



**AGENDA
CITY OF ALLEN
CITY COUNCIL REGULAR MEETING
APRIL 27, 2021 - 7:00 PM
CITY COUNCIL CHAMBERS
ALLEN CITY HALL
305 CENTURY PARKWAY
ALLEN, TX 75013**

Call to Order and Announce a Quorum is Present.

Pledge of Allegiance.

Public Recognition.

1. Citizen's Comments.

[The City Council invites citizens to speak to the Council on any topic not on the agenda or not already scheduled for Public Hearing. Prior to the meeting, please complete a "Public Meeting Appearance Card" and present it to the City Secretary. The time limit is three minutes per speaker, not to exceed a total of fifteen minutes for all speakers.]

2. Presentation of Proclamations by the Office of the Mayor.

- Presentation of a Proclamation to Wendy Hanna, Executive Director of The Turning Point, Proclaiming April 2021 as *Sexual Assault Awareness and Prevention Month*.
- Presentation of a Proclamation to Michael Sizemore, City of Allen Chief Building Official, Proclaiming May 2021 as *Building Safety Month*.

3. Presentation of the Board of Adjustment/Building and Standards Commission/Sign Control Board Annual Report by Chair Gary Stocker.

Consent Agenda.

[Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.]

4. Approve Minutes of the April 13, 2021, Regular City Council Meeting.

5. Approve Minutes of the April 17, 2021, Special Called Council Workshop.

6. Award Bid and Authorize the City Manager to Execute Contracts with Rotaserv,

LP and Professional Turf Products, LP for Pump Repairs and Services at The Courses at Watters Creek Golf Course, Stacy Road Pump Station, and Custer Road Pump Station in the Amount of \$110,000.

7. Motion to Set May 11, 2021, as the Date of the Canvass of the City of Allen Joint General Election held on May 1, 2021.
8. Receive the Financial Report for Period Ending March 31, 2021.
9. Receive the Quarterly Investment Report for Period Ending March 31, 2021.

Regular Agenda.

10. Consider All Matters Incident and Related to the Issuance and Sale of City of Allen, Texas, Certificates of Obligation, Series 2021, Including the Adoption of an Ordinance Authorizing the Issuance of Such Certificates, Establishing Parameters for the Sale and Issuance of Such Certificates, and Delegating Certain Matters to Authorized Officials of the City.
11. Consider All Matters Incident and Related to the Issuance and Sale of City of Allen, Texas, General Obligation Improvement and Refunding Bonds, Series 2021, Including the Adoption of an Ordinance Authorizing the Issuance of Such Bonds, Establishing Parameters for the Sale and Issuance of Such Bonds and Delegating Certain Matters to Authorized Officials of the City.
12. Consider all Matters Incident and Related to the Issuance and Sale of City of Allen, Texas, Waterworks & Sewer System Revenue Bonds (WW&SS), Series 2021, Including the Adoption of an Ordinance Authorizing the Issuance of Such Bonds, Establishing Parameters for the Sale and Issuance of Such Bonds and Delegating Certain Matters to Authorized Officials of the City.
13. Consider all Matters Incident and Related to the Issuance and Sale of "Allen Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2021", Including the Adoption of a Resolution Approving the Resolution of the Board of Directors of the Corporation Authorizing the Issuance of Such Bonds.

Other Business.

14. Calendar.
 - May 1 - Election Day, 7 a.m. - 7 p.m.
15. Items of Interest. [*Council announcements regarding local civic and charitable events, meetings, fundraisers, and awards.*]

Executive Session. (As needed)

Legal, Section 551.071.

As authorized by Section 551.071(2) of the Texas Government Code, the Workshop Meeting and/or the Regular Agenda may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the City Attorney on any Agenda Item Listed Herein.

(Closed to Public as Provided in the Texas Government Code.)

16. Reconvene and Consider Action on Items Resulting from Executive Session.

Adjournment.

This notice was posted at Allen City Hall, 305 Century Parkway, Allen, Texas, at a place convenient and readily accessible to the public at all times. Said notice was posted on Friday, April 23, 2021, at 5:00 p.m..

Shelley B. George, City Secretary

Allen City Hall is wheelchair accessible. Access to the building and special parking are available at the entrance facing Century Parkway. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 214.509.4105.

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

April 27, 2021

SUBJECT:

Presentation of Proclamations by the Office of the Mayor.

- Presentation of a Proclamation to Wendy Hanna, Executive Director of The Turning Point, Proclaiming April 2021 as *Sexual Assault Awareness and Prevention Month*.
- Presentation of a Proclamation to Michael Sizemore, City of Allen Chief Building Official, Proclaiming May 2021 as *Building Safety Month*.

STAFF RESOURCE:

Shelley B. George, City Secretary

ATTACHMENTS:

Sexual Assault Awareness and Prevention Month
Building Safety Month

*Office of the Mayor
City of Allen*

Proclamation

WHEREAS, sexual assault is one of the most violent and devastating crimes in society today, affecting women, men, and children of all racial, cultural and economic backgrounds; and,

WHEREAS, The Turning Point strongly supports the efforts of national, state, and local partners, and of every citizen, to actively engage in public and private efforts to prevent sexual violence, support survivors and provide outreach to schools and information on issues related to sexual assault; and,

WHEREAS, through community involvement and increased awareness, we can work to prevent sexual assault in communities across this great state, and together, continue to make a difference.

NOW, THEREFORE, I, KENNETH M. FULK, MAYOR OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, do hereby proclaim the month of April 2021 as:

“SEXUAL ASSAULT AWARENESS AND PREVENTION MONTH”

in Allen, Texas, and I urge all citizens to take cognizance of this event and participate in all the events related thereto in this community.

Kenneth M. Fulk, MAYOR

*Office of the Mayor
City of Allen*

Proclamation

- WHEREAS,** the City of Allen is committed to recognizing our growth and strength depends on the safety and value of the homes, buildings and infrastructure that serve our citizens, and
- WHEREAS,** this year's theme, *"Prevent, Prepare, Protect. Building Codes Save"* encourages everyone to raise awareness about building safety and the importance of current safety codes and the role of code officials in creating safe, sustainable structures that communities can rely on for generations to come; and,
- WHEREAS,** the building and fire safety officials along with other partners in the construction industry, work year-round to develop and enforce building codes to safeguard citizens of Allen in the buildings where we live, work, play and learn; and,
- WHEREAS,** Allen residents are asked to consider that current building and fire codes play a vital role to ensure safety and sustainability at home and in the community, and to acknowledge the essential service provided to all of us by the City of Allen's Building and Fire Code staff.

NOW, THEREFORE, I, KENNETH M. FULK, MAYOR OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, proclaim May 2021 as:

"BUILDING SAFETY MONTH"

in Allen, Texas, and I urge all citizens to take cognizance of this event and participate in all the events related thereto in this community.

Kenneth M. Fulk, MAYOR

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

April 27, 2021

SUBJECT:

Approve Minutes of the April 13, 2021, Regular City Council Meeting.

STAFF RESOURCE:

Shelley B. George, City Secretary

ATTACHMENTS:

Minutes

ALLEN CITY COUNCIL

REGULAR MEETING

APRIL 13, 2021

Present:

Kenneth Fulk, Mayor

Councilmembers:

Baine Brooks, Mayor Pro Tem

Kurt Kizer

Carl Clemencich

Lauren Doherty

Chris Schulmeister

City Staff:

Eric Ellwanger, City Manager

Eric Strong, Deputy City Manager

Tim Dentler, Assistant City Manager

Rebecca Vice, Assistant City Manager

Shelley B. George, City Secretary

Teresa Warren, Director, Public and Media Relations

Rocio Gonzalez, Deputy City Secretary

Pete Smith, Attorney

Workshop Session

With a quorum of the Councilmembers present, the Workshop Session of the Allen City Council was called to order by Mayor Fulk at 6:00 p.m. on Tuesday, April 13, 2021, in the Basement Meeting Rooms of Allen City Hall, 305 Century Parkway, Allen, Texas.

- 1. Introduction of Deborah Michnick, Animal Shelter Advisory Committee Chairperson.**
- 2. Update on Public Art at the Don Rodenbaugh Natatorium.**
- 3. Committee Updates from City Council Liaisons.**
- 4. Questions on Current Agenda.**

With no further discussion, the Workshop Session of the Allen City Council was adjourned at 6:25 p.m. on Tuesday, April 13, 2021.

Call to Order and Announce a Quorum is Present

With a quorum of the Councilmembers present, the Regular Meeting of the Allen City Council was called to order by Mayor Fulk at 7:07 p.m. on Tuesday, April 13, 2021, in the City Council Chambers of Allen City Hall, 305 Century Parkway, Allen, Texas.

Pledge of Allegiance

Public Recognition

1. Citizen Comments.

Council recognized Boy Scouts in attendance for a merit badge.

Terry Ramsey, 519 White Oak, Allen, Texas, spoke regarding the Police Department's responses to recent marches.

2. Presentation of the Animal Shelter Advisory Committee's Annual Report by Chairperson Deborah Michnick.

Consent Agenda

MOTION: Upon a motion made by Councilmember Clemencich and a second by Councilmember Doherty, the Council voted six (6) for and none (0) opposed to adopt all items on the Consent Agenda as follows:

- 3. Approve Minutes of the March 23, 2021, Regular City Council Meeting.**
- 4. Authorize the City Manager to Execute a Contract with Hidell and Associates Architects, Inc., for Phase 1 Architectural Services of the Expansion of the Allen Public Library in the Amount of \$260,900.**
- 5. Authorize the City Manager to Execute a Professional Services Agreement with the McCoy Collaborative for the Design of the Heritage Village in the Amount of \$190,000.**
- 6. Award Bid and Authorize the City Manager to Execute the Purchase of Third-Party Audio/Visual Production Services for Allen Event Center with Epicenter Productions, Onstage Systems, Stage Corps, LLC, StageTex Productions, Inc., and Upstage Center, Inc., in the Amount of \$200,000.**
- 7. Award Bid and Authorize the City Manager to Execute a Contract with Eco Engineering, Inc., for Allen Event Center South Parking Garage Lighting Replacement in the Amount of \$403,323**

The motion carried.

Regular Agenda

- 8. Conduct a Public Hearing and Adopt an Ordinance to Amend the Development Regulations for a Portion of District H of Planned Development No. 108 Mixed Use and Adopt a Zoning Exhibit, Concept Plan, and Building Elevations for Approximately 4.998± Acres in the John Fyke Survey, Abstract No. 325; Generally Located North of Bossy Boots Drive and Approximately 400± Feet West of Stockton Drive. [Priya Senior Independent Living]**

Mayor Fulk opened the public hearing and asked anyone wishing to speak for or against this item to do so at this time.

The following individuals spoke in support of the item:

Vikas Sharma, 1230 Palo Duro Drive, Allen, Texas
Shreya Bhat, 1450 N. Watters Rd., Allen, Texas
Praveen Jhurani, 3101 Great Southwest Drive, Plano, Texas
Murali Krishna, 1507 Bear Creek Drive, Allen, Texas
Hitesh Lad, 1513 Bear Creek Drive, Allen, Texas
Sunil Modi, 968 Shaddock Park Lane, Allen, Texas
Naresh Merchant, 908 Cougar Drive, Allen, Texas
Pooja Raghunath, 1507 Bear Creek Drive, Allen, Texas
Kalpan K Vyas, 1305 Caliche Traill, Allen, Texas
Vatsa Ramanathan, 1407 Farmington Drive, Allen, Texas
Shahmeen Khan, 1618 Tulare Drive, Allen, Texas
Rafael Lizardi, 413 Woodlake Drive, Allen, Texas.

The following individuals spoke in opposition of the item:

Carol Cook, 1160 Montgomery Blvd., Allen, Texas
Dave Cornette, 310 Willow Brook Drive, Allen, Texas.

The following individuals did not speak, but wished their support be recorded:

Gopal Vanamamalai, 314 Leameadow, Allen, Texas
Karuora Talati, 6404 Lambeau Court, McKinney, Texas
Ratilal N. Kyada, 13281 Juliet Way, Frisco, Texas
Prateek Chaturvedi, 1505 Riverdale Drive, Allen, Texas
Nilesh Doke, 1502 Astoria Drive, Allen, Texas
Suchi Gupta, 1044 Everglades Drive, Allen, Texas
Kevin Patel, 1503 Astoria Drive, Allen, Texas
Nilesh Patel, 1600 Meg Drive, Allen, Texas
Shitlesh Patel, 2209 Loring Drive, Allen, Texas
Hemen Patel, 1484 Wesley Drive, Allen, Texas
Mahesh Parikh, 955 Pheasant Drive, Allen, Texas
Sameer Shelke, 13777 Regents Park, Frisco, Texas
Sangeeta Shelke, 13777 Regents Park, Frisco, Texas
Subhah Shah, 4601 Hershey Lane, Plano, Texas
Subhash Talah, 6404 Lambeau Court, McKinney, Texas
Bin Wang, 509 Lakeway Drive, Allen, Texas
Bindu Kancharla, 609 Woodlake Drive, Allen, Texas
Nanda Kishore Kancharla, 609 Woodlake Drive, Allen, Texas
Manny Gonzalez Faia, 30700 Russell Ranch, Westlake, Texas
Tejal Jasani, 1513 Bear Creek Drive, Allen, Texas
Elizabeth Hicks, 1401 Woodlake Drive, Allen, Texas
Mark Penkhus, 404 Woodlake Drive, Allen, Texas
Umesh Gahlot, 1292 Bossy Boots Drive, Allen, Texas
Chittranuan Mohan Gupta, 324 Tam O Shanter Lane, Richardson, Texas
Anurag Jagota, 702 Baldwin, Allen, Texas
Scott Jensen, 1400 Corporate Center Curve, Suite 100, Eagan, Minnesota
Shikha Johri, 954 Park Ridge Drive, Allen, Texas
Santosh Patel, 12080 Shoal Creek drive, Frisco, Texas
Laxmi Tummala, 14852 Luceme Drive, Frisco, Texas
Prakasarao V. Velagapudi, 14726 Harmony Lane, Frisco, Texas.

The following individuals did not speak, but wished their opposition be recorded:
Srini Raghavan, 1041 Hot Springs Drive, Allen, Texas
Jayanta Chowdhury, 965 Cougar Drive, Allen, Texas.

With no one else speaking, Mayor Fulk closed the public hearing.

