



## Town of Ponder

Monday, July 11, 2022 at 6:00 PM  
102 W. Bailey Street, Ponder, TX 76259

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### NOTICE

**THE TOWN COUNCIL FOR THE TOWN OF PONDER, TEXAS, WILL CONVENE IN REGULAR SESSION AT 6:00 P.M. ON JULY 11, 2022, IN PONDER TOWN HALL, AT 102 W. BAILEY STREET, PONDER.**

#### **REGULAR SESSION AGENDA**

#### **CALL TO ORDER**

#### **ROLL CALL**

#### **INVOCATION AND PLEDGE OF ALLEGIANCE**

**OPEN FORUM FOR CITIZEN INPUT** (Please limit to 5 minutes per person and if you wish to speak on a particular agenda item, please list the agenda item next to your name).

*This is a time for the public to address the Town Council on any subject. However, the Texas Open Meetings Act prohibits the Town Council from discussing issues which the public has not been given seventy-two (72) hours' notice. Issues raised may be referred to Town Staff for research and possible future action.*

#### **ITEMS OF BUSINESS**

1. Consider and act on approval of Ordinance 22-09, approving the 2022 Annual Service Plan Update to the Service and Assessment Plan for Ponder Public Improvement District, No. 1.
2. Conduct a Public Hearing relative to an unsafe building located at 406 Frederick St, Ponder, TX.
3. Consider and act on any action to be taken relative to the unsafe building located at 406 Frederick Street, Ponder, TX.
4. Consider and act on approval of Ordinance 22-10, authorizing the issuance and sale of Town of Ponder, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2022.

## ITEMS FOR NEXT AGENDA

### ADJOURN

The Town Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code, Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development)

### CERTIFICATION

**I hereby certify that the above notice was posted on the bulletin board at the Ponder Town Hall at 102 W. Bailey Street, Ponder, Texas on the 8th day of July 2022, at 11:00 a.m.**

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**Sheri Clearman, Town Secretary**

*If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact our office at 940-479-7009. Reasonable accommodations will be made to assist your needs.*



**PONDER**  
**PUBLIC IMPROVEMENT DISTRICT NO. 1**  
**2022 ANNUAL SERVICE PLAN UPDATE**

JULY 11, 2022

## INTRODUCTION

Capitalized terms used in this Annual Service Plan Update shall have the meanings set forth in 2017 Update to the Service and Assessment Plan (the “2017 SAP”), or PID Reimbursement Agreement, as applicable.

PID No. 1 was created pursuant to the PID Act by Resolution No. 15-01 on February 12, 2015, by the Town Council to finance the costs of certain Authorized Improvements for the benefit of property in PID No. 1. On May 14, 2015, the Town Council adopted and approved the Service and Assessment Plan for PID No. 1 by Ordinance No. 15-05 to finance the Authorized Improvements for the benefit of the property in PID No. 1.

On September 11, 2017, the Town Council approved the 2017 SAP for PID No. 1 by adopting Resolution No. 17-07, which updated the Assessment Roll for 2017.

On August 13, 2018, the Town Council approved the 2018 Annual Service Plan Update for PID No. 1 by adopting Resolution No. 18-11, which updated the Assessment Roll for 2018.

On June 10, 2019, the Town Council approved the 2019 Annual Service Plan Updated for PID No. 1 by adopting Resolution No. 19-02, which updated the Assessment Roll for 2019.

On June 8, 2020, the Town Council approved the 2020 Annual Service Plan Updated for PID No. 1 by adopting Resolution No. 20-08, which updated the Assessment Roll for 2020.

On August 9, 2021, the Town Council approved the 2021 Annual Service Plan Updated for PID No. 1 by adopting Resolution No. 21-14, which updated the Assessment Roll for 2021.

The 2017 SAP identified the Authorized Improvements to be provided by PID No. 1, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in PID No. 1 for the costs of the Authorized Improvements. Pursuant to the PID Act, the 2017 SAP must be reviewed and updated annually. This document is the Annual Service Plan Update for 2022.

The Town Council also adopted an Assessment Roll identifying the Assessments on each Lot within PID No. 1 based on the method of assessment identified in the 2017 SAP. This 2022 Annual Service Plan Update also updates the Assessment Roll for 2022.

**PARCEL SUBDIVISION**

PID No. 1 is fully subdivided with the two plats listed below:

- The final plat for Remington Park Phase 4 was filed and recorded with the County on July 16, 2015, and contains 128 residential Lots, and 1 park/open-space Lot.
- The final plat for Remington Park Phase 5 was filed and recorded with the County on March 30, 2017 and contains 145 residential Lots.

**LOT AND HOME SALES**

All Residential Lots have completed homes, and all Residential Lots have been sold to end-users.

See **Exhibit C** for Homebuyer Disclosures.

**BUDGET FOR CONSTRUCTION OF AUTHORIZED IMPROVEMENTS**

All Authorized Improvements, including the water distribution system, wastewater collection system, storm sewer collection system, and roadway improvements have been completed and accepted by the Town, and no further Authorized Improvements are anticipated.

**OUTSTANDING ASSESSMENT**

PID No. 1 has an outstanding Assessment of \$3,430,000.00.

**ANNUAL INSTALLMENT DUE 1/31/2023**

- **Principal and Interest** - The total principal and interest required for the Annual Installment due is \$204,150.00.
- **Additional Interest** - The Delinquency and Prepayment Reserve Requirement, as defined in the Indenture, is equal to \$102,900.00 and has not been met. As such, the Delinquency and Prepayment Reserve Account will be funded with Additional Interest on the outstanding Assessment, resulting in Additional Interest due of \$17,150.00.
- **Administrative Expense** - The cost of administering PID No. 1, collecting the Annual Installments, dissemination agent fees, audit fees, and Trustee fees shall be paid for on a pro rata basis by each Lot based on the amount of outstanding Assessment remaining on the Lot. The total Administrative Expenses budgeted for the Annual Installment is \$32,762.26.

