bonds for the Doe Branch expansion and parallel interceptor which are both wastewater projects.

Wastewater	\$31,250,000
------------	--------------

The ordinance would allow for delegation to the Town Manager that meets the following conditions:

- for an amount not to exceed \$33,100,000;
- with a final maturity of August 15, 2044;
- a true interest cost of 4.75% or less

Approval of this ordinance has the following advantages to obtain the lowest interest rate for the Town's Bond sale:

- Flexibility to sell on a day based on the best market conditions instead of only a Town Council Tuesday
- Allows for immediate award to the lowest bidder

Budget Impact:

The debt service payments for the Bonds will be funded from surplus revenue from the water and sewer fund.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P. and Chris Settle of McCall, Parkhurst and Horton, the Town's bond counsel, have reviewed the ordinance as to form and legality.

Attached Documents:

1. Ordinance
2. Timeline (Exhibit A)
3. Use of Proceeds (Exhibit B)

Town Staff Recommendation:

Town staff recommends adoption of an ordinance authorizing the issuance and sale of "Town of Prosper, Texas Waterworks and Sewer System Revenue Bonds, Series 2024", and approving all other matters related thereto.

Proposed Motion:

I move to adopt an ordinance authorizing the issuance and sale of "Town of Prosper, Texas, Waterworks and Sewer System Revenue Bonds, Series 2024" and approving all other matters related thereto.

TOWN OF PROSPER, TEXAS**ORDINANCE 2024-XX**

ORDINANCE AUTHORIZING THE ISSUANCE OF TOWN OF PROSPER, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2024, ESTABLISHING SALE PARAMETERS, PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

THE STATE OF TEXAS §
COUNTIES OF COLLIN AND DENTON §

WHEREAS, Chapter 1502 (defined below) provides that the governing body of a municipality may issue public securities for the public purposes of acquiring, constructing, installing and equipping additions, improvements and extensions to the Town's waterworks and sewer system, and the Town Council (the "Council") of the Town of Prosper, Texas (the "Town") finds and determines that it is necessary, useful and appropriate for the Town to authorize and provide for the issuance and sale of revenue bonds of the Town for such purposes, as hereinafter provided; and

WHEREAS, the Bonds are being issued and delivered pursuant to Chapter 1371 (defined below), Chapter 1502 and the Town's Home Rule Charter; and

WHEREAS, the Town is an "issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, the Council hereby finds and determines that it is in the best interests of the Town to issue the Bonds, in one or more series, for the purposes stated herein, and to delegate to the Pricing Officer the authority to act on behalf of the Town in selling and delivering the Bonds and setting the dates, price, interest rates, interest payment periods and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in one or more Pricing Certificates to be executed by the Pricing Officer, all in accordance with the provisions of Section 1371.053, Texas Government Code, as amended; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF PROSPER, TEXAS:

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Bonds are hereby authorized to be issued and delivered, in one or more series, in the maximum aggregate principal amount hereinafter set forth for the public purposes of providing funds to (i) pay for the costs of the Project (defined below) and (ii) pay the costs incurred in connection with the issuance of the Bonds.

(c) Each Bond issued pursuant to this Ordinance shall be designated (unless otherwise provided in the Pricing Certificate): "TOWN OF PROSPER, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BOND, SERIES 2024," and initially there shall be issued, sold and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof (with the initial Bond(s) being made payable to the Underwriter as described herein), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption, if applicable, prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DEFINITIONS. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance the following terms shall have the meanings specified below:

"Additional Bonds" means the additional parity bonds and other obligations permitted to be issued or entered into under the provisions of this Ordinance.

"Annual Debt Service Requirements" means, as of the date of calculation, the principal of and interest on all Bonds Similarly Secured coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Town on such Bonds Similarly Secured, or be payable in respect of any required purchase of such Bonds Similarly Secured by the Town) in such Fiscal Year.

"Attorney General" means the Attorney General of the State.

"Authorized Officials" means the Mayor, the Mayor Pro Tem, the Town Secretary and each Pricing Officer.

"Average Annual Debt Service Requirements" means that average amount which, at the time of computation, will be required to pay the Annual Debt Service Requirements when due (either at Stated Maturity or mandatory redemption) and derived by dividing the total of such Annual Debt Service Requirements by the number of Fiscal Years then remaining before the latest Stated Maturity of such Bonds Similarly Secured. For purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. Capitalized interest payments provided from bond proceeds, accrued interest on any Bonds Similarly Secured, and interest earnings thereon shall be excluded in making such computation.

"Bond Fund" means the Bond Fund described herein.

"Bonds" means the "Town of Prosper, Texas, Waterworks and Sewer System Revenue Bonds, Series 2024", authorized and issued pursuant to this Ordinance. The term "Bonds" as used in this Ordinance shall mean and include collectively the Bonds initially issued and delivered pursuant to this Ordinance and all substitute Bonds exchanged therefor, as well as all other substitute Bonds and replacement Bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds, unless the context clearly indicates otherwise in connection with the use of the term "Bonds".

"Bonds Similarly Secured" means the Bonds and any Additional Bonds.

"Chapter 1371" means Chapter 1371, Texas Government Code, as amended.

"Chapter 1502" means Chapter 1502, Texas Government Code, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Comptroller" means the Comptroller of Public Accounts of the State.

"Council" means the Town Council of the Town.

"Dated Date" means the date of the Bonds set forth in the Pricing Certificate.

"Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds, unless otherwise provided in the Pricing Certificate.

"Delivery Date" shall mean the date or dates of delivery of any series of Bonds to the Underwriter against payment therefor, as determined by the Pricing Officer in the Pricing Certificate.

"Designated Financial Officer" means the Town Manager or the Finance Director of the Town, or such other Town official so designated by the Council.

"Fiscal Year" means the regular fiscal year used by the Town in connection with the operation of the System, which may be any twelve consecutive month period established by the Town.