ORDINANCE NO. 3814-4-21: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, AMENDING THE ALLEN LAND DEVELOPMENT CODE ZONING REGULATIONS AND ZONING MAP, AS PREVIOUSLY AMENDED, BY AMENDING THE REGULATIONS RELATING TO THE USE AND DEVELOPMENT OF 4.998± ACRES LOCATED IN THE JOHN FYKE SURVEY, ABSTRACT NO. 325 DESCRIBED IN EXHIBIT “A” HERETO AND LOCATED IN DISTRICT “H” OF PLANNED DEVELOPMENT “PD” NO. 108 MIXED USE “MIX,” ADOPTING ZONING EXHIBIT, CONCEPT PLAN AND BUILDING ELEVATIONS; PROVIDING FOR A CONFLICTS RESOLUTION CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Upon a motion made by Councilmember Doherty and a second by Councilmember Clemencich, the Council voted four (4) for and with (2) opposed with Mayor Pro Tem Brooks and Councilmember Schulmeister casting the negative votes, to adopt Ordinance No. 3814-4-21, as previously captioned, to amend the Development Regulations of District H of Planned Development No. 108 Mixed Use and adopt a Zoning Exhibit, Concept Plan, and Building Elevations for the property generally located north of Bossy Boots Drive and approximately 400± feet west of Stockton Drive. The motion carried.

9. Conduct a Public Hearing and Adopt an Ordinance to Amend the Development Regulations for a Portion of District F of Planned Development No. 108 Office O and Adopt a Concept Plan and Building Elevations for Lot 7, Block G, Bray Central One; Generally Located at the Southwestern Corner of the Intersection of Exchange Parkway and Raintree Circle. [Medical Office and Convenience Store with Fuel Station]

Mayor Fulk opened the public hearing and asked anyone wishing to speak for or against this item to do so at this time.

The following individuals did not speak, but wished their support be recorded:
Elizabeth Hicks, 1401 Woodlake Drive, Allen, Texas
Bin Wang, 509 Lakeway Drive, Allen, Texas
Mark Penkhus, 404 Woodlake Drive, Allen, Texas.

With no one else speaking, Mayor Fulk closed the public hearing.

ORDINANCE NO. 3815-4-21: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, AMENDING THE ALLEN LAND DEVELOPMENT CODE ZONING REGULATIONS AND ZONING MAP, AS PREVIOUSLY AMENDED, BY AMENDING THE REGULATIONS RELATING TO THE USE AND DEVELOPMENT OF LOT 7, BLOCK G, BRAY CENTRAL ONE, LOCATED IN DISTRICT F OF PLANNED DEVELOPMENT “PD” NO. 108 OFFICE “O” AND ADOPTING A CONCEPT PLAN AND BUILDING ELEVATIONS; PROVIDING FOR A CONFLICTS RESOLUTION CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR A

PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Upon a motion made by Councilmember Clemencich and a second by Mayor Pro Tem Brooks, the Council voted six (6) for and none (0) opposed to adopt Ordinance No. 3814-4-21, as previously captioned, to amend the Development Regulations of District F of Planned Development No. 108 Office O and adopt a Concept Plan and Building Elevations for the property generally located at the Southwestern Corner of the Intersection of Exchange Parkway and Raintree Circle. The motion carried.

Mayor Fulk recessed for a brief break at 9:34 p.m.

Mayor Fulk reconvened the meeting at 9:38 p.m.

10. Appoint to Fill a Vacancy in Place No. 2 on the Central Business District Design Review Committee.

MOTION: Upon a motion made by Councilmember Kizer and a second by Mayor Pro Tem Brooks, the Council voted six (6) for and none (0) opposed to appoint Thomas Thomas, as recommended by the Council Nominating Committee, to fill the unexpired term in Place No. 2 on the CBD Design Review Committee. The motion carried.

11. Adopt an Ordinance Ordering a Special Election on a Proposed Charter Amendment on November 2, 2021.

Mayor Fulk opened the floor for public comments and asked anyone wishing to speak for or against this item to do so at this time.

The following individuals spoke in opposition to the item:

Scott Cote, 710 Rockcrossing Lane, Allen, Texas

Doug Gallaher, 204 Glenwick Place, Allen, Texas

Christopher Hardesty-Crouch, 1111 Easton Lane, Allen, Texas

The following individuals spoke in support of the item:

Jim Kerr, 406 Watson, Allen, Texas

Victoria Sublette, 1227 Palo Duro, Allen, Texas

Shahmeen Khan, 1618 Tulare Drive, Allen, Texas

Joey Herald, 1018 Michelson Lane, Allen, Texas

The following individual did not speak but wish their support be recorded:

Eileen Tollett, 404 Watson, Allen, Texas.

The following individuals did not speak but wish their opposition be recorded:

Margaret Ives, 401 W. Coats, Allen, Texas

Adelia D. (Deddie) Scaife, 403 W. Coats, Allen, Texas.

With no one else speaking, Mayor Fulk closed public comments.

ORDINANCE NO. 3816-4-21: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ORDERING A SPECIAL ELECTION ON A PROPOSED AMENDMENT TO THE HOME RULE CITY CHARTER OF THE CITY OF ALLEN TO BE HELD ON NOVEMBER 2, 2021; PROVIDING FOR THE PUBLICATION AND POSTING OF NOTICE; AUTHORIZING THE EXECUTION OF AN ELECTION CONTRACT; AND PROVIDING AN EFFECTIVE DATE.

MOTION: Upon a motion made by Councilmember Kizer and a second by Councilmember Clemencich, the Council voted six (6) for and none (0) opposed to adopt Ordinance No. 3816-4-21, as previously captioned, ordering a special election on proposed Charter Amendments to the Home Rule Charter of the City of Allen on November 2, 2021. The motion carried.

12. Motion to Adopt a Diversity, Equity and Inclusion Policy Statement and to Confirm Appointments to an Ad Hoc Committee as Recommended by Mayor Fulk

MOTION: Upon a motion made by Councilmember Doherty and a second by Councilmember Clemencich, the Council voted six (6) for and none (0) opposed to adopt a Diversity, Equity and Inclusion Policy Statement *“The Allen City Council supports a community where respect for and openness to all exists and everyone feels welcome, included, treated equally and where their participation is appreciated. We value the rich diversity that makes up the fabric of Allen and remain committed to building on the shared values that reach across our entire community.”* and to confirm the following appointments to an Ad Hoc Committee as Recommended by Mayor Fulk:

- | | |
|-----------------------------|--------------------|
| • John Gain (Chair) | • Nasima Chowdhury |
| • Robert Boone (Vice-Chair) | • Manita Moran |
| • Victoria Sublette | • Hemen Patel |
| • Ann Bargains | • Mahmood A. Umer |
| • Alex Evans | • Xi Breeding |
| • Rodrigo Vizcaino | • Veronica Yost |

The motion carried.

Other Business

13. Calendar.

14. Items of Interest.

- Council commended City Manager Ellwanger, Fire Chief Boyd and staff on their leadership throughout the Covid pandemic and for leading the way on responding to and successfully establishing and operating a vaccination site for our residents. They further commended CERT (Community Emergency Response Team) for their countless hours of volunteer service.

Executive Session

The Executive Session was not held.

15. Reconvene and Consider Action on Items Resulting from Executive Session.

Adjournment

MOTION: Upon a motion made by Councilmember Clemencich and a second by Mayor Pro Tem Brooks, the Council voted six (6) for and none (0) opposed to adjourn the Regular Meeting of the Allen City Council at 10:43 p.m. on Tuesday, April 13, 2021. The motion carried.

These minutes approved on the 27th day of April 2021.

APPROVED:

Kenneth M. Fulk, MAYOR

ATTEST:

Shelley B. George, TRMC, CITY SECRETARY

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: April 27, 2021

SUBJECT: Approve Minutes of the April 17, 2021, Special Called Council Workshop.

STAFF RESOURCE: Shelley B. George, City Secretary

MOTION

I make a motion to approve Minutes from the April 17, 2021, Special Called Council Workshop.

ATTACHMENTS:

Minutes

ALLEN CITY COUNCIL
SPECIAL CALLED WORKSHOP
APRIL 17, 2021

Present:

Kenneth M. Fulk, Mayor

Councilmembers:

Baine Brooks, Mayor Pro Tem
Kurt Kizer
Carl Clemencich
Lauren Doherty
Chris Schulmeister

City Staff:

Eric Ellwanger, City Manager
Eric Strong, Deputy City Manager
Rebecca Vice, Assistant City Manager
Tim Dentler, Assistant City Manager
Shelley B. George, City Secretary
Pete Smith, City Attorney
Marc Kurbansade, Community Development Director
Eric Matthews, IT Director

Breakfast Served: 8:00 a.m. – 8:30 a.m.

Call to Order and Announce a Quorum is Present

With a quorum of the Allen City Council present, the Special Called Workshop of the Allen City Council was called to order by Mayor Fulk at 8:35 a.m. on Saturday, April 17, 2021, in the Multipurpose Room at the Allen Senior Recreation Center, 451 St. Mary Drive, Allen, Texas 75013.

Workshop Agenda

1. Call to Order and Announce a Quorum is Present
2. Opening Remarks – Mayor Ken Fulk and City Manager Eric Ellwanger
3. Leadership and Strategic Planning Work Session – Lyle Sumek, Consultant
 - Workshop Overview – Purpose, Outcome, Agenda
 - Strategic Planning Brief – Model, Process
 - Allen Vision 2036 – Review, Refine

- Allen City Government: Our Mission – Review, Refine
- Action Agenda 2021 and Tactical Discussion on Critical Issues – Actions 2021, Management in Progress 2021, Major Projects 2021
- Action Agenda 2021 – Setting the Priorities, Policy Agenda, Management Agenda
- Complete Action Agenda 2021 Discussion
- Making the Strategic Planning Process Work

Lunch Served: 11:54 a.m. – 12:10 p.m.

4. Leadership and Strategic Planning Work Session (Continued) – Lyle Sumek, Consultant
 - Wrap-Up
5. Final Discussion Regarding City Vision and Strategic Planning Action Items

Executive Session.

An Executive Session was not held.

Adjournment.

Mayor Fulk adjourned the Special Called Meeting of the Allen City Council at 1:08 p.m. on Saturday, April 17, 2021.

These minutes approved on the 27th day of April 2021.

APPROVED:

Kenneth M. Fulk, MAYOR

ATTEST:

Shelley B. George, TRMC, CITY SECRETARY

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

April 27, 2021

SUBJECT:

Award Bid and Authorize the City Manager to Execute Contracts with Rotaserv, LP and Professional Turf Products, LP for Pump Repairs and Services at The Courses at Watters Creek Golf Course, Stacy Road Pump Station, and Custer Road Pump Station in the Amount of \$110,000.

STAFF RESOURCE:

Debra Morris, Purchasing Manager
Eva Badali, Senior Buyer

ACTION PROPOSED:

Award Bid and Authorize the City Manager to Execute Contracts with Rotaserv, LP and Professional Turf Products, LP for Pump Repairs and Services at The Courses at Watters Creek Golf Course, Stacy Road Pump Station, and Custer Road Pump Station in the Amount of \$110,000.

BACKGROUND

The City of Allen Purchasing Division issued a bid for Annual Pump Repair and Pump Station Services on February 18, 2021. Five-hundred and forty-eight (548) vendors were invited to participate with six (6) vendor responses. The City-owned facilities and properties requiring pump repairs and services are:

- The Courses Watters Creek Golf Course located at 7201 Chase Oaks Blvd. in Plano; TX 75025
- Stacy Road Pump Station, 700 East Stacy Rd. Allen, TX 75002
- Custer Road Pump Station, 1108 North Custer Rd. Allen, TX 75002

The types of pumps included in this scope of work include various forms of landscape pumps, fountain pumps, pumps servicing ponds and lakes, pool pumps, pump stations and other related pumps for water usage. All Pump Station Facilities have permanent onsite overhead hoists and trolleys to assist with the removal and repair of the pump and motor equipment. Some equipment varies in sizes, but discharge sides are primarily 14",16",18".

The types of services performed under the contract include troubleshooting equipment, testing, alignment, dynamic balancing, vibration analysis, doppler flow measure, diagnostics, annual preventative maintenance, dive services, electric motors, on-site welding, and valve maintenance.

The bidders determined to be the most advantageous to the City of Allen are Rotaserv and Professional Turf Products. Professional Turf Products is recommended as the authorized Distributor for Watertronic, Watervision and Ebarra pumps. Rotaserv is recommended for award as the lowest responsible bidder.

The initial term of this Agreement shall begin on April 29, 2021, and continue until April 28, 2022. The City

maintains the right to automatically renew this agreement for up to two additional on year renewal terms at the City's sole discretion.

BUDGETARY IMPACT

Funding is expensed to Community Services and Parks and Recreation in the respective operating budgets.

STAFF RECOMMENDATION

Award Bid and Authorize the City Manager to Execute Contracts with Rotaserv, LP and Professional Turf Products, LP for Pump Repairs and Services at The Courses at Watters Creek Golf Course, Stacy Road Pump Station, and Custer Road Pump Station in the Amount of \$110,000.

MOTION

I make a motion to award bid and authorize the City Manager to execute contracts with Rotaserv, LP and Professional Turf Products for pump repairs and services at Watters Creek Golf Course, Stacy Road Pump Station, and Custer Road Pump Station in the amount of \$110,000.

ATTACHMENTS:

Rotaserv Contract
Professional Turf Contract
Exhibit A - Request for Bid
Bid Tab

STATE OF TEXAS

§

§

AGREEMENT FOR ANNUAL SERVICES

COUNTY OF COLLIN

§

This Agreement for Annual Services ("Agreement") is made by and between the City of Allen, Texas ("City") and Rotaserv, LP, a Partnership ("Contractor") (each a "Party" and collectively the "Parties"), acting by and through their authorized representatives.

Recitals:

WHEREAS, the City desires to obtain Pump Repairs and Pumping Station Services from Company in accordance with the bid specifications attached hereto as Exhibit "A" ("Specifications"); and

WHEREAS, Company desires to provide services to City in accordance with its response to Specifications attached hereto as Exhibit "A";

NOW THEREFORE, in exchange for the mutual covenants set forth herein and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

Article I

Term

The term of this Agreement shall begin on April 29, 2021 (the "Effective Date") and continue until the last day of April 28, 2024, unless earlier terminated as provided herein (the "Initial Term").