Due January 31, 2023		
Principal	\$	35,000.00
Interest	\$	169,150.00
Additional Interest	\$	17,150.00
Administrative Expenses	\$	32,762.26
<b>Total Annual Installment</b>	<b>\$</b>	<b>254,062.26</b>

See **Exhibit B** for the debt service schedule for the Bonds as shown in the official statement.

**PREPAYMENT OF ASSESSMENTS IN FULL**

No full prepayments have been received in PID No. 1.

**PARTIAL PREPAYMENTS OF ASSESSMENTS**

No partial prepayments have been received in PID No. 1.

**EXTRAORDINARY OPTIONAL REDEMPTIONS**

No extraordinary optional redemptions have been occurred in PID No. 1.

**DEFERRAL OF ANNUAL INSTALLMENTS**

The following Property ID has elected to defer payment of Annual Installments pursuant to Chapter 33, Section 33.06 of the Texas Tax Code. The Annual Installments currently deferred are shown in the table below. If any Annual Installment due 1/31/2023 is deferred, this section shall be updated in next year’s Annual Service Plan Update to reflect such.

Property ID	Address	Deferral Effective Date	Annual Installment Due	Deferred Annual Installment
702140	213 JOCKEY CT	1/1/2019	1/31/2020	\$ 761.08
702140	213 JOCKEY CT	1/1/2019	1/31/2021	\$ 891.44
702140	213 JOCKEY CT	1/1/2019	1/31/2022	\$ 925.58

## SERVICE PLAN - FIVE YEAR BUDGET FORECAST

The Act requires the annual indebtedness and projected costs for the improvements to be reviewed and updated in the Annual Service Plan Update, and the projection shall cover a period of not less than five years.

Annual Installment Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
Principal		\$ 35,000.00	\$ 40,000.00	\$ 45,000.00	\$ 55,000.00	\$ 60,000.00
Interest		169,150.00	167,750.00	166,150.00	164,350.00	162,150.00
	(1)	\$ 204,150.00	\$ 207,750.00	\$ 211,150.00	\$ 219,350.00	\$ 222,150.00
Additional Interest	(2)	\$ 17,150.00	\$ 16,975.00	\$ 16,775.00	\$ 16,550.00	\$ 16,275.00
Administrative Expenses	(3)	\$ 32,762.26	\$ 33,417.51	\$ 34,085.86	\$ 34,767.57	\$ 35,462.92
<b>Total Annual Installment</b>	<b>(4) = (1) + (2) + (3)</b>	<b>\$254,062.26</b>	<b>\$258,142.51</b>	<b>\$262,010.86</b>	<b>\$ 270,667.57</b>	<b>\$ 273,887.92</b>

## ASSESSMENT ROLL

The list of Lots within PID No. 1 as of January 1, 2022, the corresponding outstanding Assessments, and Annual Installment are shown on the Assessment Roll attached hereto as **Exhibit A**. The Lots shown on the Assessment Roll will receive bills for the 2022 Annual Installments which will be delinquent if not paid by January 31, 2023.

## EXHIBIT A – ASSESSMENT ROLL

Property ID	Phase	Lot Type	Notes	Installment Due	
				Outstanding Assessment <sup>[a],[b]</sup>	1/31/23 <sup>[a],[c]</sup>
242851	Remington Park Phase 4	Non-Benefitted Property		\$ -	\$ -
668133	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668134	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668135	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668136	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668137	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668138	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668139	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668140	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668141	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668142	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668143	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668144	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668145	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668146	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668147	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668148	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668149	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668150	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668151	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668152	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668153	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668154	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668155	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668156	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668157	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668158	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668159	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668160	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668161	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668162	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668163	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668164	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668165	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668166	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668167	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668168	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668169	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668170	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668171	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86



Property ID	Phase	Lot Type	Notes	Installment Due	
				Outstanding Assessment <sup>[a],[b]</sup>	1/31/23 <sup>[a],[c]</sup>
668172	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668173	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668174	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668175	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668176	Remington Park Phase 4	Non-Benefitted Property		\$ -	\$ -
668177	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668178	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668179	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668180	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668181	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668182	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668183	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668184	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668185	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668186	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668187	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668188	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668189	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668190	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668191	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668192	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668193	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668194	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668195	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668196	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668197	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668198	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668199	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668200	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668201	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668202	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668203	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668204	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668205	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668206	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668207	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668208	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668209	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668210	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668211	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86

Property ID	Phase	Lot Type	Notes	Installment Due	
				Outstanding Assessment <sup>[a],[b]</sup>	1/31/23 <sup>[a],[c]</sup>
668212	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668213	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668214	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668215	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668216	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668217	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668218	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668219	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668220	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668221	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668222	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668223	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668224	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668225	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668226	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668227	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668228	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668229	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668230	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668231	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668232	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668233	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668234	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668235	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668236	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668237	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668238	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668239	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668240	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668241	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668242	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668243	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668244	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668245	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668246	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668247	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668248	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668249	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668250	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668251	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86

Property ID	Phase	Lot Type	Notes	Installment Due	
				Outstanding Assessment <sup>[a],[b]</sup>	1/31/23 <sup>[a],[c]</sup>
668252	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668253	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668254	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668255	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668256	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668257	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668258	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668259	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668260	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
668261	Remington Park Phase 4	Residential Lot		\$ 12,460.94	\$ 950.86
702121	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702122	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702123	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702124	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702125	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702126	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702127	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702128	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702129	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702130	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702131	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702132	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702133	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702134	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702135	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702136	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702137	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702138	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702139	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702140	Remington Park Phase 5	Residential Lot	[d]	\$ 12,655.17	\$ 912.77
702141	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702142	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702143	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702144	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702145	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702146	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702147	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702148	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702149	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702150	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77