"Gross Revenues" mean all revenues, income and receipts of every nature derived or received by the Town from the operation and ownership of the System, including the interest income from investment or deposit of money in any fund created by this Ordinance or maintained by the Town in connection with the System.

"Maturity", when used with respect to Bonds Similarly Secured, means the date on which the principal of any Outstanding Bonds Similarly Secured becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Maintenance and Operating Expenses" means all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the Town and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining "Net Revenues." Depreciation shall never be considered as a Maintenance and Operating Expense. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply or treatment of sewage or other materials, goods or services for the System to the extent authorized by law and the provisions of such contract.

"Maximum Annual Debt Service Requirements" means the greatest requirements of Annual Debt Service Requirements (taking into account all mandatory principal redemption requirements) scheduled to occur in any future Fiscal Year or in the then current Fiscal Year for the particular obligations for which such calculation is made. Capitalized interest payments provided from Bonds Similarly Secured proceeds, accrued interest on any Bonds Similarly Secured, and interest earnings thereon shall be excluded in making such computation.

"Net Revenues" means the Gross Revenues of the System, with respect to any period, after deducting the System's Maintenance and Operating Expenses during such period.

"Outstanding", when used in this Ordinance with respect to Bonds Similarly Secured, means, as of the date of determination, all Bonds Similarly Secured theretofore sold, issued and delivered by the Town, except:

- (1) those Bonds Similarly Secured cancelled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such Bonds;
- (2) those Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions hereof; and
- (3) those Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof.

"Paying Agent/Registrar" means the paying agent/registrar designated by the Pricing Officer in the Pricing Certificate.

"Permitted Investments" means any security or obligation or combination thereof permitted under the Public Funds Investments Act, Chapter 2256, Texas Government Code, as amended or other applicable law.

"Pledged Revenues" means (i) the Net Revenues, plus (ii) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the Town to the payment of the Bonds Similarly Secured, and excluding those revenues excluded from Gross Revenues or

excluded from Net Revenues.

"Project" means the acquisition, construction, installation and equipment of additions, improvements and extensions to the System.

"Purchase Contract" means (i) a bond purchase agreement between the Town and the Underwriter, pertaining to the purchase of the Bonds by the Underwriter sold through a negotiated sale conducted as a public underwriting; (ii) a private placement agreement between the Town and the Underwriter, pertaining to the purchase of the Bonds by the Underwriter sold through a negotiated sale conducted as a private placement; and (iii) the bid form prepared in accordance with the notice of sale and bidding instructions and submitted by potential purchasers of any Bonds sold pursuant to a competitive sale.

"Rating Agency" means any nationally recognized securities rating agency.

"Required Reserve" means 25% of the least of: (i) Maximum Annual Debt Service Requirements on the Bonds as of the date of calculation, (ii) 125% of average Annual Debt Service on the Bonds as of the date of calculation, and (iii) 10% of the lesser of the par amount of the Outstanding Bonds or the proceeds of the Bonds; provided, however, that such amount shall be recalculated in the manner described herein. The Required Reserve will be set forth in the Pricing Certificate.

"Reserve Fund Obligation" means, to the extent permitted by law, (i) a policy of insurance or a surety bond, issued by an Town of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency, at the time of the delivery of such credit facility, would rate the Bonds fully insured by a standard policy issued by the Town of such credit facility in any one of its three highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency, at the time of delivery of such letter or line of credit, would rate the Bonds in any one of its three highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Bonds and the interest thereon.

"Reserve Fund Obligation Payment" means any payment the Town is obligated to make from Pledged Revenues deposited in the Reserve Fund with respect to a Reserve Fund Obligation.

"Revenue Fund" means the revenue fund described herein.

"Special Project" means any water, sewer, wastewater reuse system property, improvement or facility or other public improvement declared by the Town not to be part of the System, for which the costs of acquisition, construction and installation are paid from proceeds of Special Project Obligations and for which all Maintenance and Operating Expenses are payable from sources other than Pledged Revenues, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction and installation under such financing transaction.

"Special Project Obligations" means special revenue obligations of the Town which are not secured by the Pledged Revenues, but which are secured by and payable solely from special

contract revenues or payments received from the System, any other legal entity, or any combination thereof, in connection with a Special Project; and such revenues or payments shall not be considered as or constitute Gross Revenues of the System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such Special Project Obligations.

"State" means the State of Texas.

"Stated Maturity" means the annual principal payments of the Bonds Similarly Secured payable on the respective dates set forth in the ordinance(s) which authorized the issuance of such Bonds Similarly Secured.

"Subordinate Lien Obligations" means any bonds, notes, warrants, contractual obligations or other obligations issued or incurred by the Town that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Bonds Similarly Secured issued by the Town.

"System" means the Town's existing combined waterworks and sewer system, together with all future extensions, improvements, enlargements, and additions thereto, and all replacements thereof; provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not include any Special Projects which are hereafter acquired or constructed by the Town with the proceeds of Special Project Obligations.

"Town" means the Town of Prosper, Texas.

"Underwriter" shall mean the initial purchaser(s) of the Bonds designated by the Pricing Officer in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER. (a) As authorized by Section 1371.053, Texas Government Code, as amended, the Deputy Town Manager and the Finance Director of the Town are each individually hereby authorized to act on behalf of the Town in selling and delivering the Bonds (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"), determining whether the Bonds shall be issued in one or more series or subseries and carrying out the procedures specified in this Ordinance, including determining the principal amount of Bonds to be issued, the amount to be applied against each proposition, determining whether the Bonds shall be issued in one or more series or subseries, the date or dates of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, if any, upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Town, as well as any mandatory sinking fund redemption provisions, whether the Bonds of any series shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, approving modifications or additions to the Rule 15c2-12 continuing disclosure undertaking, approving modifications to the term Defeasance Securities, determining the Required Reserve and all other matters relating to the issuance, sale, and delivery

of the Bonds, including without limitation procuring municipal bond insurance and approving modifications to this Ordinance and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

(i) the maximum original principal amount of the Bonds shall not exceed \$33,100,000;

(ii) no Bond of any series (if multiple series are issued) shall mature after August 15, 2044; and

(iii) the true interest cost rate for the Bonds shall not exceed 4.75% in the aggregate.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to the date that is 180 days after the adoption of this Ordinance. The Pricing Officer may determine to issue one or more series of Bonds and may exercise the authority granted herein on one or more dates to effectuate the issuance of multiple series of Bonds if multiple series are issued and, if multiple series are issued, each separate series may close on separate dates or on the same date, as determined by the Pricing Officer. The Bonds shall be sold at such prices, with and subject to such terms as set forth in one or more Pricing Certificates.