City maintains the right to automatically renew this Agreement for up to two additional renewal terms of one years at the City's sole discretion, the first renewal term beginning on April 29, 2022 through April 28, 2023.

Article II

Contract Documents

Every provision of the documents below is incorporated into this Agreement by reference. The documents referenced below are in descending order of precedence. Any conflict between or among any of the documents shall be resolved in favor of the document with higher precedence.

- A. This Agreement.
- B. City's Request for Bid #2021-12-39 ("Specifications"); and
- C. Rotaserv, LP Response to City's Request for Bid #2021-12-39 ("Response").

Article III

Scope of Services

Contractor shall provide the Services specifically set forth in the Specifications, including those requirements in the sample contract to the extent they do not conflict with this Agreement, as contained in Exhibit "A," which is attached hereto and made a part of this Agreement for all purposes.

Article IV Schedule of Work

Contractor agrees to commence Services upon the Effective Date of this Agreement and to complete the required Services in accordance with the schedules and at the times and locations provided by the City as set forth in Exhibit "A," including the Requirements in the sample contract to the extent they do not conflict with this Agreement.

Article V Compensation and Method of Payment

5.1 Charges. City shall compensate Contractor for the Services, including all labor, materials, equipment and supplies as provided in Exhibit "A." The total compensation to Contractor shall not exceed **\$70,000.00 (seventy thousand dollars and zero cents)** during the Initial Term or any renewal term under this Agreement. Contractor shall provide the City with written invoices on a monthly basis describing the work and Services performed as provided in Exhibit "A." Upon approval, City shall compensate Contractor as provided herein and in Exhibit "A" with the payment term being net 30 days after the date the City is delivered a written invoice for Services completed.

2.2 Additional Work. Mowing and maintenance of lots and/or areas other than set forth in Exhibit "A", when requested in writing by the City, shall be negotiated or bid at a per acreage rate specific to the property to be added to the contract.

Article VI Notice to Proceed

Contractor shall not proceed with any work required under this Agreement without a written Notice to Proceed from City. Any work performed or expenses incurred by Contractor prior to Contractor's receipt of a written Notice to Proceed from City shall be entirely at Contractor's own risk. Work performed and expenses incurred after Contractor has received a written Notice to Proceed from City will be eligible for reimbursement under the terms of this Agreement, subject to an approved task order.

Article VII Suspension of Work

City shall have the right to immediately suspend work by Contractor if City determines in its sole discretion that Contractor has, or will fail to perform, in accordance with this Agreement. In such event, any payments due Contractor shall be suspended until Contractor has taken satisfactory corrective action.

Article VIII Devotion of Time; Personnel; and Equipment

8.1 The Contractor shall devote such time as reasonably necessary for the satisfactory performance of the work under this Agreement. Should the City require additional services not included under this Agreement, the Contractor shall make reasonable effort to provide such additional services at mutually agreed charges or rates, and within the time schedule prescribed by the City; and without decreasing the effectiveness of the performance of services required under this Agreement.

8.2 To the extent reasonably necessary for the Contractor to perform the services under this Agreement, the Contractor shall be authorized to engage the services of any agents, assistants, persons, or corporations that the Contractor may deem proper to aid or assist in the performance of the services under this Agreement. The cost of such personnel and assistance shall be borne exclusively by the Contractor.

8.3 The Contractor shall furnish the facilities, equipment, telephones, facsimile machines, email facilities, and personnel necessary to perform the services required under this Agreement unless otherwise provided herein.

8.4 Time is and shall be of the essence in the performance of this Agreement as written.

Article IX Availability of Funds

If monies are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, this Agreement shall be canceled and Contractor may only be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of services delivered under this Agreement or which are otherwise not recoverable. The cost of cancellation may be paid from any appropriations for such purposes.

Article X Termination

This Agreement may be terminated by:

- (a) by mutual written agreement of the parties.
- (b) immediately by City, if Contractor defaults or breaches any of the terms or conditions of this Agreement.
- (c) by either party, upon thirty (30) days prior to written notice. Should Contractor terminate this Agreement under this provision, Contractor shall further state the reason(s) for termination in its written notice.
- (d) by City, if Company suffers an Event of Bankruptcy or Insolvency; or "Event of Bankruptcy" shall mean the dissolution or termination (other than a dissolution or termination by reason of Company merging with an affiliate of Company) of Company's existence as a going business, insolvency, appointment of receiver for any part of Company's property and such appointment is not terminated within ninety (90) business days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company and in the event such proceeding is not voluntarily commenced by the Company, such proceeding is not dismissed within ninety (90) business days after the filing thereof;
- (e) by City, if City fails to budget and appropriate funds for payment of the obligations hereunder for the then ensuing fiscal year; or

Article XI Insurance

- (a) For coverage requirements, please refer to the table on the following page. All insurance shall be endorsed to provide the following provisions: (1) name the City, its officers, and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance and Professional Liability; (2) provide for a waiver of subrogation against the City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance, except for Professional Liability Insurance. A specific endorsement needs to be added to all policies, with a copy of the endorsement provided to the City that indicates the insurance company will provide to the City at least a thirty (30) day prior written notice for cancellation, non-renewal, and/or material changes of the policy. In the event the companies providing the required insurance are prohibited by law to provide any such specific endorsements, the Contractor shall provide at least thirty (30) days prior written notice to the City of any cancellation, non-renewal and/or material changes to any of the policies of insurance.

- (b) All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance maintained by the City.

- (c) A certificate of insurance and copies of policy endorsements evidencing the required insurance shall be submitted to the City prior to commencement of services. On every date of renewal of the required insurance policies, the Contractor shall cause a certificate of insurance and policy endorsements to be issued evidencing the required insurance herein and delivered to the City. In addition, the Contractor shall within ten (10) business days after written request provide the City with certificates of insurance and policy endorsements for the insurance required herein. The delivery of the certificates of insurance and policy endorsements to the City is a condition precedent to the payment of any amounts due to Contractor by the City. The failure to provide valid certificates of insurance and policy endorsements shall be deemed a default and/or breach of this Agreement.

Contracts in the Amount of \$0-\$100,000

Type of Insurance	Amount of Insurance	Provisions
1. Commercial General (Public) Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Liability e) Contractual Liability	\$500,000 each occurrence, \$1,000,000 general aggregate; or \$1,000,000 combined single limits	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City prefers that insurer be rated A or higher by A.M. Best or equivalent. Waiver of Subrogation to apply
2. Business Auto Liability	\$500,000 combined single limit	Owned, non-owned, and hired vehicles

3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	Waiver of subrogation
4. a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

Contracts in the Amount of \$100,000-\$1,000,000

Type of Insurance	Amount of Insurance	Provisions
1. Commercial General (Public) Liability to include coverage for: f) Premises/Operations g) Products/Completed Operations h) Independent Contractors i) Personal Liability j) Contractual Liability	\$1,000,000 each occurrence \$2,000,000 general aggregate \$2,000,000 Umbrella/ Excess Liability	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City requires that insurer be rated A or higher by A.M. Best or equivalent. Waiver of subrogation
2. Business Auto Liability	<ul style="list-style-type: none"> \$1,000,000 per occurrence \$1,000,000 aggregate or; \$1,000,000 combined single limits 	City to be named as a additional insured
3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	Waiver of subrogation
4. Builders Risk Policy	100% of construction total	If Applicable
5.a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

Contracts in the Amount of \$1,000,000-\$8,000,000

Type of Insurance	Amount of Insurance	Provisions
1. Broad Form Commercial General Liability to include coverage for: k) Premises/Operations l) Products/Completed Operations m) Independent Contractors n) Personal Liability o) Contractual Liability	\$2,000,000 each occurrence, \$4,000,000 general aggregate; \$4,000,000 umbrella	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City requires that insurer be rated A or higher by A.M. Best or equivalent. Waiver of Subrogation

2. Business Auto Liability	<ul style="list-style-type: none"> • \$1,000,000 per occurrence • \$2,000,000 aggregate or; • \$2,000,000 combined single limits 	City to be named as additional insured
3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	City to be provided a waiver of subrogation
4. Builders Risk Policy	100% of construction total	If Applicable
5. a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

All Contracts over \$8,000,000 must contact Risk Management for insurance specifications. All Certificates of Insurance need to reference job or contract number in comments section.

Article XII Miscellaneous

12.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings written or oral agreements between the parties with respect to this subject matter.

12.2 Assignment. Contractor may not assign this Agreement in whole or in part without the prior written consent of City. In the event of an assignment by Contractor to which City has consented, the assignee shall agree in writing with City to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

12.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

12.4 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in Collin County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said Court.

12.5 Amendments. This Agreement may be amended by the mutual written agreement of the parties.

12.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

12.7 Independent Contractor. It is understood and agreed by and between the parties that Contractor, in satisfying the conditions of this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by Contractor pursuant to this Agreement shall be in the capacity of an independent Contractor, and not as an agent or employee of City. Contractor shall supervise the performance of its

services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement.

12.8 Under the Authority of the Clean Water Act, the Environmental Protection Agency (EPA), the City of Allen has endeavored to reduce / improve storm water quality per direction of the Texas Commission of Environmental Quality (TCEQ). The City of Allen has developed standard operating procedures (SOP's) for our Storm Water Management Program (SWMP). By signing this contract all vendors accept to follow our SOP's of our SWMP. Follow the link for our SOP's <http://www.cityofallen.org/933/Storm-Water-Management>

12.9 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other party or address as either party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for City:

Eric Ellwanger
City Manager
3rd floor, City Hall
305 Century Parkway
Allen, Texas 75013
Facsimile: 214-509-4118
Telephone: 214-509-4110

If intended for Contractor:

Rotaserv, LP
Richard Frederick
1313 S. Sherman St.
Richardson TX, 75081
Facsimile: 972-231-4121

12.10 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

12.11 Exhibits and Recitals. The exhibits attached hereto, and the Recitals are incorporated herein and made a part hereof for all purposes.

12.12 Indemnification. Contractor shall release, defend, indemnify and hold harmless City and its officers, agents and employees from and against all damages, injuries (including death), claims, property damages, (including loss of use), losses, demands, suits, judgments and costs, including reasonable attorney's fees and expenses, in any way arising out of, related to, or resulting from the performance of the work or caused by the negligent act or omission of Contractor, its officers, agents, employees, subcontractors, licensees, invitees or any other third parties for whom Contractor is legally responsible (hereinafter "Claims"). Contractor is expressly required to defend City against all such Claims.

In its sole discretion, City shall have the right to select or to approve defense counsel to be retained by Contractor in fulfilling its obligation hereunder to defend and indemnify City, unless such right is expressly waived by City in writing. City reserves the right to provide a portion or all of its own defense; however, City is under no obligation to do so. Any such action by City is not to be construed as a waiver of Company's obligation to defend City or as a waiver of Contractor's obligation to indemnify City pursuant to this Contract. Contractor shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Contractor fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Contractor shall be liable for all costs incurred by City.

12.13 Audits and Records. Contractor agrees that during the term hereof, City and its representatives may, during normal business hours and as often as deemed necessary, inspect, audit, examine and reproduce any and all of the Contractor's records relating to the services provided pursuant to this Agreement for a period of one year following the date of completion of services as determined by City or date of termination if sooner.

12.14 Conflicts of Interests. The Contractor represents that no official or employee of City has any direct or indirect pecuniary interest in this Agreement.

12.15 Warranty. The Contractor warrants to the City that all labor furnished to perform the work under this Contract will be competent to perform the tasks undertaken, that the product of such labor will yield only first-class results, that the work will be performed in a good and workmanlike manner and at least in accordance with industry standards, and that the work will be of good quality, free from faults and defects and in strict conformance with this contract. All work not conforming to these requirements may be considered defective.

12.16 Uniforms. Contractor shall provide and require its employees to wear a uniform that bears the company name, logo, and the employee's name. Uniforms are not to be dirty, stained, or torn. Uniforms shall be worn at all times while on the job. Contractor shall provide and ensure the wearing of protective clothing, masks, eye protection, etc., as required by laws, regulation, ordinances, and/or manufacturer's instruction for material and equipment. All employees of Contractor working on rights-of-way or medians must utilize personal protective equipment such as safety vests to insure their visibility to drivers.

12.17 Warning Devices and Barricades. The Contractor shall furnish and maintain such warning devices, barricades, lights, signs, and other devices as may be necessary or appropriate or required by the City to protect persons or property in, near or adjacent to the jobsite. The contractor shall comply with all applicable Federal, State, and Local Laws regarding occupational safety and health as well as providing protection of the environment. This shall include but not be limited to compliance with U.S. Department of Labor-Occupational Safety and Health Administration (OSHA), and U.S. Environmental Protection Agency (EPA) guidelines and regulations. No separate compensation shall be paid to the Contractor for such measures.

12.18 Protection of Utilities. The Contractor shall use best efforts to leave undisturbed and uninterrupted all irrigation systems, utilities, and utility services provided to the job site or which presently exist at, above, or beneath the location where the work is to be performed. In the event that any irrigation system, utility, or utility service is disturbed or damaged during the progress of the work, the Contractor

shall forthwith repair, remedy or restore the utility at Contractor's sole expense. The Contractor is responsible for an inspection of the site prior to commencing work on site to ensure that no damage is existing or will not occur when maintenance begins. If damage is noted or if probable damage will occur, then it is the contractor's responsibility to notify the City of Allen representative so that the City of Allen can take action to correct and document the problem(s). The contractor is responsible for the replacement of all irrigation heads that are damaged by mowing with like equipment approved by the City of Allen.

12.19 PROHIBITION OF BOYCOTT ISRAEL. Company verifies that it does not Boycott Israel and agrees that during the term of this Contract will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended. Effective September 1, 2019, this section does not apply if the Vendor is a sole proprietor, a non-profit entity or a governmental entity; and only applies if: (i) the Vendor has ten (10) or more fulltime employees and (ii) this Contract has a value of \$100,000.00 or more to be paid under the terms of this Contract.

(Signature page to follow)

EXECUTED this _____ day of _____, 2021.

CITY OF ALLEN

By: _____
Eric Ellwanger, City Manager

305 Century Parkway
Allen, Texas 75013

ATTEST

Shelley B. George, City Secretary

EXECUTED this _____ day of _____, 2021.