Property ID	Phase	Lot Type	Notes	Installment Due	
				Outstanding Assessment <sup>[a],[b]</sup>	1/31/23 <sup>[a],[c]</sup>
702151	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702152	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702153	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702154	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702155	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702156	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702157	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702158	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702159	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702160	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702161	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702162	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702163	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702164	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702165	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702166	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702167	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702168	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702169	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702170	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702171	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702172	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702173	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702174	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702175	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702176	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702177	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702178	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702179	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702180	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702181	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702182	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702183	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702184	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702185	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702186	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702187	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702188	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702189	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702190	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77

Property ID	Phase	Lot Type	Notes	Installment Due	
				Outstanding Assessment <sup>[a],[b]</sup>	1/31/23 <sup>[a],[c]</sup>
702191	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702192	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702193	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702194	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702195	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702196	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702197	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702198	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702199	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702200	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702201	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702202	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702203	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702204	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702205	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702206	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702207	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702208	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702209	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702210	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702211	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702212	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702213	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702214	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702215	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702216	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702217	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702218	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702219	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702220	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702221	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702222	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702223	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702224	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702225	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702226	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702227	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702228	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702229	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702230	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77

Property ID	Phase	Lot Type	Notes	Outstanding Assessment <sup>[a],[b]</sup>	Installment Due 1/31/23 <sup>[a],[c]</sup>
702231	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702232	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702233	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702234	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702235	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702236	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702237	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702238	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702239	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702240	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702241	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702242	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702243	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702244	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702245	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702246	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702247	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702248	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702249	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702250	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702251	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702252	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702253	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702254	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702255	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702256	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702257	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702258	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702259	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702260	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702261	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702262	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702263	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702264	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
702265	Remington Park Phase 5	Residential Lot		\$ 12,655.17	\$ 912.77
<b>Total</b>				<b>\$ 3,429,999.97</b>	<b>\$ 254,061.73</b>

Notes:

- [a] Totals may not match the total outstanding Assessment or Annual Installment due to rounding.
- [b] Outstanding Assessment prior to 1/31/2023 Annual Installment.
- [c] The Annual Installment covers the period September 1, 2022 to August 31, 2023 and is due by 1/31/2023.
- [d] Property IDs have elected to defer payment of Annual Installments pursuant to Chapter 33, Section 33.06 of the Texas Tax Code. The Annual Installments currently deferred are shown in the table in the "Deferral of Annual Installments" section of this Annual Service Plan Update. If any Annual Installment due 1/31/2023 is deferred, the aforementioned section shall be updated in next year's Annual Service Plan Update to reflect such.

## EXHIBIT B – DEBT SERVICE SCHEDULE

### DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Bonds:

Year Ending (September 30)	Principal	Interest	Total
2018	\$ 25,000	\$ 157,822.91	\$ 182,822.91
2019	15,000	172,750.00	187,750.00
2020	20,000	172,150.00	192,150.00
2021	25,000	171,350.00	196,350.00
2022	30,000	170,350.00	200,350.00
2023	35,000	169,150.00	204,150.00
2024	40,000	167,750.00	207,750.00
2025	45,000	166,150.00	211,150.00
2026	55,000	164,350.00	219,350.00
2027	60,000	162,150.00	222,150.00
2028	65,000	159,750.00	224,750.00
2029	75,000	156,500.00	231,500.00
2030	85,000	152,750.00	237,750.00
2031	95,000	148,500.00	243,500.00
2032	100,000	143,750.00	243,750.00
2033	110,000	138,750.00	248,750.00
2034	120,000	133,250.00	253,250.00
2035	135,000	127,250.00	262,250.00
2036	145,000	120,500.00	265,500.00
2037	155,000	113,250.00	268,250.00
2038	170,000	105,500.00	275,500.00
2039	185,000	97,000.00	282,000.00
2040	200,000	87,750.00	287,750.00
2041	215,000	77,750.00	292,750.00
2042	230,000	67,000.00	297,000.00
2043	245,000	55,500.00	300,500.00
2044	265,000	43,250.00	308,250.00
2045	285,000	30,000.00	315,000.00
2046	150,000	15,750.00	165,750.00
2047	<u>165,000</u>	<u>8,250.00</u>	<u>173,250.00</u>
<b>Total</b>	<b><u>\$3,545,000</u></b>	<b><u>\$3,655,972.91</u></b>	<b><u>\$7,200,972.91</u></b>

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## **EXHIBIT C – BUYER DISCLOSURES**

Buyer Disclosures for the following Lot Types are found in this Exhibit:

- Phase 4 Residential Lot
- Phase 5 Residential Lot



**PONDER PUBLIC IMPROVEMENT DISTRICT NO. 1 – PHASE 4  
RESIDENTIAL LOT – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
THE TOWN OF PONDER, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

**PRINCIPAL PHASE 4 RESIDENTIAL LOT ASSESSMENT: \$12,460.94**

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Ponder, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Ponder Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the Town of Ponder. The exact amount of each annual installment will be approved each year by the Town Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town of Ponder.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