(c) The Bonds of one or more series may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Bonds of one or more series are sold by private placement, the applicable Pricing Certificate shall so state, and the applicable Pricing Certificate may make changes to this Ordinance to effect such private placement of such Bonds, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the provisions relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information).

(d) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Council hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Bonds set forth in this Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, the most advantageous reasonably available, and the Pricing Officer is hereby authorized to make and include a finding to that effect in the Pricing Certificate.

Section 4. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange. The Town shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Bonds (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Town hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Town and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations,

transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Town shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Town shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth as **Exhibit A** of this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication. Except as provided in subsection (e) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Town or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller.

(c) Payment of Bonds and Interest. The Town hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Town and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Substitute Paying Agent/Registrar. The Town covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Town will provide a

competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Town reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Town covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Town. Upon any change in the Paying Agent/Registrar, the Town promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Town at least 35 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Town shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth as **Exhibit A** of this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Certificate, in the FORM OF BOND set forth as **Exhibit A** of this Ordinance.

(f) Book-Entry-Only System. Unless the Bonds are sold by private placement, the Bonds issued in exchange for the Bonds initially issued to the Underwriter shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of

whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Town and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Town and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Town to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. If the Bonds are subject to the DTC book-entry system, and in the event that the Town determines that DTC is incapable of discharging its responsibilities described herein and in the Town's Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Town shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Town's Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Bond(s). On the Delivery Date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and Town Secretary, approved by the Attorney General, and registered and signed by the Comptroller in the manner prescribed by law, will be delivered to the Underwriter or its designee. If the Bonds are sold subject to the book-entry system of DTC, then upon payment for the initial Bond(s), the Paying Agent/Registrar shall insert the Delivery Date on the initial Bond(s), cancel each of the initial Bond(s) and deliver to DTC on behalf of the Underwriter one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Town, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Town shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 5. FORM OF BONDS. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State to be attached only to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance. The Form of Bond as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

Section 6. PLEDGE.

(a) The Town hereby covenants and agrees that a first lien on the Pledged Revenues are hereby irrevocably pledged to the payment and security of the Bonds Similarly Secured, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, all as hereinafter provided; and it is hereby ordered that the Bonds Similarly Secured, and the interest thereon, shall constitute a lien on and pledge of the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the Town, and the lien created hereby on the Pledged Revenues for the payment and security of the Bonds Similarly Secured, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, shall be superior to the

lien on and pledge of the Pledged Revenues securing payment of any Subordinate Lien Obligations heretofore or hereafter issued by the Town.

(b) Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Town under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues granted by the Town under this Section is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, in order to preserve to the Holders of the Bonds a security interest in said pledge, the Town agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 7. FUNDS. The following special funds ("Funds") are hereby created and shall be established and maintained so long as any of the Bonds Similarly Secured, or the interest thereon, are outstanding and unpaid:

(a) "Town of Prosper Waterworks and Sewer System Revenue Fund", hereinafter called the "System Fund." This fund shall be kept and maintained at a depository bank of the Town, and moneys deposited in this fund shall be used as described herein.

(b) "Town of Prosper Waterworks and Sewer System Revenue Bond Fund", hereinafter called the "Bond Fund."

(c) For each series or combination of series of Bonds Similarly Secured that are secured by a Reserve Fund, a "Town of Prosper Waterworks and Sewer System Revenue Bond Reserve Fund", hereinafter called a "Reserve Fund."

(d) All of such Funds may be held as subaccounts within another fund (or within the System Fund) held by the Town's depository, and, as such, not held in separate bank accounts. Such treatment shall not constitute a commingling of the monies in such Funds or of such Funds and the Town shall keep full and complete records of the monies and investments credited to each of such Funds.

Section 8. SYSTEM FUND. The Town hereby covenants, agrees and establishes that the Gross Revenues shall be deposited and credited to the System Fund immediately as collected and received. All Maintenance and Operating Expenses are and shall be paid from such Gross Revenues as a first charge against same.

Section 9. FLOW OF FUNDS.

(a) All Gross Revenues deposited and credited to the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

First: To the payment of all necessary and reasonable Maintenance and Operating Expenses, and the payment of such Maintenance and Operating Expenses shall be a first charge on and claim against the Gross Revenues.

Second: To the payment of the amounts required to be deposited in the Bond Fund for the payment of Annual Debt Service Requirements on the Bonds Similarly Secured as the same becomes due and payable.

Third: To the payment of the amounts required to be deposited in the Reserve Fund to establish and maintain the Required Reserve in accordance with the provisions of this Ordinance or any other ordinance relating to the issuance of Bonds Similarly Secured.

Fourth: To make payment, including payment of amounts required for reserve fund requirements, of all Subordinate Lien Obligations.

(b) Any Pledged Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other Town purpose now or hereafter permitted by law.

Section 10. BOND FUND.

(a) For purposes of providing funds to pay the principal of, premium, if any, and interest on the Bonds Similarly Secured as the same become due and payable, including any mandatory sinking fund redemption payments, the Town agrees that it shall maintain the Bond Fund. The Town covenants to deposit and credit to the Bond Fund prior to each principal, interest payment or redemption date from the available Pledged Revenues an amount equal to one hundred percent (100%) of the amount required to fully pay the interest on and the principal of the Bonds Similarly Secured then coming due and payable.