Rotaserv, LP

By: Richard Frederick
Signature of Authorized Officer

Name: Richard W. Frederick
Print Name

Title: Partner

[ADDRESS]

1313 S. Sherman St.
Richardson, TX 75081

EXHIBIT "A"
SPECIFICATIONS AND RESPONSE

1. City's Request for Bid #2021-12-39.
2. Vendor's Response to City's Request for Bid #2021-12-39.

STATE OF TEXAS

§

§

AGREEMENT FOR ANNUAL SERVICES

COUNTY OF COLLIN

§

This Agreement for Annual Services ("Agreement") is made by and between the City of Allen, Texas ("City") and Professional Turf Products, LP, a Partnership ("Contractor") (each a "Party" and collectively the "Parties"), acting by and through their authorized representatives.

Recitals:

WHEREAS, the City desires to obtain Pump Repairs and Pumping Station Services from Company in accordance with the bid specifications attached hereto as Exhibit "A" ("Specifications"); and

WHEREAS, Company desires to provide services to City in accordance with its response to Specifications attached hereto as Exhibit "A";

NOW THEREFORE, in exchange for the mutual covenants set forth herein and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

Article I

Term

The term of this Agreement shall begin on April 29, 2021 (the "Effective Date") and continue until the last day of April 28, 2024, unless earlier terminated as provided herein (the "Initial Term").

City maintains the right to automatically renew this Agreement for up to two additional renewal terms of one years at the City's sole discretion, the first renewal term beginning on April 29, 2022 through April 28, 2023.

Article II

Contract Documents

Every provision of the documents below is incorporated into this Agreement by reference. The documents referenced below are in descending order of precedence. Any conflict between or among any of the documents shall be resolved in favor of the document with higher precedence.

- A. This Agreement;
- B. City's Request for Bid #2021-12-39 ("Specifications"); and
- C. Professional Turf Products, LP Response to City's Request for Bid #2021-12-39 ("Response").

Article III

Scope of Services

Contractor shall provide the Services specifically set forth in the Specifications, including those requirements in the sample contract to the extent they do not conflict with this Agreement, as contained in Exhibit "A," which is attached hereto and made a part of this Agreement for all purposes.

Article IV Schedule of Work

Contractor agrees to commence Services upon the Effective Date of this Agreement and to complete the required Services in accordance with the schedules and at the times and locations provided by the City as set forth in Exhibit "A," including the Requirements in the sample contract to the extent they do not conflict with this Agreement.

Article V Compensation and Method of Payment

5.1 Charges. City shall compensate Contractor for the Services, including all labor, materials, equipment and supplies as provided in Exhibit "A." The total compensation to Contractor shall not exceed **\$40,000.00 (forty thousand dollars and zero cents)** during the Initial Term or any renewal term under this Agreement. Contractor shall provide the City with written invoices on a monthly basis describing the work and Services performed as provided in Exhibit "A." Upon approval, City shall compensate Contractor as provided herein and in Exhibit "A" with the payment term being net 30 days after the date the City is delivered a written invoice for Services completed.

2.2 Additional Work. Mowing and maintenance of lots and/or areas other than set forth in Exhibit "A", when requested in writing by the City, shall be negotiated or bid at a per acreage rate specific to the property to be added to the contract.

Article VI Notice to Proceed

Contractor shall not proceed with any work required under this Agreement without a written Notice to Proceed from City. Any work performed or expenses incurred by Contractor prior to Contractor's receipt of a written Notice to Proceed from City shall be entirely at Contractor's own risk. Work performed and expenses incurred after Contractor has received a written Notice to Proceed from City will be eligible for reimbursement under the terms of this Agreement, subject to an approved task order.

Article VII Suspension of Work

City shall have the right to immediately suspend work by Contractor if City determines in its sole discretion that Contractor has, or will fail to perform, in accordance with this Agreement. In such event, any payments due Contractor shall be suspended until Contractor has taken satisfactory corrective action.

Article VIII Devotion of Time; Personnel; and Equipment

8.1 The Contractor shall devote such time as reasonably necessary for the satisfactory performance of the work under this Agreement. Should the City require additional services not included under this Agreement, the Contractor shall make reasonable effort to provide such additional services at

mutually agreed charges or rates, and within the time schedule prescribed by the City; and without decreasing the effectiveness of the performance of services required under this Agreement.

8.2 To the extent reasonably necessary for the Contractor to perform the services under this Agreement, the Contractor shall be authorized to engage the services of any agents, assistants, persons, or corporations that the Contractor may deem proper to aid or assist in the performance of the services under this Agreement. The cost of such personnel and assistance shall be borne exclusively by the Contractor.

8.3 The Contractor shall furnish the facilities, equipment, telephones, facsimile machines, email facilities, and personnel necessary to perform the services required under this Agreement unless otherwise provided herein.

8.4 Time is and shall be of the essence in the performance of this Agreement as written.

Article IX Availability of Funds

If monies are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, this Agreement shall be canceled and Contractor may only be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of services delivered under this Agreement or which are otherwise not recoverable. The cost of cancellation may be paid from any appropriations for such purposes.

Article X Termination

This Agreement may be terminated by:

- (a) by mutual written agreement of the parties.
- (b) immediately by City, if Contractor defaults or breaches any of the terms or conditions of this Agreement.
- (c) by either party, upon thirty (30) days prior to written notice. Should Contractor terminate this Agreement under this provision, Contractor shall further state the reason(s) for termination in its written notice.
- (d) by City, if Company suffers an Event of Bankruptcy or Insolvency; or "Event of Bankruptcy" shall mean the dissolution or termination (other than a dissolution or termination by reason of Company merging with an affiliate of Company) of Company's existence as a going business, insolvency, appointment of receiver for any part of Company's property and such appointment is not terminated within ninety (90) business days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company and in the event such proceeding is not voluntarily commenced by the Company, such proceeding is not dismissed within ninety (90) business days after the filing thereof;

- (e) by City, if City fails to budget and appropriate funds for payment of the obligations hereunder for the then ensuing fiscal year; or

Article XI Insurance

- (a) For coverage requirements, please refer to the table on the following page. All insurance shall be endorsed to provide the following provisions: (1) name the City, its officers, and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance and Professional Liability; (2) provide for a waiver of subrogation against the City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance, except for Professional Liability Insurance. A specific endorsement needs to be added to all policies, with a copy of the endorsement provided to the City that indicates the insurance company will provide to the City at least a thirty (30) day prior written notice for cancellation, non-renewal, and/or material changes of the policy. In the event the companies providing the required insurance are prohibited by law to provide any such specific endorsements, the Contractor shall provide at least thirty (30) days prior written notice to the City of any cancellation, non-renewal and/or material changes to any of the policies of insurance.
- (b) All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance maintained by the City.
- (c) A certificate of insurance and copies of policy endorsements evidencing the required insurance shall be submitted to the City prior to commencement of services. On every date of renewal of the required insurance policies, the Contractor shall cause a certificate of insurance and policy endorsements to be issued evidencing the required insurance herein and delivered to the City. In addition, the Contractor shall within ten (10) business days after written request provide the City with certificates of insurance and policy endorsements for the insurance required herein. The delivery of the certificates of insurance and policy endorsements to the City is a condition precedent to the payment of any amounts due to Contractor by the City. The failure to provide valid certificates of insurance and policy endorsements shall be deemed a default and/or breach of this Agreement.

Contracts in the Amount of \$0-\$100,000

Type of Insurance	Amount of Insurance	Provisions
1. Commercial General (Public) Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Liability e) Contractual Liability	\$500,000 each occurrence, \$1,000,000 general aggregate; or \$1,000,000 combined single limits	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City prefers that insurer be rated A or higher by A.M. Best or equivalent. Waiver of Subrogation to apply

2. Business Auto Liability	\$500,000 combined single limit	Owned, non-owned, and hired vehicles
3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	Waiver of subrogation
4. a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

Contracts in the Amount of \$100,000-\$1,000,000

Type of Insurance	Amount of Insurance	Provisions
1. Commercial General (Public) Liability to include coverage for: f) Premises/Operations g) Products/Completed Operations h) Independent Contractors i) Personal Liability j) Contractual Liability	\$1,000,000 each occurrence \$2,000,000 general aggregate \$2,000,000 Umbrella/ Excess Liability	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City requires that insurer be rated A or higher by A.M. Best or equivalent. Waiver of subrogation
2. Business Auto Liability	<ul style="list-style-type: none"> \$1,000,000 per occurrence \$1,000,000 aggregate or; \$1,000,000 combined single limits 	City to be named as a additional insured
3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	Waiver of subrogation
4. Builders Risk Policy	100% of construction total	If Applicable
5.a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

Contracts in the Amount of \$1,000,000-\$8,000,000

Type of Insurance	Amount of Insurance	Provisions
1. Broad Form Commercial General Liability to include coverage for: k) Premises/Operations l) Products/Completed Operations m) Independent Contractors n) Personal Liability o) Contractual Liability	\$2,000,000 each occurrence, \$4,000,000 general aggregate; \$4,000,000 umbrella	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City requires that insurer be rated A or higher by A.M. Best or equivalent. Waiver of Subrogation

2. Business Auto Liability	<ul style="list-style-type: none"> • \$1,000,000 per occurrence • \$2,000,000 aggregate or; • \$2,000,000 combined single limits 	City to be named as additional insured
3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	City to be provided a waiver of subrogation
4. Builders Risk Policy	100% of construction total	If Applicable
5. a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

All Contracts over \$8,000,000 must contact Risk Management for insurance specifications. All Certificates of Insurance need to reference job or contract number in comments section.

Article XII Miscellaneous

12.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings written or oral agreements between the parties with respect to this subject matter.

12.2 Assignment. Contractor may not assign this Agreement in whole or in part without the prior written consent of City. In the event of an assignment by Contractor to which City has consented, the assignee shall agree in writing with City to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

12.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

12.4 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in Collin County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said Court.

12.5 Amendments. This Agreement may be amended by the mutual written agreement of the parties.

12.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not effect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

12.7 Independent Contractor. It is understood and agreed by and between the parties that Contractor, in satisfying the conditions of this Agreement, is acting independently, and that City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by Contractor pursuant to this Agreement shall be in the capacity of an independent Contractor, and not as an agent or employee of City. Contractor shall supervise the performance of its

services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement.

12.8 Under the Authority of the Clean Water Act, the Environmental Protection Agency (EPA), the City of Allen has endeavored to reduce / improve storm water quality per direction of the Texas Commission of Environmental Quality (TCEQ). The City of Allen has developed standard operating procedures (SOP's) for our Storm Water Management Program (SWMP). By signing this contract all vendors accept to follow our SOP's of our SWMP. Follow the link for our SOP's <http://www.cityofallen.org/933/Storm-Water-Management>

12.9 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other party or address as either party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for City:

Eric Ellwanger
City Manager
3rd floor, City Hall
305 Century Parkway
Allen, Texas 75013
Facsimile: 214-509-4118
Telephone: 214-509-4110

If intended for Contractor:

Professional Turf Products, LP
Bobby Anderson
1010 North Industrial Blvd.
Euless TX, 76039
Facsimile: 817-785-1900

12.10 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

12.11 Exhibits and Recitals. The exhibits attached hereto and the Recitals are incorporated herein and made a part hereof for all purposes.

12.12 Indemnification. Contractor shall release, defend, indemnify and hold harmless City and its officers, agents and employees from and against all damages, injuries (including death), claims, property damages, (including loss of use), losses, demands, suits, judgments and costs, including reasonable attorney's fees and expenses, in any way arising out of, related to, or resulting from the performance of the work or caused by the negligent act or omission of Contractor, its officers, agents, employees, subcontractors, licensees, invitees or any other third parties for whom Contractor is legally responsible (hereinafter "Claims"). Contractor is expressly required to defend City against all such Claims.

In its sole discretion, City shall have the right to select or to approve defense counsel to be retained by Contractor in fulfilling its obligation hereunder to defend and indemnify City, unless such right is expressly waived by City in writing. City reserves the right to provide a portion or all of its own defense; however, City is under no obligation to do so. Any such action by City is not to be construed as a waiver of Company's obligation to defend City or as a waiver of Contractor's obligation to indemnify City pursuant to this Contract. Contractor shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Contractor fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Contractor shall be liable for all costs incurred by City.

12.13 Audits and Records. Contractor agrees that during the term hereof, City and its representatives may, during normal business hours and as often as deemed necessary, inspect, audit, examine and reproduce any and all of the Contractor's records relating to the services provided pursuant to this Agreement for a period of one year following the date of completion of services as determined by City or date of termination if sooner.

12.14 Conflicts of Interests. The Contractor represents that no official or employee of City has any direct or indirect pecuniary interest in this Agreement.

12.15 Warranty. The Contractor warrants to the City that all labor furnished to perform the work under this Contract will be competent to perform the tasks undertaken, that the product of such labor will yield only first-class results, that the work will be performed in a good and workmanlike manner and at least in accordance with industry standards, and that the work will be of good quality, free from faults and defects and in strict conformance with this contract. All work not conforming to these requirements may be considered defective.

12.16 Uniforms. Contractor shall provide and require its employees to wear a uniform that bears the company name, logo, and the employee's name. Uniforms are not to be dirty, stained, or torn. Uniforms shall be worn at all times while on the job. Contractor shall provide and ensure the wearing of protective clothing, masks, eye protection, etc., as required by laws, regulation, ordinances, and/or manufacturer's instruction for material and equipment. All employees of Contractor working on rights-of-way or medians must utilize personal protective equipment such as safety vests to insure their visibility to drivers.

12.17 Warning Devices and Barricades. The Contractor shall furnish and maintain such warning devices, barricades, lights, signs, and other devices as may be necessary or appropriate or required by the City to protect persons or property in, near or adjacent to the jobsite. The contractor shall comply with all applicable Federal, State, and Local Laws regarding occupational safety and health as well as providing protection of the environment. This shall include but not be limited to compliance with U.S. Department of Labor-Occupational Safety and Health Administration (OSHA), and U.S. Environmental Protection Agency (EPA) guidelines and regulations. No separate compensation shall be paid to the Contractor for such measures.