## ANNUAL INSTALLMENTS - PHASE 4 – RESIDENTIAL LOT

Installments Due 1/31	Principal	Interest	Additional Interest	Administrative Expenses	Total Installment
2023	\$ 156.25	\$ 613.28	\$ 62.30	\$ 119.02	\$ 950.86
2024	\$ 156.25	\$ 607.03	\$ 61.52	\$ 121.12	\$ 945.92
2025	\$ 195.31	\$ 600.78	\$ 60.74	\$ 123.42	\$ 980.26
2026	\$ 234.38	\$ 592.97	\$ 59.77	\$ 125.55	\$ 1,012.66
2027	\$ 234.38	\$ 583.59	\$ 58.59	\$ 127.67	\$ 1,004.24
2028	\$ 273.44	\$ 574.22	\$ 57.42	\$ 130.02	\$ 1,035.10
2029	\$ 312.50	\$ 560.55	\$ 56.05	\$ 132.15	\$ 1,061.25
2030	\$ 351.56	\$ 544.92	\$ 54.49	\$ 134.25	\$ 1,085.23
2031	\$ 390.63	\$ 527.34	\$ 52.73	\$ 136.31	\$ 1,107.02
2032	\$ 390.63	\$ 507.81	\$ 50.78	\$ 138.32	\$ 1,087.53
2033	\$ 429.69	\$ 488.28	\$ 48.83	\$ 140.54	\$ 1,107.34
2034	\$ 468.75	\$ 466.80	\$ 46.68	\$ 142.70	\$ 1,124.93
2035	\$ 546.88	\$ 443.36	\$ 44.34	\$ 144.77	\$ 1,179.34
2036	\$ 585.94	\$ 416.02	\$ 41.60	\$ 146.32	\$ 1,189.87
2037	\$ 625.00	\$ 386.72	\$ 38.67	\$ 147.62	\$ 1,198.01
2038	\$ 664.06	\$ 355.47	\$ 35.55	\$ 148.57	\$ 1,203.65
2039	\$ 742.19	\$ 322.27	\$ 32.23	\$ 149.42	\$ 1,246.10
2040	\$ 781.25	\$ 285.16	\$ 28.52	\$ 149.08	\$ 1,244.00
2041	\$ 859.38	\$ 246.09	\$ 24.61	\$ 148.11	\$ 1,278.19
2042	\$ 898.44	\$ 203.13	\$ 20.31	\$ 144.70	\$ 1,266.57
2043	\$ 976.56	\$ 158.20	\$ 15.82	\$ 138.77	\$ 1,289.36
2044	\$ 1,054.69	\$ 109.38	\$ 10.94	\$ 125.58	\$ 1,300.58
2045	\$ 1,132.81	\$ 56.64	\$ 5.66	\$ 95.63	\$ 1,290.75
<b>Total</b>	<b>\$ 12,460.94</b>	<b>\$ 9,650.00</b>	<b>\$ 968.16</b>	<b>\$ 3,109.65</b>	<b>\$ 26,188.75</b>

Notes:

*The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

**PONDER PUBLIC IMPROVEMENT DISTRICT NO. 1 – PHASE 5  
RESIDENTIAL LOT – BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO  
THE TOWN OF PONDER, TEXAS  
CONCERNING THE FOLLOWING PROPERTY

\_\_\_\_\_  
STREET ADDRESS

**PRINCIPAL PHASE 4 RESIDENTIAL LOT ASSESSMENT: \$12,655.17**

As the purchaser of the real property described above, you are obligated to pay assessments to the Town of Ponder, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Ponder Public Improvement District No. 1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the Town of Ponder. The exact amount of each annual installment will be approved each year by the Town Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the Town of Ponder.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

\_\_\_\_\_  
<sup>1</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County when updating for the Current Information of Obligation to Pay Improvement District Assessment.



[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

<sup>2</sup> To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

§

The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>3</sup>

\_\_\_\_\_  
<sup>3</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF \_\_\_\_\_

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The foregoing instrument was acknowledged before me by \_\_\_\_\_ and \_\_\_\_\_, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this \_\_\_\_\_, 20\_\_.

Notary Public, State of Texas]<sup>4</sup>

\_\_\_\_\_  
<sup>4</sup> To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Rockwall County.

## ANNUAL INSTALLMENTS - PHASE 5 – RESIDENTIAL LOT

Installments Due 1/31	Principal	Interest	Additional Interest	Administrative Expenses	Total Installment
2023	\$ 103.45	\$ 625.17	\$ 63.28	\$ 120.88	\$ 912.77
2024	\$ 137.93	\$ 621.03	\$ 62.76	\$ 123.55	\$ 945.27
2025	\$ 137.93	\$ 615.52	\$ 62.07	\$ 126.12	\$ 941.64
2026	\$ 172.41	\$ 610.00	\$ 61.38	\$ 128.94	\$ 972.74
2027	\$ 206.90	\$ 603.10	\$ 60.52	\$ 131.87	\$ 1,002.38
2028	\$ 206.90	\$ 594.83	\$ 59.48	\$ 134.69	\$ 995.89
2029	\$ 241.38	\$ 584.48	\$ 58.45	\$ 137.79	\$ 1,022.10
2030	\$ 275.86	\$ 572.41	\$ 57.24	\$ 141.03	\$ 1,046.54
2031	\$ 310.34	\$ 558.62	\$ 55.86	\$ 144.40	\$ 1,069.23
2032	\$ 344.83	\$ 543.10	\$ 54.31	\$ 147.93	\$ 1,090.17
2033	\$ 379.31	\$ 525.86	\$ 52.59	\$ 151.36	\$ 1,109.12
2034	\$ 413.79	\$ 506.90	\$ 50.69	\$ 154.96	\$ 1,126.34
2035	\$ 448.28	\$ 486.21	\$ 48.62	\$ 158.76	\$ 1,141.86
2036	\$ 482.76	\$ 463.79	\$ 46.38	\$ 163.12	\$ 1,156.05
2037	\$ 517.24	\$ 439.66	\$ 43.97	\$ 167.82	\$ 1,168.68
2038	\$ 586.21	\$ 413.79	\$ 41.38	\$ 172.94	\$ 1,214.32
2039	\$ 620.69	\$ 384.48	\$ 38.45	\$ 178.27	\$ 1,221.89
2040	\$ 689.66	\$ 353.45	\$ 35.34	\$ 184.78	\$ 1,263.23
2041	\$ 724.14	\$ 318.97	\$ 31.90	\$ 191.96	\$ 1,266.96
2042	\$ 793.10	\$ 282.76	\$ 28.28	\$ 201.43	\$ 1,305.57
2043	\$ 827.59	\$ 243.10	\$ 24.31	\$ 213.24	\$ 1,308.24
2044	\$ 896.55	\$ 201.72	\$ 20.17	\$ 231.61	\$ 1,350.05
2045	\$ 965.52	\$ 156.90	\$ 15.69	\$ 264.89	\$ 1,403.00
2046	\$ 1,034.48	\$ 108.62	\$ 10.86	\$ 356.30	\$ 1,510.26
2047	\$ 1,137.93	\$ 56.90	\$ 5.69	\$ 363.42	\$ 1,563.94
<b>Total</b>	<b>\$ 12,655.17</b>	<b>\$ 10,871.38</b>	<b>\$ 1,089.66</b>	<b>\$ 4,492.07</b>	<b>\$ 29,108.27</b>