(b) The required deposits and credits to the Bond Fund shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in and credited to the Bond Fund and the Reserve Fund, if one is required, and in any reserve fund created pursuant to the terms hereof, taking into account any Reserve Fund Obligation held in or for the benefit of any such reserve fund) is equal to the amount required to fully pay and discharge all outstanding Bonds Similarly Secured (principal, premium, if any, and interest) or (ii) the Bonds Similarly Secured are no longer outstanding.

(c) Accrued interest and capitalized interest, if any, received from the purchaser of any Bond Similarly Secured shall be taken into consideration and reduce the amount of the deposits and credits hereinabove required into the Bond Fund.

Section 11. RESERVE FUND.

(a) There is hereby created and ordered held at a depository of the Town, for the benefit of the Bonds, the Reserve Fund. In accordance with this Ordinance, the Town shall deposit and credit to the Reserve Fund amounts required to maintain the balance in the Reserve Fund in an amount equal to the Required Reserve. The Required Reserve shall be maintained in the Reserve Fund at all times after the Delivery Date. The Town may fund the Reserve Fund with (i) cash on hand, (ii) proceeds from the sale of the Bonds, (iii) one or more Reserve Fund Obligations or (iv) any combination of (i) through (iii), and the Pricing Certificate shall set forth the method of funding. All funds, investments and Reserve Fund Obligations on deposit and credited to the Reserve Fund shall be used solely for (i) the payment of the principal of and interest on the Bonds,

when and to the extent other funds available for such purposes are insufficient, (ii) to make Reserve Fund Obligation Payments, or (iii) to retire the last stated maturity or stated maturities of or interest on the Bonds, and any excess amount in the Reserve Fund may be transferred to the Pledged Revenue Fund and allocated in accordance with this Ordinance.

(b) When and for so long as the cash, investments and Reserve Fund Obligations in the Reserve Fund equal the Required Reserve or the portion then required to be on deposit therein, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve then required to be on deposit therein, the Town covenants and agrees that the Town shall cure the deficiency in the Reserve Fund by making Required Reserve Fund Deposits to such fund from the Pledged Revenues in accordance with the terms hereof by monthly deposits in amounts equal to not less than 1/60th of the Required Reserve, with any such deficiency payments being made on or before the last day of each month until the Required Reserve has been fully funded or restored. In addition, in the event that a portion of the Required Reserve is represented by a Reserve Fund Obligation, the Required Reserve shall be restored as soon as possible from monthly deposits of Pledged Revenues on deposit in the System Fund in accordance with the terms hereof, but subject to making the full deposits and credits to the Bond Fund required to be made by Section 10. The Town further covenants and agrees that, subject only to the prior deposits to be made to the Bond Fund, the Pledged Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve, including by paying Reserve Fund Obligation Payments when due, and any reserve established for the benefit of any issue or series of Additional Bonds and to cure any deficiency in such amounts as required by the terms of this Ordinance and any other ordinance pertaining to the issuance of Additional Bonds. Reimbursements to the provider, if any, of a Reserve Fund Obligation shall constitute the making up of a deficiency in the Reserve Fund to the extent that such reimbursements result in the reinstatement, in whole or in part, as the case may be, of the amount of the Reserve Fund Obligation.

(c) Earnings and income derived from the investment of amounts held for the credit of the Reserve Fund shall be retained in the Reserve Fund until the Reserve Fund contains the Required Reserve. During such time as the Reserve Fund contains the Required Reserve or any cash or Permitted Investment is replaced with a Reserve Fund Obligation pursuant to subsection (d) below, the Town may, at its option, withdraw all surplus funds in the Reserve Fund and deposit such surplus in the System Fund; provided that the face amount of any Reserve Fund Obligation may be reduced at the option of the Town in lieu of such transfer. Notwithstanding the foregoing, any surplus funds in the Reserve Fund that consist of proceeds of the Bonds or interest thereon shall be used for purposes for which the Bonds were issued or deposited to the Bond Fund.

(d) The Town may at any time deposit, supplement, replace or substitute a Reserve Fund Obligation for cash or Permitted Investments on deposit in the Reserve Fund or in substitution for or replacement of any existing Reserve Fund Obligation, provided, that the deposit, supplement, replacement or substitution of the Reserve Fund Obligation will not, in and of itself, cause any ratings then assigned to the Bonds by any Rating Agency to be lowered and the ordinance authorizing the substitution of the Reserve Fund Obligation for all or part of the Required Reserve contains a finding that such substitution is cost effective. Notwithstanding any other provision of this Ordinance, if a Reserve Fund Obligation is utilized in connection with the Bonds after the issuance date of the Bonds, the Town must specifically approve any such Reserve Fund Obligation and any such Reserve Fund Obligation must be submitted to the Attorney General of Texas (if

submission is then required by law) for approval.

(e) If the Town is required to make a withdrawal from the Reserve Fund for any of the purposes described in this Section, the Town shall promptly notify the issuer of such Reserve Fund Obligation of the necessity for a withdrawal from the Reserve Fund for any such purposes, and shall make such withdrawal FIRST from available moneys or Permitted Investments then on deposit in the Reserve Fund, and NEXT from a drawing under any Reserve Fund Obligation to the extent of such deficiency.

(f) In the event there is a draw upon the Reserve Fund Obligation, the Town shall reimburse the issuer of such Reserve Fund Obligation for such draw, in accordance with the terms of any agreement pursuant to which the Reserve Fund Obligation is used, from Pledged Revenues, however, such reimbursement from Pledged Revenues shall be in accordance with the provisions of Section 9 hereof and shall be subordinate and junior in right of payment to the payment of principal of and premium, if any, and interest on the then outstanding Bonds Similarly Secured.