12.18 Protection of Utilities. The Contractor shall use best efforts to leave undisturbed and uninterrupted all irrigation systems, utilities, and utility services provided to the job site or which presently exist at, above, or beneath the location where the work is to be performed. In the event that any irrigation system, utility, or utility service is disturbed or damaged during the progress of the work, the Contractor

shall forthwith repair, remedy or restore the utility at Contractor's sole expense. The Contractor is responsible for an inspection of the site prior to commencing work on site to ensure that no damage is existing or will not occur when maintenance begins. If damage is noted or if probable damage will occur, then it is the contractor's responsibility to notify the City of Allen representative so that the City of Allen can take action to correct and document the problem(s). The contractor is responsible for the replacement of all irrigation heads that are damaged by mowing with like equipment approved by the City of Allen.

12.19 PROHIBITION OF BOYCOTT ISRAEL. Company verifies that it does not Boycott Israel and agrees that during the term of this Contract will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended. Effective September 1, 2019, this section does not apply if the Vendor is a sole proprietor, a non-profit entity or a governmental entity; and only applies if: (i) the Vendor has ten (10) or more fulltime employees and (ii) this Contract has a value of \$100,000.00 or more to be paid under the terms of this Contract.

(Signature page to follow)

EXECUTED this _____ day of _____, 2021.

CITY OF ALLEN

By: _____

Eric Ellwanger, City Manager

305 Century Parkway

Allen, Texas 75013

ATTEST

Shelley B. George, City Secretary

EXECUTED this _____ day of _____, 2021.

Professional Turf Products, LP

By: DPJ

Signature of Authorized Officer

Name: DAVID LAY

Print Name

Title: CFO

[ADDRESS]

1010 N. INDUSTRIAL BLVD.

ENCLER, TX 76039

EXHIBIT "A"
SPECIFICATIONS AND RESPONSE

1. City's Request for Bid #2021-12-39.
2. Vendor's Response to City's Request for Bid #2021-12-39.



GENERAL INFORMATION

CITY OF ALLEN, TEXAS
BIDS WILL BE ACCEPTED IN THE OFFICE OF THE PURCHASING MANAGER

INVITATION FOR BID
SOLICITATION #2021-12-39
PUMP REPAIRS AND PUMPING STATION SERVICES
BID PACKAGES ARE DUE TO THE
PURCHASING DIVISION PRIOR TO:

March 25, 2021 @ 2:00 P.M.

NO LATE BIDS WILL BE ACCEPTED
ELECTRONIC RESPONSES SUBMITTED THROUGH
IONWAVE E-BID SYSTEM ARE RECOMMENDED
<http://allentx.ionwave.net>

BID PACKAGES
MAY BE DELIVERED OR MAILED TO:

CITY OF ALLEN PURCHASING DIVISION
305 CENTURY PARKWAY
ALLEN, TX 75013

FOR ADDITIONAL INFORMATION CONCERNING THIS BID PLEASE CONTACT:

Eva Badali, Sr. Buyer, 214-509-4631

COVER SHEET

INDEX

SECTION I

NOTICE TO OFFERORS

SECTION II

GENERAL TERMS & CONDITIONS

SECTION III

SPECIFICATIONS & EQUIPMENT LIST

SECTION IV

BID FORM & PRICING

SECTION V

EXHIBITS:

1. INSURANCE REQUIREMENTS
2. AFFIDAVIT OF NO PROHIBITED INTEREST
3. CONFLICT OF INTEREST
CONFLICT OF INTERESTED PARTIES
4. BIDDERS QUALIFICATION STATEMENT
5. NO BID RESPONSE
6. SUPPLEMENTAL INFORMATION
7. SCHEDULE OF SUBCONTRACTORS
8. WORKFORCE COMPOSITION

SECTION I - NOTICE TO OFFERORS

1.1 INTRODUCTION

Section I provides general information to potential proposers on subjects such as where to submit proposals, number of copies, amendments, proprietary information designation, and other similar administrative elements.

1.2 SUBMISSION OF PROPOSAL

Electronic responses submitted via our online bidding system (<http://allentx.ionwave.net>) are the preferred method of receiving responses for this solicitation. All bids/proposals will be sealed and received by the City of Allen Purchasing Office. Proposals shall be in one envelope clearly marked: Bid Number, Title, and Opening Date on the outside of the envelope containing the bid.

INVITATION FOR BID # 2021-12-39 PUMP REPAIRS AND PUMPING STATION SERVICES

Sealed offers are to be submitted to:

City of Allen
Purchasing Department
305 Century Parkway
Allen, TX 75013

**NO LATE OFFERS WILL BE ACCEPTED
FACSIMILE OR EMAILED BIDS WILL NOT BE ACCEPTED**

Bids are due by March 25, 2021 @ 2:00 P.M. Central Time

A teleconference bid opening will be held. To participate, call in to the teleconference by dialing toll number 1-830-476-3317 and use the following dial-in code: 978 092 81#

The City of Allen strongly encourages bidders to submit their response to this bid electronically.

1.3 PRE-CONFERENCE MEETING

A teleconference is scheduled for Tuesday, March 02, 2021 at 10:00 A.M. **To participate, call in to the teleconference by dialing toll number 1-830-476-3317 and use the following dial-in code: 969 445 573#.** Potential bidders may visit the job sites at their convenience before Pre-bid meeting.

1.4 NUMBER OF COPIES

Bidder shall **either** submit their bid electronically or submit one original set and two (2) copies of proposal documents and one (1) electronic copy on a flash drive. This will greatly facilitate the evaluation process. The proposal shall remain the property of the City of Allen. The original copy shall be unbound and clearly marked **"Original"**.

1.5 PROPOSAL INFORMATION

All questions regarding proposal preparation, the selection process, specifications and interpretations of the terms and conditions of the bid shall be submitted in writing. Any addenda will be issued no later than three (3) calendar days prior to the deadline for submission of offers.

1.6 DISCLOSURE OF RESPONSE

All information submitted in an accepted response shall be retained by the City of Allen for the period specified in the City of Allen's record retention schedule created under Government Code Section 441.180, et sequitur. The information will not be returned to the respondent. The Public Information Act (PIA), Government Code Chapter 552, allows the public to have access to information in the possession of a governmental body through an open records request. Therefore, the respondent shall clearly identify in the response any confidential or proprietary information. Proprietary information identified by the respondent in the response, will be kept confidential by the City of Allen to the extent permitted by state law. The City of Allen merely raises the exception on behalf of the vendor. The City of Allen takes no legal position on disclosure. The City of Allen will use best efforts to give the respondent or the awarded vendor an opportunity to present to the Office of the Attorney General its arguments for non-disclosure of its identified confidential or proprietary information.

DISCLOSURE OF INTERESTED PARTIES

Texas Legislature passed HB 1295 that now requires a government entity receive a Disclosure of Interested Parties (Form 1295) before entering into a contract with a vendor that requires action by the City Council. Form 1295 was created by the Texas Ethics Commission per the direction of the Texas Legislature. The form shall be completed electronically on the Texas Ethics Commission website, <https://www.ethics.state.tx.us>. Once you have electronically completed the form, you shall print the form, sign & notarize the form, then deliver the form to the City of Allen along with the executed contract. This will apply to contracts that will require Council approval, in most situations will be \$50,000 or greater.

1.7 ADDENDUMS/AMENDMENTS

Any interpretations, corrections and/or changes to a bid solicitation or extensions to the opening date will be made by addenda to the respective document when necessary. An addendum will be published and distributed by email to all that are known to have received a copy of the bid and related specifications. However, it shall be the sole responsibility of the bidder to verify issuance/non-issuance of addenda and to check all avenues of document availability prior to opening date and time to ensure bidder's receipt of any addenda issued. No addenda will be issued 3 days prior to bid opening. **The last day for questions will be on Friday, March 05, 2021 at 2:00 PM. The last day for addenda will be on Wednesday, March 10, 2021 at 2:00 PM.** Any addenda issued within 3 working days of the bid opening will automatically delay the bid opening by one week. Bidders will be notified of the new bid opening time and date as determined by the City of Allen Purchasing Department. The offeror is required to acknowledge receipt of any amendments by submitting a signed copy of each amendment issued. Signed copies shall be submitted as part of the signed proposal submittal.

1.8 BID SUBMITTALS

Bids shall be submitted on the forms provided to insure complete uniformity of wording of all bids. Bids may be rejected if they show any omissions, alterations in wording, conditional clauses, or irregularities of any kind.

If an emergency or unanticipated event interrupts normal City processes so as to cause postponement of the scheduled bid opening, the time specified for receipt of bids will be deemed to be extended to the same time of day specified in the solicitation on the first work day on which normal City processes resume or to such other date and time as may be provided by the Procurement Services Office in a written notice to bidders."

1.9 ACCEPTANCE

Any offer received shall be considered an offer, which may be accepted by the City of Allen based on initial submission without discussions or negotiations. By submitting an offer in

response to this solicitation the proposer agrees that any offer it submits may be accepted by the City of Allen at any time within 90 days from the close date.

The City of Allen reserves the right to reject any or all offers and to waive informalities and minor irregularities in offers received, and/or to accept any portion of the offer if deemed in the best interest of the City of Allen. Failure of the proposer to provide in its offer any information requested in the bid may result in rejection for non-responsiveness.

Responsive Bidder/Proposer

A bid or proposal that fully conforms in all material respect to the Invitation for Bids (IFB)/Request for Proposals (RFP) and all its requirements, including all form and substance.

Responsible Bidder/Proposer

A business entity or individual who has the capability and financial and technical capacity to perform the requirements of the solicitation and subsequent contract. Responsible bidders/proposers shall not have been convicted of, or pled guilty to, crimes involving procurement fraud or damage to the environment during the previous five years and shall not currently be included on any list of debarred or suspended business entities or individuals.

1.10 AWARD

The City of Allen intends to make an award using the evaluation criteria and other factors as indicated in this bid/proposal. The award shall be based on the lowest responsible and best-qualified bidder whose evaluation by the City of Allen indicates to be in the best interest of the City and taxpayers.

Bid will be awarded on the basis of "best value". The award to the successful bidder will be determined by best value to the City of Allen as allowed by Chapter 252 of the Local Government Code. The following criteria will be considered when selecting the successful bidder:

- the purchase price:
- the reputation of the bidder and the bidder's services.
- the quality of the bidder's service.
- the extent to which the bidder's services meet the City's needs.
- the bidder's past business relationship with the City.
- the impact on the ability of the City to comply with laws and rules relating to contracting with historically underutilized businesses and non-profit organizations employing persons with disabilities.
- the total long-term cost to the City to acquire the bidder's goods or services.

1.11 BID TABULATIONS

Bid tabulations can be accessed through the electronic bidding system. Please allow at least one week after opening date for bids to be tabulated.

1.12 CONTRACT ADMINISTRATION

The City of Allen Parks and Recreation Department together with the Purchasing Department shall be responsible for administration of this purchase for compliance with the interpretation of scope, schedule, billings, requirements, and budget.

1.13 SUBSTANTIVE PROPOSALS

The respondent shall certify (a) that the bid submittal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation; (b) that has not directly or indirectly induced or solicited any other respondent to put in a false or sham bid; (c) that has not solicited or induced any other person, firm, or corporation from proposing; and (d) that has not sought by collusion to obtain for himself any advantage over any other respondents or over the City of Allen.

The City of Allen may make such investigations as it deems necessary to determine the ability of the bidder to provide satisfactory performance in accordance with bid requirements, and the respondent shall furnish to the City all such information and data for this purpose.

Minimum standards for responsible prospective bidders are as follows:

- Have adequate financial resources, or the ability to obtain such resources
- Be able to comply with the required or proposed schedules and project requirements
- Competitive pricing
- Have a satisfactory record of performance for contracts of similar scope (complete attached reference sheet)
- Have a satisfactory record of integrity and ethics
- Completeness and thoroughness of bid submittal

Bidders shall submit a Cashier's or Certified Check, issued by a bank satisfactory to the City of Allen, or a Bid Bond issued by a bonding company satisfactory to the City of Allen, payable without recourse to the order of the City of Allen in an amount not less than five percent (5%) of the largest possible bid submitted as a guaranty that Bidder will enter into a contract and execute Bond and Guaranty. Bids without required check or bid bond will be considered non-responsive.

1.14 DEFINITIONS

- Bidder refers to submitter.
- Vendor refers to Successful Bidder or Contractor.
- Submittal refers to those documents required to be submitted to the City of Allen, by a bidder.

1.15 INQUIRIES

Questions about this bid shall be in writing and directed to Eva Badali at the following address. Questions resulting in changes to this solicitation will be provided in the form of an amendment to the solicitation.

Eva Badali
Sr. Buyer
305 Century Parkway
Allen, Texas 75013
214-509-4631
ebadali@cityofallen.org

1.16 SCHEDULE OF EVENTS

The upcoming schedule of events is tentative scheduled as follows:

Advertise Requirement	February 18 & 25, 2021
Pre-Conference Meeting	March 02, 2021, 10:00 AM
Deadline for Questions	March 05, 2021, 2:00 PM
Deadline for Addenda	March 10 ,2021, 2:00 PM
Bids Due	March 25, 2021, 2:00 PM

SECTION II GENERAL TERMS & CONDITIONS

The City of Allen bid packets contain various sections requiring completion. The bid form section of the bid packet shall be completed prior to the date and time set for bid opening and included with the bid packet or the vendor will be found non-responsive.

2.1 These instructions apply to all quotations or bid submittals and become a part of terms and conditions of any bid packet submitted.

2.2 The City shall have the authority to disapprove or reject unsatisfactory work, services or equipment. If required by the City, the vendor shall promptly correct all unsatisfactory work and replace all defective equipment, and shall bear all direct, indirect and consequential costs of such correction.

2.3 The City reserves the right to waive any minor defect, irregularity, or informality in any bid, quotation, or proposal. The City may also reject any or all bids, quotations, or proposals without cause prior to award.

2.4 The City reserves the right to enforce the performance of this contract in any manner prescribed by law and deemed to be in the best interest of the City in the event of breach or default of this contract. The City reserves the right to terminate the contract immediately in the event the vendor fails to meet schedules or otherwise perform in accordance with these specifications. Breaches of contract or default authorize the City to purchase the services from the next low bidder or re-bid and charge the difference in cost to the defaulting vendor.

2.5 The contract shall remain in effect until contract expires, except for breach of contract, or is terminated by either party with a thirty (30) day written notice prior to any cancellation. The vendor shall state therein the reasons for such cancellation. Notice of termination shall be transmitted via certified mail to the other party's designated representative.