Notes:

*The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Administrative Expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.*

**TOWN OF PONDER**

**ORDINANCE 22-09**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PONDER, TEXAS APPROVING THE 2022 ANNUAL SERVICE PLAN UPDATE TO THE SERVICE AND ASSESSMENT PLAN, INCLUDING THE ASSESSMENT ROLL, FOR PONDER PUBLIC IMPROVEMENT DISTRICT NO. 1 IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; AND PROVIDING AN EFFECTIVE DATE.**

**RECITALS**

**WHEREAS**, on February 12, 2015, after notice and a public hearing in the manner required by law, the Town Council (the "Town Council") of the Town of Ponder, Texas (the "Town") passed and approved Resolution No. 15-01 authorizing the creation of Ponder Public Improvement District No. 1 (the "PID No. 1") for the Remington Park project; and

**WHEREAS**, on May 14, 2015, after notice and a public hearing in the manner required by law, the Town Council passed Ordinance No. 15-05 approving the "Ponder Public Improvement District No. 1 Service and Assessment Plan," including the Assessment Roll (the "Assessment Roll"), (the "Service and Assessment Plan") and levied the Assessments on property within PID No. 1 in accordance with the Assessment Roll for the purposes of financing the public improvements (the "Authorized Improvements") undertaken for the benefit of such property; and

**WHEREAS**, Chapter 372, Texas Local Government Code (as amended, the "PID Act") requires the Service and Assessment Plan to be reviewed and updated annually for the purposes of determining the annual budget for the Authorized Improvements; and

**WHEREAS**, the Town Council has received the "Ponder Public Improvement District No. 1 2022 Annual Service Plan Update" (the "Annual Service Plan Update") which includes the updated Assessment Roll and now desires to proceed with the adoption of this Ordinance which approves and adopts the Annual Service Plan Update and updated Assessment Roll for PID No. 1 as required by the PID Act.

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

**Section 1. Terms.** Terms not otherwise defined herein are defined in the Service and Assessment Plan.

**Section 2. Findings.** That the recitals and findings in the Recitals of this Ordinance are hereby found and determined to be true and correct and constitute the legislative findings and determinations of the Town Council.

**Section 3. Assessment Plan.** The Annual Service Plan Update, including the updated Assessment Roll contained therein, in the form attached as **Exhibit A** is hereby approved and the same is incorporated as part of this Ordinance as if fully set forth in the body of this Ordinance.

**Section 4. Severability.** If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the governing body of the Town in adopting this Ordinance that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

**Section 5. Effective Date.** This Ordinance shall take effect immediately from and after its passage in accordance with applicable law.

**DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF PONDER, TEXAS, THE 11<sup>th</sup> DAY OF JULY 2022.**

TOWN OF PONDER

\_\_\_\_\_  
MATTHEW POOLE, MAYOR

ATTEST:

\_\_\_\_\_  
SHERI CLEARMAN, TOWN SECRETARY

**Exhibit A**  
**2022 Annual Service Plan Update**

*[Remainder of page left intentionally blank.]*

PONDER - CODE COMPLIANCE  
102 W BAILEY ST  
PONDER TX 76259-7035

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**USPS CERTIFIED MAIL**



**9407 1118 9876 5878 2099 87**

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WAYLA LYLES  
PO BOX 145  
PONDER TX 76259-0145

**\$4.28 US POSTAGE**

**FIRST-CLASS**

Jun 22 2022

Mailed from ZIP 76259

1 oz First-Class Mail Letter

11923275



stamps  
endicia

062S0012913542







# NOTICE OF UNSAFE BUILDING

## Code Compliance

DATE: 06/22/2022	CASE #: 22-00095
OWNER: LYLES, WAYLA	
OWNER'S MAILING ADDRESS: PO BOX 145 / PONDER, TX 76259-0145	

UNSAFE BUILDING ADDRESS/LOCATION: 406 FREDERICK ST / PONDER, TX 76259-7528	
C.A.D. ID #: 45196	LEGAL DESCRIPTION: O T PONDER BLK 9 LOT 2(N75')
NOTIFIED VIA CERT. MAIL, RETURN RECIEPT REQUESTED #: 9407 1118 9876 5878 2099 87	

The aforementioned property is in violation of the Town of Ponder Code of Ordinance:  
Chapter 151.

- Walls or other vertical structural members list, lean, or buckle.
- Stairways, fire escapes, and other facilities of egress in case of fire or panic are inadequate.
- Damage or deterioration exists to the extend that the building is unsafe.
- Parts or appendages of the building or structure are so attached that they are likely to fall and injure persons or property.
- Loads on floors or roof are improperly distributed or the floors or roofs are of insufficient strength to be reasonably safe for the proposed use.
- The building or structure is so dilapidated, substandard, decayed, unsafe, unsanitary, or otherwise lacking in the amenities essential to decent living that the same is unfit for human habitation or is likely to cause sickness, disease, or injury or otherwise to constitute a detriment to the health, morals, safety, or general welfare of those persons assembled, working, or living therein, or is a hazard to the public health, safety, and welfare.
- Damage by fire, wind, or other cause has rendered the building or structure dangerous to life, safety, morals, or the general health and welfare of the occupants or the people of the town.
- Light, air and sanitation facilities are inadequate to protect the health, morals, safety, or general welfare of persons who assemble, work, or live therein.

SPECIFIC CONDITIONS UPON WHICH DETERMINATION WAS BASED:

- **Roof:** Decking is showing signs of deterioration (sagging between rafters). Numerous missing shingles. Exposed tar paper and wood decking.