(g) The Town may create and establish a debt service reserve fund pursuant to the provisions of any ordinance or other instrument authorizing the issuance of Bonds Similarly Secured for the purpose of securing that particular issue or series of Bonds Similarly Secured or any specific group of issues or series of Bonds Similarly Secured (including the combining of debt service reserve funds for Bonds Similarly Secured so long as the requirements of each ordinance authorizing such Bonds Similarly Secured are satisfied), and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the particular Bonds Similarly Secured for which such debt service reserve fund was established. Each debt service reserve fund shall receive a pro rata amount of the Pledged Revenues after the requirements of the Bond Fund, which secures all Bonds Similarly Secured, have first been met. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Bonds Similarly Secured it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Bonds Similarly Secured. Each ordinance authorizing the issuance of Bonds Similarly Secured that are to be secured by a debt service reserve fund shall specify the amount or a manner of calculating the amount to be held and maintained on deposit therein.

(h) The Designated Financial Officer shall recalculate the Required Reserve at the following times: (i) on the first day of each Fiscal Year, (ii) upon the issuance of Additional Bonds, to the extent such Additional Bonds will be secured by the Reserve Fund, (iii) upon the refunding or defeasance of the Bonds or any Additional Bonds secured by the Reserve Fund and (iv) upon the deposit, supplement, replacement or substitution of a Reserve Fund Obligation (each of the foregoing, a "Required Reserve Recalculation").

Section 12. INVESTMENTS; SECURITY FOR FUNDS.

(a) Money in any fund established pursuant to this Ordinance may, at the option of the Town, be invested in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas government Code, as amended, consistent with the investment policy approved by the Council; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper time or times. All interest and income derived from such deposits and investments immediately shall be credited to,

and any losses debited to, the Fund from which the deposit or investment was made, and surpluses in any Fund shall or may be disposed of as hereinafter provided. Such investments shall be sold promptly when necessary to prevent any default in connection with any Bonds Similarly Secured.

(b) Money in all funds created by this Ordinance, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the Town.

Section 13. DEFICIENCIES, EXCESS PLEDGED REVENUES.

(a) If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Bond Fund and any Reserve Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or at the option of the Town from any other sources legally available for such purpose.

(b) Subject to making the required deposits to the credit of the Bond Fund and Reserve Funds, when and as required by this Ordinance, or any ordinances authorizing the issuance of Additional Bonds, the excess Pledged Revenues may be used by the Town for any lawful purpose.

Section 14. PAYMENT OF BONDS SIMILARLY SECURED. While any of the Bonds Similarly Secured are outstanding, the Town shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Bond Fund, and, if necessary, in the Reserve Fund with respect to the Bonds, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Bonds Similarly Secured as shall become due on each interest or principal payment date, or date of redemption of the Bonds Similarly Secured; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Bonds Similarly Secured not later than the business day next preceding the date such payment is due on the Bonds Similarly Secured. The Paying Agent/Registrar shall destroy all paid Bonds Similarly Secured and furnish the Town with an appropriate certificate of cancellation or destruction.

Section 15. ADDITIONAL BONDS.

(a) The Town shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue and deliver Additional Bonds, in accordance with law, in any amounts, for purposes of extending, improving or repairing the System or for the purpose of refunding of any Bonds Similarly Secured, Subordinate Lien Obligations or other obligations of the Town incurred in connection with the ownership or operation of the System. Such Additional Bonds, if and when authorized, issued and delivered in accordance with this Ordinance, shall be secured by and made payable equally and ratably on a parity with all other Bonds Similarly Secured at the time outstanding and unpaid, from a first lien on and pledge of the Pledged Revenues herein granted.

(b) The Bond Fund shall secure and be used to pay all Bonds Similarly Secured. Each ordinance under which Additional Bonds are issued shall provide and require that, in addition to the amounts required by the provisions of this Ordinance and the provisions of any other ordinance or ordinances authorizing Additional Bonds to be deposited to the credit of the Bond Fund, the Town shall deposit to the credit of the Bond Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same

come due.

(c) Additional Bonds shall be issued only in accordance with this Ordinance, but notwithstanding any provisions of this Ordinance to the contrary, no installment, series or issue of Additional Bonds shall be issued or delivered unless:

(i) The Designated Financial Officer shall have executed a certificate stating (A) (i) that, to the best of such person's knowledge and belief, the Town is not then in default as to any covenant or requirement contained in any ordinance authorizing the issuance of outstanding Bonds Similarly Secured, and (ii) payments into all special funds or accounts created and established for the payment and security of all outstanding Bonds Similarly Secured have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (B) the application of the proceeds of sale of such obligations then being issued will cure any such default or deficiency; and

(ii) The Designated Financial Officer shall have executed a certificate stating that based on the books and records of the Town, during either the preceding Year, or any twelve (12) consecutive months out of the fifteen (15) months immediately preceding the date of the then proposed Additional Bonds, the Net Earnings are at least equal to 1.25 times the Average Annual Debt Service Requirements (computed on a fiscal year basis) and 1.10 times the Maximum Annual Debt Service Requirements of the Bonds Similarly Secured to be outstanding after the issuance of the then proposed Additional Bonds.

(d) In making a determination of Net Earnings for any of the purposes described in this Section, the Designated Financial Officer may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least sixty (60) days prior to the date the ordinance authorizing the issuance of the Additional Bonds is adopted and, for purposes of satisfying the Net Earnings tests described above, make a pro forma determination of the Net Earnings of the System for the period of time covered by said Designated Financial Officer's certification or opinion based on such change in rates and charges being in effect for the entire period covered by said Designated Financial Officer's certificate or opinion.

(e) Bonds Similarly Secured may be refunded (pursuant to any law then available) upon such terms and conditions as the Town may deem to be in the best interest of the Town, and the proposed refunding bonds shall be considered as "Additional Bonds" under the provisions of this Section and the certificate required in subsection (c)(ii) shall give effect to the issuance of the proposed refunding bonds and shall exclude the bonds being refunded from the calculation of Average Annual Debt Service Requirements.

(f) All calculations of Average Annual Debt Service Requirements made pursuant to this Section shall be made as of and from the date of the Additional Bonds then proposed to be issued.