2.6 The vendor shall be held responsible for and shall make good, without expense to the City, any and all damage, injury or loss due to the execution of his work. The vendor shall protect all finished building surfaces from damage and shall repair any damage to the building or property caused by delivery or installation of product.

2.7 The vendor agrees to indemnify and hold harmless the City against all claims or alleged claims or demands for damages, including all expenses incurred, arising from accidents to employees of either party hereto or to the public, or from claims or alleged claims of damages to the property of the City or to adjoining property caused directly or indirectly by said vendor, by any of his subcontractors, or by anyone directly or indirectly employed by either of them in connection with the performance of this contract.

2.8 The vendor agrees to indemnify and hold the City harmless from any claim involving patent right infringement or copyrights on goods supplied.

2.9 In its sole discretion, the City shall have the right to select or to approve defense counsel to be retained by Contractor in fulfilling its obligation hereunder to defend and

indemnify City, unless such right is expressly waived by City in writing. City reserves the right to provide a portion of its own entire defense; however, City is under no obligation to do so, any such action by City is not to be construed as a waiver of Contractor's obligation to defend City or as a waiver of contractor's obligation to indemnify City pursuant to this contract. Contractor shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this contract. If Contractor fails to retain counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and contractor shall be liable for all costs incurred by City.

2.10 The vendor shall not sell, assign, transfer or convey this contract, in whole or in part, without the prior written consent of the City.

2.11 This bid, when properly accepted by the City, shall constitute a contract equally binding between the vendor and the City. No different or additional terms shall become a part of this contract with the exception of a change order processed through the Purchasing Department.

2.12 This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in Collin County, Texas.

2.13 The successful bidder and the City of Allen agree that each party have rights, duties, and remedies available as stated in the Uniform Commercial Code and any other available remedy, whether in law or equity.

2.14 Bidder acknowledges and represents that they are aware of laws, City Charter and City Code of Conduct regarding Conflicts of Interest. The City Charter states that "no officer or employee of the City shall have a financial interest, direct or indirect, in any contract with the City, nor shall be financially interested, directly or indirectly, in the sale to the City of any land or rights or interest in any land, materials, supplies or service..."

2.15 Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a Local Government entity, disclose in the questionnaire form CIQ, the vendor or person's affiliation or business relationship that might cause a Conflict of Interest. This form shall be filed with the Records Administrator no later than 7 business days after the date the person becomes aware of facts that require the statement to be filed. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

2.16 All equipment, supplies and work furnished under this contract shall comply with applicable laws, ordinances and regulations. The Vendor shall obtain and pay for such permits and inspections as are required for the legal performance of this work.

2.17 The City reserves the right to audit the records and performance of vendor during the term of the contract and for three years thereafter.

2.18 Unless otherwise notified, all invoices shall be sent to the Accounts Payable, Finance Department at the address listed on page one (1). Invoices shall show the item(s) shipped/work performed and the purchase order number applicable to the transaction in order to insure prompt payment.

2.19 Payment will be made in accordance with Texas statutes. Term of Payment is net 30 days after the date the City receives the goods in accordance with the contract, the date the performance of service in accordance with the contract is completed, or the date the agency receives an invoice for the goods or services, whichever occurs the latest. If your company provides a discount for early payment, please indicate in this solicitation. This will not be considered an evaluation factor in the award of the bid(s).

2.20 Funds for payment have been approved. The State of Texas statutes prohibit the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved; therefore, anticipated obligations that may arise past the end of the current City fiscal year shall be subject to budget approval. The City of Allen is a Home-Rule Municipal Corporation operated and funded October 1 to September 30.

2.21 The City of Allen is by statute tax-exempt therefore pricing shall not include taxes. Tax exemption certificates will be executed by the City and furnished upon request.

2.22 Vendors shall state a firm completion time. The City reserves the right to cancel orders and/or assess financial penalties if the vendor fails to complete project as promised. Work shall be scheduled between 8:00 a.m. and 5:00 p.m., Monday through Friday, excluding holidays, unless otherwise approved by the City.

2.23 When offering products other than those bid, the City reserves the right to request a sample/demo of the product for evaluation. In such cases, the bidder shall provide a sample/demo of the product at no charge to the City within three days of the request and shall pick up the product after the evaluation. Failure to provide an evaluation product within the three-day period will disqualify the bidder from further consideration. If the bidder offers a product other than that specified, specifications shall be included in the bid package. Bid responses not listing manufacturer or part numbers in the Mfg./Pt No. section of the bid form will be considered as bidding according to specification, and if awarded, will be required to provide exactly what was specified. Samples should not be enclosed with bid unless requested.

2.24 The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretation of these specifications shall be made on the basis of this statement.

2.25 Testing may be performed at the request of the City or any participating entity, by an agent so designated, without expense to the City.

2.26 When unit price differs from extended price, the unit price prevails.

2.27 In case of a discrepancy between the product number and description, the description takes precedence.

2.28 When manufacturers are named in the specification, they are not meant to limit competition, but to define the minimum standard, quality, and performance of the item specified. All materials supplied will be new, first quality industrial-grade products.

2.29 Response to specification is primary in determining the lowest responsible bid.

2.30 The City of Allen reserves the right to award a vendor bid as an “alternate award”. The alternate vendor’s bid shall remain in effect for the term of the awarded contract, should the primary vendor become unable or unwilling to complete the contract term. The alternate vendor will be notified in writing of their official contract and start date. All terms and conditions of the original bid will remain in effect.

2.31 The City of Allen reserves the right to award a separate contract to separate vendors for each item/group or to award one contract for the entire bid.

2.32 Bid prices cannot be altered or amended after submission deadline. Any interlineations, alteration, or erasure made before opening time shall be initialed by the signer of the bid, guaranteeing authenticity.

2.32.1 A price redetermination may be considered only at the anniversary dates of the contract. All requests for price redetermination shall be in written form and shall include documents supporting price redetermination such as Manufacturer’s direct cost, postage rates, Railroad Commission rates, Federal/State minimum wage law, Federal/State unemployment taxes, F.I.C.A. Insurance Coverage Rates, Producers Price Index or employment Cost Index for your industry or product category as published by the U.S. Department of Labor, Bureau of Labor Statistics, etc. The bidders experience of honoring contracts at the bid price will be an important consideration in the evaluation of the lowest and best value bid. The City of Allen reserves the right to accept or reject price redetermination as it deems to be in the best interest of the City. Annual contract escalators and consumer price index adjustments cannot exceed 3.5%. The City of Allen is operating under new constraints from State Legislature and our efforts are focused on finding solutions that maximize our impact on the community. Any adjustment in pricing shall be presented to the City of Allen at least 90 days prior to the expiration or renewal of the current agreement. Notice of renewal will be given to the Contractor in writing by the City of Allen, normally within 30 days prior to the expiration date of the current contract.

2.33 A bid price may not be withdrawn or canceled by the bidder for a period of 90 days following the date designated for the receipt of bids without written approval of the Purchasing Manager, and bidder so agrees upon submittal of bid.

2.34 No oral statement of any person shall modify or otherwise change or affect the terms, conditions or specifications stated in the resulting contract. All change orders shall be made in writing.

2.35 Any interpretations, corrections or changes to this bid packet will be made by addenda. Sole issuing authority shall be vested in the City of Allen Purchasing Department. Addenda will be sent to all who are known to have received a copy of this bid packet. If the Addenda contain changes to the specification or bid form, bidders shall acknowledge receipt of all addenda or they will be declared non-responsive.

2.36 Bid tabulations can be accessed in the City of Allen electronic bidding system <https://allentx.ionwave.net/Login.aspx>. Please allow at least one week after opening date for bids to be tabulated.

2.37 All work, materials, equipment, and supplies, furnished under this contract shall comply with applicable laws, ordinances and regulations.

2.38 Unless otherwise indicated, items will be new, unused, and in first rate condition in containers suitable for damage-free shipment and storage.

2.39 Quotations shall show the number of calendar days required to place the materials in the possession of the City. Do not quote shipping dates. When delivery delay can be foreseen, the bidder shall give prior notice to the Purchasing Division, who shall have the right to extend the delivery date if reasons for delay appear acceptable. Default in promised delivery, without acceptable reasons of failure to meet specifications, authorizes the Purchasing Division to purchase goods elsewhere and charge any increase in cost and handling to the defaulting bidder.

2.40 F.O.B. will be Destination/Inside Delivery/Installed at the location stated on the City's purchase order, acceptable only during normal working hours. The price will be firm lump sum all-inclusive cost for all materials, work, transportation, and all other costs of whatsoever nature for each item listed. Vendor will be responsible for all claims against the carrier for all freight and/or drayage damage. The City assumes no liability for goods delivered in damaged or unacceptable condition. Vendor shall handle all claims with carriers, and in case of damaged goods, shall ship replacement goods immediately upon notification by District of damage. Shipments will be made to the specific locations described in the bid specifications. If the vendor shall deliver to the specified room, the vendor shall remove all packing and debris, which results from set-up and installation. Owner dumpsters cannot be used.

2.41 At the time of the opening of bids each bidder shall be presumed to have inspected the sites and to have read and shall be thoroughly familiar with the contract requirements. The failure or omission of any bidder to examine any form, instrument, document or site shall in no way relieve any bidder from any obligation in respect to this bid.

2.42 The City shall have the right to do other work, or to let other contracts for work to be done, on the same sites as specified for the work to be done under this contract, and the City's arrangements as to precedence of work and the relationship between the Vendor and the City shall be decisive.

2.43 It is the policy of the City of Allen that whenever practical, products should be purchased which contain the highest percentage of post-consumer recovered material available in the marketplace and/or the highest percentage of pre-consumer recovered material available in the marketplace.

2.44 Texas Government Code, Chapter 2252, non-resident bidders; Texas Law prohibits Cities and Governmental units from awarding contracts to a non-resident unless the amount of such bid is lower than the lowest bid by a Texas resident by the amount a Texas resident would be required to underbid in the non-resident bidders state.

2.45 The vendor shall purchase and maintain in force the following kinds of insurance for operations under the contract as specified. Insurance certificates in the amounts shown and under the conditions noted shall be provided to the City before the commencement of any work:

2.46 Workers' Compensation Coverage – **Statutory See Insurance Requirements in Exhibit**

2.47 Prevailing Wage Rates - The contractor shall comply in all respects with all requirements imposed by any laws, ordinances or resolutions applicable to the project with regard to the minimum prevailing wage rates for all classes of employees, laborers, subcontractors, mechanics, workmen and persons furnishing labor and services to the project. The contractor shall comply with the Davis Bacon Act. Upon request by the Owner, Contractor shall make available for inspection and copying its books and records, including but not limited to its payroll records, account information and other documents as may be required by the owner to ensure compliance with this provision. Attention is called to the fact that the inclusion of a minimum scale of wages to be paid to employees engaged in the work under this Contract does not release the Contractor from compliance with any State Wage Law that may be applicable. The Contractor shall abide by the Wage and Hour Laws of the State and shall not pay less than the wages legally prescribed as set forth herein.

2.47.1 Except for work on legal holidays, the "general prevailing rate of per diem wage" for the various crafts or types of workmen or mechanics is the product of (a) the number of hours worked per day, except for overtime hours, times (b) the respective Rate Per Hour.

2.47.2 For legal holidays, the "general prevailing rate of per diem wage" for the various crafts or type of workmen or mechanics is the product of (a) one and one-half times the respective Rate per Hour, times (b) the number of hours worked on a legal holiday.

2.47.3 The "general prevailing rate for overtime work" for the crafts or type of workmen or mechanics is one and one-half times the above respective Rate per Hour.

2.47.4 Under the provisions of Article 5159a Vernon's Annotated Texas Statutes, the Contractor shall forfeit as a penalty to the entity on whose behalf the Contract is made or awarded, Ten Dollars (\$10.00) for each laborer, workman, or mechanic employed, for each calendar day or portion thereof that such laborer, workman or mechanic is paid less than the said stipulated rates for any work under the Contract, by him or by any sub-contractor under him.

2.48 The Davis-Bacon Act, 40 U.S.C. §§ 276-A276A-7, provides that locally prevailing wages and fringe benefits shall be paid to laborers and the mechanics employed on Federally Funded contracts exceeding \$2,000 that may involve construction, alteration, maintenance or repair. The new interim rule clarifies that all Programs or Activities funded by ARRA and meeting the Davis-Bacon criteria will be subject to the requirements under Davis-Bacon. The awarding agency shall include the following provision in issuing grant announcements or requesting applications.

2.48.1 "Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of Chapter 31 of Title 40, United States Code.

2.48.2 Pursuant to reorganization Plan No. 14 and the Copeland Act. 40 U.S.C. 3145, The Department of Labor has issued regulation at 29 CFR Parts 1, 3, and 5

to implement the Davis-Bacon and related Acts. Regulations in 29 CFR 5.5 instruct agencies concerning application of the standard Davis-Bacon contract clauses set forth in that section Federal agencies providing grants, cooperative agreements, and loans under the Recovery Act shall ensure that the standard Davis-bacon contract clauses found in 29 C.F.R. 5.5(A) are incorporated in any resultant covered contracts that are in excess of \$2,000 for construction, alteration or repair (including painting and decorating)”

2.49 Buy American Act See <http://www.whitehouse.gov/> or Buy American Certification for revisions, amendments and more information; Sec 1605. The Contractor shall comply with the Buy American Act. All materials installed shall be in accordance with the Buy American Act. Use of American iron, steel, and manufactured goods. None of the funds appropriated or otherwise made available by this act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

- (A) Subsection (A) shall not apply in any case or category of cases in which the head of the Federal Department or agency involved finds that:
 - a. Applying Subsection (A) would be inconsistent with the public interest;
 - b. Iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quantity; or
 - c. Inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.
- (B) If the head of a Federal Department or agency determines that it is necessary to waive the application of subsection (A) based on a finding under subsection (B), the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived.
- (C) This section shall be applied in a manner consistent with United States Obligations under International Agreements.

2.50 Provide the names and locations of at least three (3) references at which the offeror has conducted similar services and requirements along with specific individuals whom we may contact for references.