- **Exterior Walls:** Siding damaged or missing in many areas. Weather protection deteriorated in many areas (paint). Exposed framing shows clear signs of rot and deterioration, no longer able to support imposed loads.
- **Exterior Area:** Left side of front porch sags. Damaged exterior lighting with exposed wiring.
- **Interior:** Collapsed drywall ceiling, exposing structural wood framing. Suspected cause; roof leak causing severe interior deterioration.
- **Accessory Structure:** Damaged/deteriorated siding, damaged/deteriorated weather protection (paint), exposed structural members at ground level, corrugated metal roof appears to have come unfastened in some areas and is no longer lying flat.

**Unsafe Buildings are declared to be a Nuisance. It is unlawful for any person to maintain or permit the existence of any unsafe building in town.**

**CORRECTIVE MEASURES REQUIRED:** Any and all conditions listed above must be abated by removal, repair, rehabilitation, or demolition.

**RECOMMENDED DEADLINE FOR COMPLIANCE:**

- Estimates for repair or demolition acquired and submitted to the Town within 1 month after the date of Public Hearing.
- Submission of application for any required building Permits within 2 months after the date of Public Hearing.
- Completion of repair or demolition within the timeline provided by the obtained Permit.

**You are hereby notified of a Public Hearing before the Town Council to determine whether your building complies with the standards set out within Chapter 151 of the Town of Ponder Code of Ordinances.**

**Hearing Date:** 07/11/2022

**Hearing Time:** 6:00pm EST

**Hearing Location:** Town of Ponder City Hall / 102 W. Bailey St. / Ponder, TX 76259

**Please Note:**

- In many instances, a Building Permit will be required. Please contact the Ponder Town Hall for more information at (940) 479-7007.
- Your attendance at the above-mentioned public hearing before the Town Council is not required, however, all interested persons shall have the opportunity to be heard and may introduce evidence to the Town Council for its members' consideration.
- After the Public Hearing, the Town Council shall make findings and orders as it deems appropriate. Should the responsible party fail to take timely action on an Order, the town may vacate, secure, remove, or demolish the building or relocate the occupants at its own expense. If the town incurs expenses, it may file a lien against the property.

Thank you for your cooperation and assistance making our Town a safer and more pleasant place to live and visit. This Notice of Unsafe Building is executed by Town of Ponder Chief of Police Robert Genova, and his signature below affirms the truth of the information contained in this Notice.

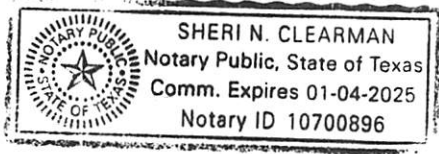
By: *Robert Genova*  
Robert Genova, Chief of Police

**VERIFICATION**

BEFORE ME, the undersigned authority on this day personally appeared Robert Genova, Chief of Police for the Town of Ponder, Texas, known to me, who after being duly sworn, upon his oath stated that he has read the foregoing document; and that every statement contained therein is true and correct within his personal knowledge.

SUBSCRIBED AND SWORN TO before me on this 22 day of June, 2022, to which I place my signature and official seal.

*Sheri Clearman*  
Notary Public In and For the State of Texas



CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS  
DENTON COUNTY  
TOWN OF PONDER

We, the undersigned officers of the Town of Ponder, Texas (the "Town"), hereby certify as follows:

1. The Town Council of said Town convened in a regular meeting on July 11, 2022 at the regular meeting location and the roll was called of the duly constituted officers and members of said Town Council, to wit:

- |                |                        |
|----------------|------------------------|
| Matthew Poole  | Mayor                  |
| Nick McGregor  | Council Member Place 4 |
| Ginger Deussen | Council Member Place 1 |
| Tracy Lynch    | Council Member Place 2 |
| Brandy Couch   | Council Member Place 3 |
| Jeriana Staton | Council Member Place 5 |

and all of said persons were present, except \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF PONDER, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Town Council. It was then duly moved and seconded that said Ordinance be adopted and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried by the following vote:

AYES: \_\_\_\_\_ NOES: \_\_\_\_\_ ABSTAIN: \_\_\_\_\_

2. That a true, full and correct copy of the aforesaid Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Ordinance has been duly recorded in said Town Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Town Council's minutes of said Meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Town Council as indicated therein; that each of the officers and members of said Town Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said Town has approved and hereby approves the aforesaid Ordinance; that the Mayor and the Town Secretary of said Town have duly signed said Ordinance; and that the Mayor and the Town Secretary of said Town hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON JULY 11, 2022.

\_\_\_\_\_  
Town Secretary,  
Town of Ponder, Texas

\_\_\_\_\_  
Mayor  
Town of Ponder, Texas

(TOWN SEAL)

**ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF PONDER, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT**

WHEREAS, the Town Council of the Town of Ponder, Texas, deems it advisable to issue Certificates of Obligation in the amount of \$3,700,000 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, Local Government Code and Chapter 1502, Texas Government Code; and

WHEREAS, the Town Council has heretofore passed a resolution authorizing and directing the Town Secretary to give notice of intention to issue Certificates of Obligation ("Notice"), and the Notice has been duly published in a newspaper of general circulation in said Town on May 17, 2022 and May 24, 2022, said newspaper being a "newspaper" as defined in Section 2051.044, Texas 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, during the preceding three years, the Town has not submitted a bond proposition to authorize the issuance of bonds for the same purpose for which the Certificates of Obligation are hereby being issued and which proposition was disapproved by voters; and

WHEREAS, it is considered to be to the best interest of the Town that said interest-bearing Certificates of Obligation be issued; 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 PONDER, TEXAS:**

Section 1. **RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES.** 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. The certificates of the Town of Ponder, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of \$3,700,000 for paying all or a portion of the Issuer's contractual obligations incurred in connection with (1) constructing and improving the Town's water and wastewater system consisting of new and replaced water lines and sewer lines; system generators; treatment plant expansion; and acquiring interests in land for such projects; and (2) paying fees for legal, fiscal, engineering, architectural and other professional services in connection with these projects (collectively, the "Project").