Section 16. NO ISSUANCE OF OBLIGATIONS SENIOR TO THE BONDS SIMILARLY SECURED. The Town covenants and agrees that it will not issue any obligations payable from and secured, in whole or in part, by a lien on and pledge of the Pledged Revenues, senior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the Bonds Similarly Secured.

Section 17. **ISSUANCE OF SUBORDINATE LIEN OBLIGATIONS.** The Town hereby reserves the right to issue, at any time, obligations including, but not limited to, Subordinate Lien Obligations, payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Pledged Revenues, subordinate and inferior in rank and dignity to the lien on and pledge of the Pledged Revenues securing the payment of the Bonds Similarly Secured, as may be authorized by the laws of the State.

Section 18. **ISSUANCE OF SPECIAL PROJECT OBLIGATIONS.** The Town reserves the right to issue Special Project Obligations. Except as otherwise provided in the proceedings authorizing the issuance of the Special Project Obligations, all revenues received for the Special Project in excess of revenues required to pay principal and interest on the Special Project Obligations and to establish reserves and to secure, maintain and operate the Special Project shall be considered as a part of Gross Revenues.

Section 19. **PARTICULAR REPRESENTATIONS AND COVENANTS.**

(a) Rate Covenant. The Town shall fix, establish, maintain and collect such rates, charges and fees for the use and availability of the System at all times as are necessary to produce Gross Revenues equal to the greater than the amounts sufficient:

(i) (1) to pay all current Maintenance and Operating Expenses, and (2) to produce Net Revenues for each Fiscal Year at least equal to 1.20 times the Annual Debt Service Requirements of all then outstanding Bonds Similarly Secured; or

(ii) to pay the sum of: (1) all current Maintenance and Operating Expenses, (2) the Annual Debt Service Requirements of all then outstanding Bonds Similarly Secured and Subordinate Lien Obligations, (3) required deposits to a reserve fund for any Bonds Similarly Secured and Subordinate Lien Obligations then outstanding, and (4) amounts required to pay all other obligations of the System reasonably anticipated to be paid from Gross Revenues during the current Fiscal Year.

(b) Maintenance and Operation; Insurance. The Town hereby covenants and agrees that the System shall be maintained in good condition and operated in an efficient manner and at reasonable cost. So long as any of the Bonds Similarly Secured are outstanding, the Town agrees to maintain casualty and other insurance on the System of a kind and in an amount customarily carried by municipal corporations owning and operating similar properties. Nothing in this Ordinance shall be construed as requiring the Town to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the Town from doing so.

(c) No Free Service. The Town covenants and agrees that no free service of the System shall be allowed except to institutions and buildings owned and operated by the Town.

(d) Records and Accounts; Accounting Reports. The Town hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the operation of the System parts separate and apart from all other records and accounts of the Town in which complete and correct entries shall be made of all transactions relating to said System, as provided

by Chapter 1502, Texas Government Code, or other applicable law. The Owner or Owners of any Bonds or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts and data relating thereto and to inspect the System and all properties comprising same. The Town further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Each such audit, in addition to whatever other matters may be thought proper by the accountant, shall particularly include the following:

- (i) A statement of the income and expenditures of the components of the System for such fiscal year;
- (ii) A balance sheet as of the end of such Fiscal Year; and
- (iii) A list of the insurance policies in force at the end of the Fiscal Year on the System properties, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy's expiration date.

Expenses incurred in making the audits above referred to are to be regarded as Maintenance and Operating Expenses of the System and paid as such. Copies of the aforesaid annual audit shall be immediately furnished, upon written request, to the original purchasers of the Bonds and any subsequent Owner.

(e) Sale or Lease of Properties. The Town, to the extent and in the manner authorized by law, may sell or exchange for consideration representing the fair value thereof, as determined by the Council, any property not necessary or required in the efficient operations of the System, or any equipment not necessary or useful in the operations thereof or which is obsolete, damaged or worn out or otherwise unsuitable for use in the operation of the System. The proceeds of any sale of properties of the System shall be deposited in the System Fund.

(f) Competition. That so far as it legally may and subject existing agreements and certifications, the Town covenants and agrees, for the protection and security of the Bonds Similarly Secured and the holders thereof from time to time and until all Bonds Similarly Secured shall have been retired and that it will not grant a franchise for the installation or operation of any water and/or wastewater system other than those owned by the Town, that it will prohibit the operation of any waterworks or wastewater system other than those operated by the Town.

(g) Further Covenants. The Town further covenants and agrees by and through this Ordinance as follows:

- (i) That it has the lawful power to pledge the revenues supporting this issue of Bonds and has lawfully exercised said power under the Constitution and laws of the State of Texas, including power existing under Chapter 1502;
- (ii) That other than for the Bonds, the Pledged Revenues have not been pledged in any manner to the payment of any debt or obligation of the Town, nor of the System, which is senior to or on a parity with the pledge of the Pledged Revenues to Bonds Similarly Secured;

(iii) It will duly and punctually keep, observe and perform each and every undertaking, covenant and condition on its part to be kept, observed and performed, contained in this Ordinance and in the ordinances authorizing any Additional Bonds, and that it will prior to the maturity of each installment of interest and prior to the maturity of each Bond and Additional Bond issued thereunder, make available at the principal office of the Paying Agent/Registrar, but only from the sources herein provided, sufficient funds to promptly pay such principal and interest; and

(iv) The Town will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the Town has or will obtain and keep in full force and effect all franchises, permits, authorizations and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

Section 20. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Town with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the System revenues herein pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Town will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsections (a)(i) or (ii) of this Section shall not be irrevocable, provided that (1) in the proceedings providing for such payment arrangements, the Town expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Town also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying

Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Town, or deposited as directed in writing by the Town. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsections (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Town or deposited as directed in writing by the Town.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Town shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) In the event that the Town elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 21. **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.** (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Town and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Town and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bond, the Town may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall

constitute a contractual obligation of the Town whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Town or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 22. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor (or, in the absence of the Mayor, the Mayor Pro Tem) is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General, and their registration by the Comptroller. Upon registration of the Bonds, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall sign the Comptroller's Registration Certificate attached to such Bonds in the manner prescribed by law, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Town's Bond Counsel and the assigned CUSIP numbers may, at the option of the Town, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

Section 23. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The Town covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Town covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Town, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the

amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(iv) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(v) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with:

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(viii) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(ix) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Town for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Town understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Town that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Town will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Town agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Town hereby authorizes and directs the Authorized Officials to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Town, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Town covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Project on its books and records in accordance with the requirements of the Code. The Town recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Town recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The Town agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the Town shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of the Project. The Town covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Town of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Town may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and

disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Town shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 24. SALE OF BONDS; OFFICIAL STATEMENT. (a) The Bonds shall be sold and delivered subject to the provisions hereof and pursuant to the terms and provisions of a Purchase Contract, which the Pricing Officer is hereby authorized to execute and deliver and in which the Underwriter shall be designated. The Bonds shall initially be registered in the name of the Underwriter, unless otherwise set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the Town, to approve the distribution and delivery of a preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriter in the marketing of the Bonds, if applicable.

Section 25. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL FILING FEE. (a) The Authorized Officials, individually or jointly, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Town such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Letter of Representations, the Bonds and the sale of the Bonds. In addition, prior to the delivery of the Bonds, the Authorized Officials are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in this Ordinance or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Town, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as bond counsel to the Town in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

(c) In accordance with the provisions of Section 1202.004, Texas Government Code, in connection with the submission of the Bonds to the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Bonds, subject to a minimum of \$750 and a maximum of \$9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Bonds. The Town hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Bonds, made payable to the "Texas Attorney General," be promptly furnished to the Town's Bond Counsel, for payment to the Attorney General in connection with his review of the Bonds.

Section 26. COMPLIANCE WITH RULE 15c2-12. (a) If the Bonds are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply, unless modified by the Pricing Officer in the Pricing Certificate:

(i) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

"Rule" means SEC Rule 15c2 12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(ii) Annual Reports. (A) The Town shall provide annually to the MSRB, within the timeframe set forth in the Pricing Certificate, in the electronic format prescribed by the MSRB, certain updated financial information and operating data pertaining to the Town, being the information described in the Pricing Certificate.

(B) Any financial information described in the Pricing Certificate to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Town appended to the Official Statement, or such other accounting principles as the Town may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Town commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within the period set forth in the Pricing Certificate, then the Town shall provide unaudited financial information of the type described in the Pricing Certificate within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

(C) If the Town changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Town otherwise would be required to provide financial information and operating data pursuant to this Section.

(D) All financial information, operating data, financial statements and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document

(including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

(iii) Event Notices. The Town shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Town;
- (13) The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
- (15) Incurrence of a Financial Obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Town, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Town in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Town in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or

governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town, and (b) the Town intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Town shall notify the MSRB, in a timely manner, of any failure by the Town to provide financial information or operating data in accordance with subsection (a)(ii) of this Section by the time required by subsection (a)(ii).

(iv) Limitations, Disclaimers and Amendments. (A) The Town shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Town remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Bonds no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Town undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Town's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Town does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(C) UNDER NO CIRCUMSTANCES SHALL THE TOWN BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE TOWN, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(D) No default by the Town in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Town under federal and state securities laws.

(E) The provisions of this Section may be amended by the Town from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Town, but only if (1) the provisions of this Section, as so amended, would have permitted an

underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Town (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Town so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Town may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

(b) If the Bonds are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the Underwriter as may be necessary for the sale of the Bonds on the most favorable terms to the Town.

Section 27. METHOD OF AMENDMENT. The Town hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Town may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the Registered Owners, (v) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be materially inconsistent with the provisions of this Ordinance and that shall not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in a majority of the principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Town; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

(1) Make any change in the maturity of any of the outstanding Bonds;

- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Town shall desire to amend this Ordinance under this Section, the Town shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Town shall receive an instrument or instruments executed by the Registered Owners of at least a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment (or 100% if such amendment is made in accordance with paragraph (b)), which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Town may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Town and all Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and shall be conclusive and binding upon all future Registered Owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Town, but such revocation shall not be effective if the Registered Owners the required amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Bonds, the Town shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

Section 28. INTEREST EARNINGS ON BOND PROCEEDS; USE OF PREMIUM RECEIVED FROM SALE OF BONDS. (a) Interest Earnings. Interest earnings derived from the proceeds that are deposited to the Capital Projects Fund (defined below) shall be retained therein and used for the purposes for which the Bonds were issued, provided that after the completion of such purposes, any amounts remaining therein shall be deposited to the Interest and Sinking Fund

for the Bonds. It is further provided, however, that any interest earnings on bond proceeds that are required to be rebated to the United States of America pursuant to this Ordinance in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for purposes of this Section.

(b) Use of Bond Premium. The net premium received from the sale of the Bonds shall be applied as determined by the Pricing Officer in the Pricing Certificate.

(c) Use of Bond Proceeds.

(i) The Town has heretofore created and established, and hereby covenants to continue to maintain on the books of the Town, a separate fund entitled the "Capital Projects Fund" (the "Capital Projects Fund") for use by the Town for payment of all lawful costs associated with the Project. Proceeds of the Bonds in the amount determined by the Pricing Officer in the Pricing Certificate shall be deposited into the Capital Projects Fund. In addition, the amount to be applied against each bond proposition shall be determined by the Pricing Officer in the Pricing Certificate, and the table in the preambles hereto shall be reproduced in the Pricing Certificate to reflect such determination. Upon payment of all Project costs, any Bond proceeds remaining on deposit in the Capital Projects Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in this Ordinance.

(ii) The Town may place proceeds of the Bonds (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Town hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the Project.