2.51 All protests regarding the bid solicitation process shall be submitted in writing to the Purchasing Manager within five (5) working days following the opening of bids. This includes all protests relating to advertising of bid notices, deadlines, bid opening, and all other related procedures under the Local Government Code, as well as any protests relating to alleged improprieties or ambiguities in the specifications. The limitation does not include protests relating to staff recommendations as to award of this bid. Protests relating to staff recommendations may be directed to the City Secretary.

2.52 Bidders shall be capable of providing criminal background checks on all employees performing services in facilities or on properties that are open to the public.

2.53 EVALUATION CRITERIA: PLEASE NOTE THAT THIS BID WILL BE AWARDED ON THE BASIS OF "BEST VALUE". The award to the successful bidder will be determined by best value to the City of Allen as allowed by Chapter 252 of the Local Government Code. The following criteria will be considered when selecting a contractor:

- the purchase price;
- the reputation of the bidder and the bidder's services.
- the quality of the bidder's service.
- the extent to which the bidder's services meet the City's needs.
- the bidder's past business relationship with the City.

2.54 PROHIBITION OF BOYCOTT ISRAEL: Vendor verifies that it does not Boycott Israel and agrees that during the term of this Contract will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended. Effective September 1, 2019, this section does not apply if the Vendor is a sole proprietor, a non-profit entity or a governmental entity; and only applies if: (i) the Vendor has ten (10) or more fulltime employees and (ii) this Contract has a value of \$100,000.00 or more to be paid under the terms of this Contract.

2.55 STORM WATER MANAGEMENT

Under the Authority of the Clean Water Act, the Environmental Protection Agency (EPA), the City of Allen has endeavored to reduce / improve storm water quality per direction of the Texas Commission of Environmental Quality (TCEQ). The City of Allen has developed standard operating procedures (SOP's) for our Storm Water Management Program (SWMP). By signing this contract all vendors accept to follow our SOP's of our SWMP. Follow the link for our SOP's

<http://www.cityofallen.org/933/Storm-Water-Management>

2.56 COOPERATIVE PURCHASING: As permitted under Interlocal Cooperation Act C Texas Government Code, Chapter 791, other governmental entities may wish to also participate under the same terms and conditions contained in this contract. If this bid is not specifically for the Collin County Governmental Purchaser's Forum, each entity wishing to participate shall have prior authorization from the City of Allen and the vendor. If such participation is authorized, all purchase orders will be issued directly from and shipped directly to the entity requiring supplies/services. The City of Allen shall not be held responsible for any orders placed, deliveries made or payment for supplies/services ordered by the entities. Bidder is to state their willingness to allow other governmental entities to participate in this contract, if awarded. Vendors bidding products other than those specified should submit technical specification literature with bids.

IS YOUR FIRM WILLING TO ALLOW OTHER GOVERNMENTAL ENTITIES TO PARTICIPATE IN THIS CONTRACT, IF AWARDED, UNDER THE SAME TERMS AND CONDITIONS?

_____YES _____NO

SECTION III

SPECIFICATIONS

It is the intent of this contract is to provide the City of Allen with the services required for Pump Repair and Pumping Station Services. The annual estimated expenditure on this service is \$65,000.00. Services are to be performed on an as-needed basis and are not regularly scheduled.

DURATION OF AGREEMENT

The contract period shall commence upon execution of the contract and continue for a period of one (1) year. The City reserves the right to extend the contract period for two (2) additional one-year periods, with said options to be exercised solely at the City's discretion.

COMMUNICATION

It is essential that the awarded Contractor respond clearly after receiving a telephone call or email from the City. Written correspondence from the City of Allen shall be answered within twenty-four (24) hours. The awarded Contractor shall respond to phone calls and emails from the City within four (4) hours of receipt

EMERGENCY PROCEDURES

In the event of emergency, additional or extra non-scheduled service requested by the City, the vendor shall respond and satisfactorily complete the service within 24 hours of notification. Emergency, additional, or non-scheduled service will be paid at the rate established in this contract. Any callbacks for unsatisfactory or incomplete service are not considered emergency, additional or non-scheduled service and the city may not be charged.

BID PRICE

The price quoted on the invitation for bid will be a fixed percentage for each product category and no additional charges (i.e. freight, handling, etc.) will be allowed. Percentage markup shall remain the same throughout the contract term. Bidder(s) shall provide a **catalog** and/or price list for specific equipment/parts for evaluation purposes. The Bidder shall provide specific product (type/model, etc.) information from the most current manufacturer catalog/price listing in electronic form (website or searchable .PDF file from the manufacturer) on the submittal.

List the percentage (%) for markup on OEM parts and materials and replacement pump equipment furnished by your firm that may be necessary to complete any repair work. This is the percentage (%) above your ACTUAL COST.

METHOD OF AWARD

This bid will be awarded by group to the best value and responsive bidder that meets specifications and is in compliance with required qualification standards. Vendors do not have to bid on every group, but when bidding a group, all lines within that group must contain a bid. The City reserves the right to award by the method considered most advantageous to the City whether it be by line, by group or entirety.

SERVICE LOCATIONS

Various City-owned facilities and properties are included in the service agreement, including but not limited to the listed below:

- Watters Creek Golf Course located at 7201 Chase Oaks Blvd. in Plano; TX 75025
- Stacy Road Pump Station, 700 East Stacy Rd. Allen, TX 75002
- Custer Road Pump Station, 1108 North Custer Rd. Allen, TX 75002

SCOPE OF WORK

The types of pumps included in this scope of work include various forms of landscape pumps, fountain pumps, pumps servicing ponds and lakes, pool pumps, pump stations and other related pumps for water usage. All Pump Station Facilities have permanent onsite overhead hoists and trolleys to assist with the removal and repair of the pump and motor equipment. Some equipment varies in sizes, but discharge sides are primary 14",16",18".

The types of services performed under the contract are including, but not limited to, the following:

- | | | |
|--------------------------------------|---|---|
| • Troubleshooting Equipment | • Purchase of New Pumps | • On-site maintenance or maintenance training |
| • Non-Destructive testing | • Annual Preventative Maintenance Service | • On-Site Welding |
| • Alignment | • Purchase of Pump Parts and Related Supplies | • Pump Surveys |
| • Dynamic Balancing | • Dive Services | • Heat Transfer Repair |
| • Vibration Analysis | • Electric Motors | • Check Valves/ |
| • Doppler Flow measurement | • Transportation to/from pump site | • Remote Actuated Valves |
| • Installation of new parts or pumps | | • Aire Release Valves |
| • Diagnostics | | |

The City may request a 'not to exceed' quote for specific projects. Work cannot begin without written authorization from the City authorized representative such as a General Manager, Assistant Manager, Maintenance Foreman, or Superintendent.

Parts, components, and new pumps furnished under the contract shall be first quality production. Re-builds, salvaged, second-hand, scrap, or factory irregular materials are not to be supplied under the contract. Original Equipment Manufacturer (OEM) parts and supplies are to be used whenever possible. NOTE: With regard to the pumping stations at The Courses at Watters Creek Golf Course, Genuine OEM parts and equipment are always required.

Qualified vendor shall have access to OEM parts and supplies and be able to provide those parts as part of the work performed. Firms shall have access to a facility capable of handling various sizes of equipment is required with an in-house machine shop.

As part of the solicitation, bidders shall include any materials which demonstrate they are qualified to perform services under the contract. This can be items such as licenses,

certifications, and any other documents which demonstrate expertise and competence to perform the services required.

Bids for annual or periodic preventative maintenance on may be requested under the scope work on this agreement. Moreover, vendor shall be authorized by the Genuine OEM, to perform warranty repairs and/or preventative maintenance services on the Programmable Logic Controller Controls and Standard related Controls and Equipment for The Courses at Watters Creek..

SECTION IV
BID FORM/PRICING

Important Please provide percentage markup and pricing on electronic excel spreadsheet attached to this solicitation in the City of Allen's E-bid (Ionwave) system labeled "*Bid Sheet – Pump Repair and Pumping Station Services*" *Submittal Form* Electronic response submitted is highly preferred.

		Vendor:	
Group A – Golf Course		Markup % on MFG Parts and Materials	
Ebarra			
Flowtronics			
Watertronic			
Watervision			
Markup % on MFG Parts and Materials not list in the above			
		Markup % on MFG Replacement Pump Equipment	
Ebarra			
Flowtronics			
Watertronic			
Watervision			
Markup % on MFG Replacement Pump Equipment not list in the above			
Description	Unit of Measure	Unit Price	
Mobile Tech Surcharge	DAY		
Crane	DAY		
Dive Services	DAY		
Welding Services	HOUR		
Preventative Maintenance Rate / 2 Visits Per Year	DAY		
Business Hour (Mon-Fri 7:00 AM-6:00 PM)			
Business Hours Shop Labor	HOUR		
Business Hours Field Service Labor	HOUR		
Business Hours Machinist/Specialist Labor	HOUR		
Pickup/Delivery Fees	EACH		
After Hour (Holidays and Weekends)			
After Hours Shop Labor	HOUR		
After Hours Field Service Labor	HOUR		
After Hours Machinist/Specialist Labor	HOUR		
Pickup/Delivery Fees	EACH		
Emergency Service	DAY		
Group B – Park & Recreation		Markup % on MFG Parts and Materials	
AES Seals			
Inpro Bearing Isolators			
Slade Packing			
SealRyt			
Markup % on MFG Parts and Materials not list in the above			
		Markup % on MFG Replacement Pump Equipment	
AES Seals			
Inpro Bearing Isolators			
Slade Packing			
SealRyt			
Markup % on MFG Replacement Pump Equipment not list in the above			
Description	Unit of Measure	Unit Price	
Mobile Tech Surcharge	DAY		
Crane Service	DAY		

BID ENDORSEMENT

The undersigned, in submitting this bid proposal and their endorsement of same, represents that they are authorized to obligate their firm, that they have read this entire bid proposal package, is aware of the covenants contained herein and will abide by and adhere to the expressed requirements.

Submittals will be considered as being responsive only if entire Bid Package plus any/all attachments is returned with all blanks filled in.

SUBMITTED BY:

(OFFICIAL Firm Name)

By: _____
(Original Signature) **Shall be signed to be considered responsive**

(Typed or Printed Name)

(Title) (Date)

Remittance
Address: _____

(Zip Code)

Phone #: (____) _____

Fax #: (____) _____

E-Mail Address: _____

If an addendum is issued for this bid, please acknowledge receipt.

ADDENDUMS/AMENDMENTS:

- 1) _____ date acknowledged
- 2) _____ date acknowledged
- 3) _____ date acknowledged

SECTION V – EXHIBITS

EXHIBIT 1

CONTRACTOR INSURANCE REQUIREMENTS & AGREEMENT

- (a) Vendor on City property or public right-of-way for the City of Allen shall provide the City a certificate of insurance evidencing the coverage's and coverage provisions identified herein. Contractors shall provide the City evidence that all subcontractors performing work on the project have the same types and amounts of coverage's as required herein or that the subcontractors are included under the contractor's policy.
- (b) All insurance and certificate(s) of insurance shall contain the following provisions: (1) name the City, its officers, agents and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance; (2) provide for at least thirty (30) days prior written notice to the City for cancellation, non-renewal, or material change of the insurance; (3) provide for a waiver of subrogation against the City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.
- (c) All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service.

User shall during the term hereof maintain in full force and affect the following insurance: The City reserves the right to amend or require addition all types depending on the nature of the work.

Contracts in the Amount of \$0-\$100,000

Type of Insurance	Amount of Insurance	Provisions
1. Commercial General (Public) Liability to include coverage for: a) Premises/Operations b) Products/Completed Operations c) Independent Contractors d) Personal Liability e) Contractual Liability	\$500,000 each occurrence, \$1,000,000 general aggregate. or \$1,000,000 combined single limits	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City prefers that insurer be rated A or higher by A.M. Best or equivalent. Waiver of Subrogation to apply
2. Business Auto Liability	\$500,000 combined single limit	Owned, non-owned, and hired vehicles
3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	Waiver of subrogation
4. a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

Contracts in the Amount of \$100,000-\$1,000,000

Type of Insurance	Amount of Insurance	Provisions
1. Commercial General (Public) Liability to include coverage for: f) Premises/Operations g) Products/Completed Operations h) Independent Contractors i) Personal Liability j) Contractual Liability	\$1,000,000 each occurrence \$2,000,000 general aggregate \$2,000,000 Umbrella/ Excess Liability	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City requires that insurer be rated A or higher by A.M. Best or equivalent. Waiver of subrogation
2. Business Auto Liability	<ul style="list-style-type: none"> \$1,000,000 per occurrence \$1,000,000 aggregate or \$1,000,000 combined single limits 	City to be named as a additional insured
3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	Waiver of subrogation
4. Builders Risk Policy	100% of construction total	If Applicable
5.a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

Contracts in the Amount of \$1,000,000-\$8,000,000

Type of Insurance	Amount of Insurance	Provisions
1. Broad Form Commercial General Liability to include coverage for: k) Premises/Operations l) Products/Completed Operations m) Independent Contractors n) Personal Liability o) Contractual Liability	\$2,000,000 each occurrence, \$4,000,000 general aggregate \$4,000,000 umbrella	City to be listed as additional insured and provided 30-day notice of cancellation or material change in coverage. City requires that insurer be rated A or higher by A.M. Best or equivalent. Waiver of Subrogation
2. Business Auto Liability	<ul style="list-style-type: none"> \$1,000,000 per occurrence \$2,000,000 aggregate or; \$2,000,000 combined single limits 	City to be named as additional insured

3. Workers' Comp & Employers' Liability	Statutory Limits \$1,000,000 each accident	City to be provided a waiver of subrogation
4. Builders Risk Policy	100% of construction total	If Applicable
5. a) Professional Liability b) E & O coverage	1,000,000 per occurrence	If Applicable

All Contracts over \$8,000,000 shall contact Risk Management for insurance specifications

All Certificates of Insurance need to reference job or contract number in comments section.

Questions regarding insurance should be directed to the City of Allen Purchasing Division (214)509-4630 or the City of Allen Risk Administrator at (214) 509-4685. This form shall be signed and returned with your quotation to verify that you can and will meet the insurance requirements listed herein should you be selected to perform work for the City, and will provide the certificates of insurance acceptable to the City.

Indemnification.