Section 2. **DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES.** Each certificate issued pursuant to this Ordinance shall be designated: "TOWN OF PONDER, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2022," and initially there shall be issued, sold, and delivered hereunder one

fully registered certificate, without interest coupons, dated August 1, 2022, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said certificates shall mature and be payable on the Maturity Dates and in the Principal Amounts, respectively, and shall bear interest from August 1, 2022 (the "Dated Date") as set forth in the FORM OF CERTIFICATE in **Exhibit A** of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
[]	[]	[]

The term "Certificates" as used in this Ordinance shall mean and include collectively 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.

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer 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 Issuer and Paying

Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. 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 Issuer 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 Issuer 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 in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(b) Except as provided in Section 3(d) of this Ordinance, 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 Issuer 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, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, 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 that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(c) Payment of Certificates and Interest. The Issuer 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 Issuer 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 Issuer. Notice of the past due interest 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) In General. 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, (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (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 Issuer 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 in this Ordinance. The Certificate



initially issued and delivered pursuant to this Ordinance is 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 set forth in the FORM OF CERTIFICATE.

(e) Paying Agent/Registrar for the Certificates. The Issuer covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity 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 Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 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 Issuer 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 Issuer. Upon any change in the Paying Agent/Registrar, the Issuer 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.

(f) Authentication. Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(g) Book-Entry Only System.

(i) The Certificates issued in exchange for the Certificate initially issued to the initial purchaser specified herein 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, New York, New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(ii) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer 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 Issuer 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 Issuer 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 Issuer'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 Certificate evidencing the obligation of the Issuer 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.

(iii) The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

(h) Successor Securities Depository; Transfers outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representations letter of the Issuer 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 Issuer 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 Certificated Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificated Certificates and transfer one or more separate certificated 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.

(i) 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 representations letter of the Issuer to DTC.

(j) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor (or in the Mayor's absence, by the Mayor Pro Tem), and Town Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to the Depository Trust Company on behalf of such purchaser 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.

(k) With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this 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 will state that said redemption may, at the option of the Issuer, 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 Issuer 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.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, 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 to the Certificates initially issued and delivered pursuant to this Ordinance, shall be substantially in the form provided in Exhibit A, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance. Exhibit A is incorporated in this Ordinance for all purposes.

#### Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Certificates. Any 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 Issuer 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 Issuer, 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 Issuer, 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 limit prescribed by law.

(b) The Certificates are additionally secured by revenues of the Issuer's waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are secured by a lien on all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues." The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to this Section, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of Section 5(a), if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit or budgeted to be 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 Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Chapter 1208, Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas 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 Issuer under this Section is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

#### Section 6. 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 Issuer 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 Issuer 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 Issuer 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 Issuer, or deposited as directed in writing by the Issuer. 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 Issuer or deposited as directed in writing by the Issuer.

(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 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 Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer 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 7. 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 Issuer 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 Issuer 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 Section, 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 Issuer 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 Issuer 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 Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Issuer 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 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND APPROVAL OF BOND INSURANCE; ENGAGEMENT OF BOND COUNSEL.**

(a) The Mayor of the Issuer 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 of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, 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.

(b) The obligation of the initial purchaser to accept delivery of the Certificates is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchaser.

**Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.**

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as Obligation 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 Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates (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 Issuer, 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" that 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 that 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 that 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 that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Certificates, other than investment property acquired with –

(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 30 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 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; and

(9) 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 Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a "Rebate Fund" is hereby established by the Issuer 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

certificateholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer 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 Issuer 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 that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer 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 that impose additional requirements applicable to the Certificates, the Issuer 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 Issuer hereby authorizes and directs the Mayor and Town Secretary to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that 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 Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon 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, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer 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 Project. The Issuer covenants that the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer 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 purposes of the foregoing, the Issuer 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 Issuer shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(g) Designation as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Certificates as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Certificates are issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations that when aggregated with the Certificates, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the



Certificates are issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Certificates will not be considered "private activity bonds" within the meaning of section 141 of the Code.

(g) Procedures to Monitor Compliance with Tax Covenants. The Town hereby adopts the procedures attached hereto as **Exhibit B** as a means of monitoring compliance with the federal tax covenants made herein.

**Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES; APPLICATION OF PREMIUM FROM SALE OF CERTIFICATES.**

(a) The Certificates are hereby sold and shall be delivered to SAMCO Capital Markets (the "Underwriter") for the purchase price of \$[] representing the aggregate principal amount of the Certificates, plus an aggregate reoffering premium of \$[] less an underwriter's discount of \$[], plus accrued in the amount of \$[], pursuant to the terms and provisions of a Purchase Agreement, in substantially the form presented at this meeting, which the Mayor or Mayor Pro Tem is hereby authorized to execute and deliver. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Certificate shall be registered in the name of the SAMCO Capital Markets or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement, prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor, Mayor Pro Tem, and Town Secretary 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 Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar 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, the Certificates, the sale of the Certificates and the Official Statement. 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.

(d) The Certificates have an aggregate premium of \$[] and which shall be allocated as follows:

- (i) the amount of \$[] shall be applied to pay costs of issuance of the Certificates;
- (ii) the amount of \$[] shall be deposited into the Construction Fund established by Section 12 of this Ordinance;
- (iii) the amount of \$[] shall be applied to pay the underwriting spread.

(e) Accrued interest in the amount of \$[] shall be deposited into the Interest & Sinking Fund for the Certificates.

Section 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. 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 Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "*Series 2022 Certificate of Obligation Construction Fund*" for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided. Proceeds of the Certificates in the amount of \$[] shall be deposited into the Construction Fund, other than amounts paid at closing for issuance costs. Upon payment of all such Project costs, any moneys remaining on deposit in said 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 Section 5 of this Ordinance.