(iii) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 28. **GOVERNING LAW.** This Ordinance shall be construed and enforced in accordance with the laws of the State and the United States of America.

Section 29. **SEVERABILITY.** If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 30. **EVENTS OF DEFAULT.** Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an event of default (an "Event of Default"):

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be

repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Town.

Section 31. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 32. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Bond authorized under this Ordinance, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or officials of the Town or the Council.

Section 33. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

[Execution page follows]

**DULY PASSED, APPROVED, AND ADOPTED BY THE TOWN COUNCIL OF
THE TOWN OF PROSPER, TEXAS, ON THIS 23RD DAY OF JULY, 2024.**

David F. Bristol, Mayor

ATTEST:

Michelle Lewis Sirianni, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

Terrence S. Welch, Town Attorney

(Town Seal)

Exhibit A**FORM OF BOND**

(a) The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the Bonds to be completed with information set forth in the Pricing Certificate. The Form of Bond as it appears in this **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS TOWN OF PROSPER, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BOND, SERIES 2024	PRINCIPAL AMOUNT \$_____
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INTEREST <u>RATE</u> _____%	DELIVERY <u>DATE</u> _____, 2024	MATURITY <u>DATE</u> August 15, 20__	<u>CUSIP NO.</u>
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, TOWN OF PROSPER, TEXAS, in Collin and Denton Counties, Texas (the "Town"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the [Delivery Date], on [February 15, 2025, and on each August 15 and February 15] thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the designated corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Town required by the ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice. Capitalized terms used herein but not otherwise defined shall have the meanings given to such terms in the Bond Ordinance.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent/Registrar. The Town covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Bond Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is dated _____, 2024, and is authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ for the acquisition, construction, installation and equipment of additions, improvements and extensions to the Town's waterworks and sewer system and paying the costs incurred in connection with the issuance of the Bonds.

ON AUGUST 15, 20__, or on any date thereafter, the Bonds may be redeemed prior to their scheduled maturities, at the option of the Town, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Town (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared at the close of business on the day of mailing such notice; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Town, all as provided in the Bond Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless certain prerequisites to such redemption required by the Bond Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Town, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Town shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully

registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Town. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange of any Bonds during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Bond or any portion thereof called for redemption prior to maturity, within 30 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Town, resigns, or otherwise ceases to act as such, the Town has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; that this Bond and all of the bonds of the series of which it is a part constitute special obligations of the Town, and, together with all other Outstanding Bonds Similarly Secured, are payable as to both principal and interest solely from and equally secured by a first lien on and pledge of the Pledged Revenues. Reference is hereby made to the Ordinance for a more complete statement of the covenants and provisions securing the payment of this Bond and the series of which it is one.

THE TOWN EXPRESSLY RESERVES the right to issue further and additional special revenue obligations equally secured by a lien on and pledge of the Pledged Revenues on a parity with the Bonds of this issue; provided, however, that any and all such additional parity obligations may be issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Ordinance, to which reference is hereby made for more complete and full particulars.

THE HOLDER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Town, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the Town.

IN WITNESS WHEREOF, the Town has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Town and countersigned with the manual or facsimile signature of the Town Secretary of the Town, and has caused the official seal of the Town to be duly impressed, or placed in facsimile, on this Bond.

Town Secretary
Town of Prosper, Texas

Mayor
Town of Prosper, Texas

(Town Seal)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, Dallas, Texas,
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: _____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(e) Insertions for the Initial Bond.

(i) The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) the first paragraph shall be deleted and the following will be inserted:

"THE TOWN OF PROSPER, TEXAS (the "Town"), being a political subdivision located in Collin and Denton Counties, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on August 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		

The Town promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the [Delivery Date] at the respective Interest Rate per annum specified above. Interest is payable on [February 15, 2025 and on each August 15 and February 15] thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of

authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(C) The initial Bond shall be numbered "T-1."

Town of Prosper, TX
Certificates of Obligation, Series 2024
OR **Water and Sewer Revenue Bonds, Series 2024**

Preliminary Schedule of Events (as of May 8, 2024)

May-24						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Jun-24						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Jul-24						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Aug-24						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sep-24						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Complete By	Day	Event
28-May-24	Tuesday	Town Council approves publication of Notice of Intent for the Certificates. Publication will occur in the Town's paper of record.
3-Jun-24	Monday	HilltopSecurities requests information for preparation of the Official Statement
5-Jun-24	Wednesday	1st publication of Notice of Intent for Certificates
10-Jun-24	Monday	HilltopSecurities receives requested information
12-Jun-24	Wednesday	2nd publication of Notice of Intent for Certificates
17-Jun-24	Monday	Draft Official Statement distributed to the Town and Bond Counsel
24-Jun-24	Monday	HilltopSecurities receives comments on Official Statement
1-Jul-24	Monday	Distribute POS to Rating Agencies
16-Jul-24	Tuesday	Rating Agency meetings at the Town (Potentially meeting w/ S&P, Moody's and Fitch)
23-Jul-24	Tuesday	Town Council approval of Parameter Ordinance for Certificates of Obligation* <u>OR</u> Water and Sewer Revenue Bonds
29-Jul-24	Monday	Anticipated receipt of credit ratings
30-Jul-24	Tuesday	Electronically mail CO Official Statement <u>OR</u> Water and Sewer Revenue Bond Official Statement to potential purchasers**
6-Aug-24	Tuesday	Pricing; Pricing Officer adopts final pricing**
4-Sep-24	Wednesday	Closing and delivery of funds to the Town**

* Pricing must occur within 90 days of Council approval of the Parameter Ordinance.

** Preliminary, subject to change.

EXHIBIT B

Project Name	Revenue Bonds Issuance
Wastewater Projects	
Doe Branch Expansion, Phase 3 WWTP: 2322-WW	\$27,500,000
Doe Branch Parallel Interceptor: 2103-WW	\$3,750,000
TOTAL REVENUE BONDS ISSUANCE	\$31,250,000

No water projects for the Series 2024 issuance.