(b) The Issuer 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 Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) 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 13. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. That 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.

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

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB certain updated financial information and operating data pertaining to the Issuer, being the following: (i) the Issuer's annual financial audit report; and (ii) the information found in Tables 1, 2, 4 and 9 through 14 in the Official Statement for the Certificates. The Issuer will update and provide the information in Tables 1, 2, 4 and 9 through 14 in the Official Statement within six

months after the end of each fiscal year ending in and after 2022. If not provided at the time of filing Tables 1, 2, 4 and 9 through 14, the Issuer will provide its annual financial audit report when and if available, and in any event, within 12 months after the end of each fiscal year ending in or after 2022. If the annual financial audit report is not complete within 12 months after any such fiscal year end, then the Issuer will file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(ii) Any financial information so to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Issuer appended to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

(iii) If the Issuer 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 Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The 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 that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices. The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but 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 or 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 Certificateholders, 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 an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer 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 Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers

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 Issuer);

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, 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 Bondholders, if material;
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.

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

(d) Limitations, Disclaimers, and Amendments.

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

(ii) 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 Issuer 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 Issuer'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 Issuer 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.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER 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 ISSUER, 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.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this 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 Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer 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 Issuer, 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 Issuer (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 Issuer 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 Issuer 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.

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

(a) The Issuer 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 Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% 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 Issuer; 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 Issuer shall desire to amend this Ordinance under subsection (b) of this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The Town of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% 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 Issuer 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 Issuer 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 publication 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 publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% 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 Issuer 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 Town Council.

Section 16. **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 Town Council.

Section 17. **APPROPRIATION.** To pay the debt service coming due on the Certificates 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.

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.



EXHIBIT A

FORM OF CERTIFICATES.

(a) The form of the Certificates, 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 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.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS  TOWN OF PONDER, TEXAS COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION SERIES 2022	PRINCIPAL AMOUNT \$ _____
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INTEREST RATE	DATED DATE	MATURITY DATE	CUSIP NO.
	August 1, 2022	August 15, _____	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the Town of Ponder, in Denton County, Texas (the "Issuer"), 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 the Maturity Date specified above, the Principal Amount specified above. The Issuer 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 Dated Date above at the Interest Rate per annum specified above. Interest is payable on February 15 and August 15 of each year, commencing February 15, 2023, 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 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 Issuer 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 Issuer. 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 Issuer 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 Town 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 one of a series of Certificates dated August 1, 2022, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$3,700,000 for paying all or a portion of the Issuer's contractual obligations incurred in connection with: (1) constructing and improving the Town's water and wastewater system consisting of new and replaced water lines and sewer lines; system generators; treatment plant expansion; and acquiring interests in land for such projects and (2) paying fees for legal, fiscal, engineering, architectural and other professional services in connection with these projects (collectively, the "Project").

ON AUGUST 15, 203[] or any date thereafter, the Certificates of this series maturing on or after August 15, 20[] may be redeemed prior to their scheduled maturities, at the option of the Issuer, 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 Issuer (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.

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 Issuer, all as provided in the Certificate Ordinance.

IF AT THE TIME OF MAILING OF NOTICE OF REDEMPTION there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the way the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

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 Issuer. 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 (i) 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 (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer 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 Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the Surplus Revenues of the Issuer's waterworks and sewer 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 Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said Surplus Revenues of the Issuer's waterworks and sewer system, all as provided in the Certificate Ordinance.

THE ISSUER 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 Issuer, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the Issuer.

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

\_\_\_\_\_  
(signature)  
Town Secretary

\_\_\_\_\_  
(signature)  
Mayor

(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 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 there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Certificate and that this Certificate has been registered this day by me.

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 PONDER, TEXAS, in Denton County, Texas (the "Issuer"), 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 the Maturity Dates, in the Principal Amounts and bearing interest at the Interest Rates per annum set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
[]	[]	[]

The Issuer 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 Dated Date above, at the respective Interest Rate per annum specified above. Interest is payable on February 15 and August 15 of each year, commencing February 15, 2023, 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."

## EXHIBIT B

### WRITTEN PROCEDURES FOR FEDERAL TAX COMPLIANCE

These procedures, together with any federal tax certifications, provisions included in the order, ordinance or resolution (the "Authorizing Document") authorizing the issuance and sale of any tax-exempt debt such as the Certificates (the "Obligations"), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "Closing Documents"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of such Obligations.

I. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Issuer's Town Secretary (such officer, together with other employees of the Issuer who report to or such officer, is collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

1. Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person will:
  - a. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations must be entered into within 6 months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence to completion;
  - b. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within 3 years of the Issue Date;
  - c. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after 3 years from the Issue Date; and
  - d. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes.
  
2. Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.
  
3. Procedures applicable to Escrow Accounts for Refunding Obligations. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:
  - a. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

- b. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and
  - c. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).
4. Procedures applicable to all Tax-Exempt Obligation Issues. For all issuances of Obligations, the Responsible Person will:
- a. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project;
  - b. Ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
  - c. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Internal Revenue Code of 1986, as amended, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired;
  - d. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period; and
  - e. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.

II. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Person will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the Project financed or refinanced with the proceeds of the Obligations does not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Person will:

- 1. Develop procedures or a "tracking system" to identify all property financed with Obligations;
- 2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;
- 3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public:
  - a. has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the Project;
  - b. has a right to use the output of the Project (e.g., water, gas, electricity); or
  - c. has a right to use the Project to conduct or to direct the conduct of research;
- 4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the Project or any other contractual right granting an intangible benefit;
- 5. Monitor and record whether, at any time the Obligations are outstanding, the Project, or any portion thereof, is sold or otherwise disposed of; and
- 6. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Authorizing Document related to the public use of the Project.



III. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

IV. Responsible Person. A Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the governing body of the Issuer whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking approval of the governing body to engage or utilize existing advisors and agents for such purposes.