Company shall release, defend, indemnify and hold harmless City and its officers, agents and employees from and against all damages, injuries (including death), claims, property damages, (including loss of use), losses, demands, suits, judgments and costs, including reasonable attorney's fees and expenses, in any way arising out of, related to, or resulting from the performance of the work or caused by the negligent act or omission of Company, its officers, agents, employees, subcontractors, licensees, invitees or any other third parties for whom Company is legally responsible (hereinafter "Claims"). Company is expressly required to defend City against all such Claims.

In its sole discretion, City shall have the right to select or to approve defense counsel to be retained by Company in fulfilling its obligation hereunder to defend and indemnify City, unless such right is expressly waived by City in writing. City reserves the right to provide a portion or all of its own defense; however, City is under no obligation to do so. Any such action by City is not to be construed as a waiver of Company's obligation to defend City or as a waiver of Company's obligation to indemnify City pursuant to this Contract. Company shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Contract. If Company fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and Company shall be liable for all costs incurred by City. Neither party shall be liable to the other for special, indirect, consequential or punitive damages for any reason.

City of Allen Project or Bid Number: _____

PURCHASE ORDER WILL NOT BE ISSUED WITHOUT EVIDENCE OF INSURANCE

WORKERS COMPENSATION INSURANCE COVERAGE DEFINITIONS

A. Definitions:

Certificate of coverage ("certificate") – A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entities' employees providing services on a project, for the duration of the project.

Duration of the project – includes the time from the beginning of the work on the project until the contractor's/person's work on the project had been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in § 406.096) – includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes person to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meet the statutory requirements of Texas Labor Code, Section 401.011 (44) for all employees of the contractor providing services on the project, for the duration of the project.
- C. The contractor shall provide a certificate of coverage to the governmental entity with bid submittal.
- D. If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor shall, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.
- E. The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:
 - (1) a certificate of coverage, prior to that person beginning work on the project, the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

- (2) no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
- F. The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.
- G. The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- H. The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers Compensation Commission, informing all person providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- I. The contractor shall contractually require each person with whom it contracts to provide services on a project to:
 - (1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all its employees providing service on the project, for the duration of the project;
 - (2) provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing the services on the project, for the duration of the project;
 - (3) provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - (4) obtain from each other person with whom it contracts, and provide to the contractor;
 - (A). a certificate of coverage, prior to the other person beginning work on the project; and
 - (B). a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - (5) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;
 - (6) notify the governmental entity in writing by certified mail or personal delivery, within ten (10) days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

- (7) contractually require each person with whom it contracts, to perform as required by paragraphs (1) – (7), with the certificates of coverage to be provided to the person for whom they are providing services.
- J. By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or , in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal, penalties, civil penalties, or other civil actions.
- K. The contractor's failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the governmental entity.

EXHIBIT 3

CONFLICT OF INTEREST QUESTIONNAIRE For vendor doing business with local governmental entity		FORM CIQ
<p>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	OFFICE USE ONLY <div style="border: 1px solid black; height: 100px; margin-top: 5px;"></div>	
1 Name of vendor who has a business relationship with local governmental entity. <div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	2 <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)	
3 Name of local government officer about whom the information is being disclosed. <div style="border: 1px solid black; height: 30px; margin-top: 5px; text-align: center;">Name of Officer</div>		
4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.		
<div style="margin-bottom: 20px;"> <p>A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> </div> <p>B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div>		
5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more. <div style="border: 1px solid black; height: 60px; margin-top: 5px;"></div>		
6 <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).		
7 <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;"> Signature of vendor doing business with the governmental entity </div> <div style="width: 35%;"> Date </div> </div>		

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.

EXHIBIT 4
BIDDERS QUALIFICATION STATEMENT

Project: Bid No. _____

Contractor: _____

Indicate One: ☐ Sole Proprietor ☐ Partnership ☐ Corporation

Name: _____ Partner: _____

Title: _____ Title: _____

Address: _____ Address: _____

City _____ City _____

State & Zip: _____ State & Zip: _____

Phone: _____ Phone: _____

State and Date of Incorporation, Partnership, Ownership, Etc. _____

Location of Principal Office: _____

Contact and Phone at Principal Office: _____

Liability Insurance Provider and Limits of Coverage: _____

Workers compensation Insurance Provider: _____

Address: _____

Contact and Phone: _____

Number of Years in Business as a Contractor on Above Types of Work:

Claims and Suits (If the answer to any of the questions is yes, please attach details):

Has your organization ever failed to complete any work awarded to it?

Are there any judgments, claims, arbitration proceedings, or suits pending or outstanding against your organization or its officers?

Has your organization filed any lawsuits or requested arbitration with regard to construction contracts within the last five years?

Within the last five years, has any officer or principal of your organization ever been an officer or principal of another organization when it failed to complete a construction contract?

List your most current agreements/contracts, with information, similar to the type of work bid.
(Use Additional Sheets if Necessary)

Project: _____

Project Description: _____

Owner/Agency: _____

Contact Person: _____ Contract Price: _____

Phone: _____ Email _____

Project: _____

Project Description: _____

Owner/Agency: _____

Contact Person: _____ Contract Price: _____

Phone: _____ Email _____

Project: _____

Project Description: _____

Owner/Agency: _____

Contact Person: _____ Contract Price: _____

Phone: _____ Email _____

Bank References (List Institution, Address, Contact Person, and Phone):

EXHIBIT 5

"NO BID" RESPONSE

Please denote below the reason for not bidding on the above bid:

EXHIBIT 6
SUPPLEMENTAL INFORMATION

Please provide the following information for contract development:

Is the company a	1	Sole Proprietorship	_____Yes _____No?
	2.	General Partnership	_____Yes _____No
	3.	Limited Partnership	_____Yes _____No
	4.	Corporation	_____Yes _____No
	5.	Other	_____Yes _____No

If the company is a **sole proprietorship**, please list the owner's full legal name, the name under which business is conducted (i.e. d/b/a), the address for the company, including the state and county in which your business is located:

If the company is a **general partnership**, please list the exact name of the partnership, whether it is a partnership formed under the laws of the State of Texas or another state, the business address for the partnership, including the state and county, and list of the names of all of the partners for the partnership:

If the company is a **limited partnership**, please list the exact name of the limited partnership, whether it is a limited partnership formed under the laws of the State of Texas or another state, the business address for the limited partnership, including the state and county, and list the names of all the general partners for the partnership:

If the company is a **corporation**, please list the exact name of the corporation, whether it is a corporation formed under the laws of the State of Texas or another state, the business address for the corporation, including the state and county, and list the names of all of the officers for the corporation:

If the company is **another entity** not listed above, please list the exact name and type of company, the state under which it is formed, the business address for the company, including the state and county, and list the names of all of the persons authorized to act on the company's behalf:

Is the company a minority, or woman owned business enterprise?

_____No _____Yes if yes, specify _____MBE _____WBE

Has the company been certified as a minority/woman owned business by any governmental agency?

_____No _____Yes

If yes, specify the governmental agency: _____

Date of certification: _____

EXHIBIT 7
SCHEDULE OF SUBCONTRACTORS

Bidder/Contractor: _____ ☐ Small ☐ WBE ☐ MBE
☐ Non-S/M/WBE

Description: _____ Contract/Solicitation Number

Check the applicable: ☐ **Subcontracting/Vendor Opportunities** ☐ **Sole Source** ☐ **Direct Purchase**

NOTE: If contract is a sole source and/or direct purchase, please enter the dollar amount of work to be completed and proceed to the Contractor's Certification, then sign and date this form.

As part of the procedures for the submission of Proposals, all Bidders/Contractors are required to identify **ALL** participating subcontractors/suppliers. Please identify such areas for above project, if applicable. Use additional sheets if necessary.

Name of company performing work	BUSINESS STATUS				Description of Commodity, Material, or Service	Dollar Amount
	SM.	MBE	WBE	Non S/M/WBE		
						\$
						\$
						\$
						\$
						\$
						\$
Dollar Amount of Work to be completed by Non-S/M/WBE Subcontractors						\$
Dollar Amount of Work to be completed by S/M/WBE Subcontractors						\$
Total (the total amount shall equal the amount proposed on summary of proposal page)						\$

CONTRACTOR'S CERTIFICATION

The above information is true and complete to the best of my knowledge and belief. I further understand and agree that if awarded the Contract, the certification shall be attached thereto and become a part thereof. Failure to provide accurate information or exercise positive, good faith efforts (as defined by the City's Business Diversity Program) in support of the City's small/minority/women business program good faith efforts.

Name and Title of Signer: _____

Signature: _____ Date: _____

EXHIBIT 8
WORK FORCE COMPOSITION

Name of Firm	Phone Number Email
--------------	-----------------------

Address	City Zip	State
---------	-------------	-------

Typed Name & Title of Authorized Executive
--

Full Time Employees	Total Number of Employees			White			American Indian			Black			Hispanic	
	Male	Female	%	Male	Female	%	Male	Female	%	Male	Female	%	Male	Female
Admin & Managerial														
Professional														
Technical														
Sales Workers														
Office & Clerical														
Skilled Workers														
Semiskilled Workers														
Unskilled Workers														
Apprentices														
Seasonal, Temp & Part Time														
TOTAL														

WORK FORCE COMPOSITION

Remarks

CONTRACTOR'S CERTIFICATION

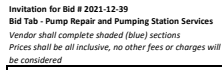
The above information is true and complete to the best of my knowledge and belief. I further understand and agree that if awarded the contract, this certification shall be attached thereto and become a part thereof Name and Title of Signer:

(Please print or type)

Signature:

Date: _____

*Please use additional sheets to identify the ethnicity of employees identified in this category.



\$70,000.00

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: April 27, 2021

SUBJECT: Receive the Financial Report for Period
Ending March 31, 2021.

STAFF RESOURCE: Jennifer Fung, Interim Chief Financial Officer
Chris Landrum, Assistant Chief Financial Officer

BACKGROUND

Financial reports are prepared each quarter for the General Fund, Water and Sewer Fund and other funds for which annual budgets are prepared. Attached are copies of the unaudited reports for the period ending March 31, 2021. Total revenues through quarter two were \$135,562,246 or 57.0% of the budgeted amount and total expenditures were \$96,852,790 or 42.6% of the budgeted amount. This report includes two quarters of fiscal year 2021 and prior fiscal year 2020 actual amounts for comparison purposes.

MOTION

I make a motion to accept the Financial Report for Period Ending March 31, 2021.

ATTACHMENTS:

Second Quarter Financial Memo
Second Quarter Financial Report

MEMO

To: Honorable Mayor Kenneth Fulk

Allen City Council

Eric Ellwanger, City Manager

Department Heads

From: Jennifer Fung, Interim Chief Financial Officer

Chris Landrum, Assistant Chief Financial Officer

Date: April 27, 2021

Re: Fiscal Year 2021 – Second Quarter Financial Report

Attached is the report of revenues and expenditures for the second quarter of Fiscal Year 2021. This activity transacted during the period from January 1, 2021, to March 31, 2021.

GENERAL FUND

- Sales tax revenue represents four months of collections.
- Multi-Family, Tree Permits and Commercial Permits revenues are usually high-dollar, low-volume permits and are not cyclical. These revenues are currently trending higher than expected.
- Charges for Services continues to be impacted due to cancellations of sporting events and live shows.
- The majority of Franchise Fees are received quarterly. Payments are received within 60 days of quarter-end; thus, this category is currently trending as anticipated.
- Intergovernmental revenue is higher due to Cares Act.

DEBT SERVICE FUND

- Principal payments are made in the fourth quarter of each fiscal year. Interest payments are made biannually during the second and fourth quarters of each fiscal year.

HOTEL OCCUPANCY FUND

- Hotel occupancy tax has been drastically impacted because of the Coronavirus. Occupancy for the period averaged 31.4%. Occupancy for the same period in the previous year averaged 59.3%.
- A large portion of the Hotel Occupancy Tax Grants are for performance guarantees to secure events at the event center. The dollars were not requested because of fewer events taking place.



ASSET FORFEITURE FUND

- Revenues are recognized through awards that stem from Federal and state forfeitures.

TAX INCREMENT FINANCING (TIF) FUND

- Revenues in TIF#2 must meet the increment prior to collecting Property and Sales Taxes. Collections are anticipated to be made in the third and fourth quarters of fiscal year 2021.
- Economic Grant Expenses are typically paid in the third quarter each fiscal year.

SPECIAL REVENUE FUND

- Public, Educational and Governmental (PEG) Fees are collected on a quarterly basis, and the first payment was collected during the second quarter of FY2021, as expected.
- Court-related revenues continue to decline due to a decrease in number of citations issued.

GIFT PERMANENT FUND

- This fund was created in fiscal year 2019 to account for revenue and expenditures associated with cash gifts to the Police Department, Fire Department, and Library in the amounts of \$300,000, \$300,000, and \$200,000, respectively. No gifts were received in fiscal year 2020.

GRANT FUND

- The Police Department received a grant for a 3D printer and the Library received a grant for technology related enhancements. Revenue and expenditures are trending as expected.

REPLACEMENT FUND

- Contributions are made quarterly to cover required amounts needed for asset replacements.
- Expenses for vehicle purchases are typically recognized later in the fiscal year due to the lead time required to fulfill orders. Larger vehicles like fire engines are purchased in installment payments made over several fiscal years due to the build time for these vehicles.

FACILITY MAINTENANCE FUND

- Contributions have been reduced because of revenue shortages related to the Coronavirus.
- Maintenance projects not completed will be completed in the next fiscal year.

RISK MANAGEMENT FUND

- Property and Liability revenue is expected to be collected in the third quarter of FY2021.
- Expenses related to Property & Liability Insurance and Worker's Comp premiums are paid at the beginning of each fiscal year, and the policies cover the duration of each fiscal year.
- Expenses related to Workers Compensation are dependent upon the number of claims that are paid by the Risk Fund and fluctuate from year to year.

WATER & SEWER FUND

- Revenues from Water sales and Sewer Charges performed slightly below expectations. The weather and rainfall have a significant impact on revenues.

- Transfers-In are recorded as capital projects commence, while transfers to cover operations are recorded throughout the Fiscal Year.

SOLID WASTE FUND

- Commercial Garbage revenues are performing as expected.

DRAINAGE FUND

- Revenues are performing as anticipated.

GOLF COURSE FUND

- Revenues are performing as expected.

ECONOMIC DEVELOPMENT CORPORATION

- Sales tax represents four months of collections.

COMMUNITY DEVELOPMENT CORPORATION

- Sales tax represents four months of collections.

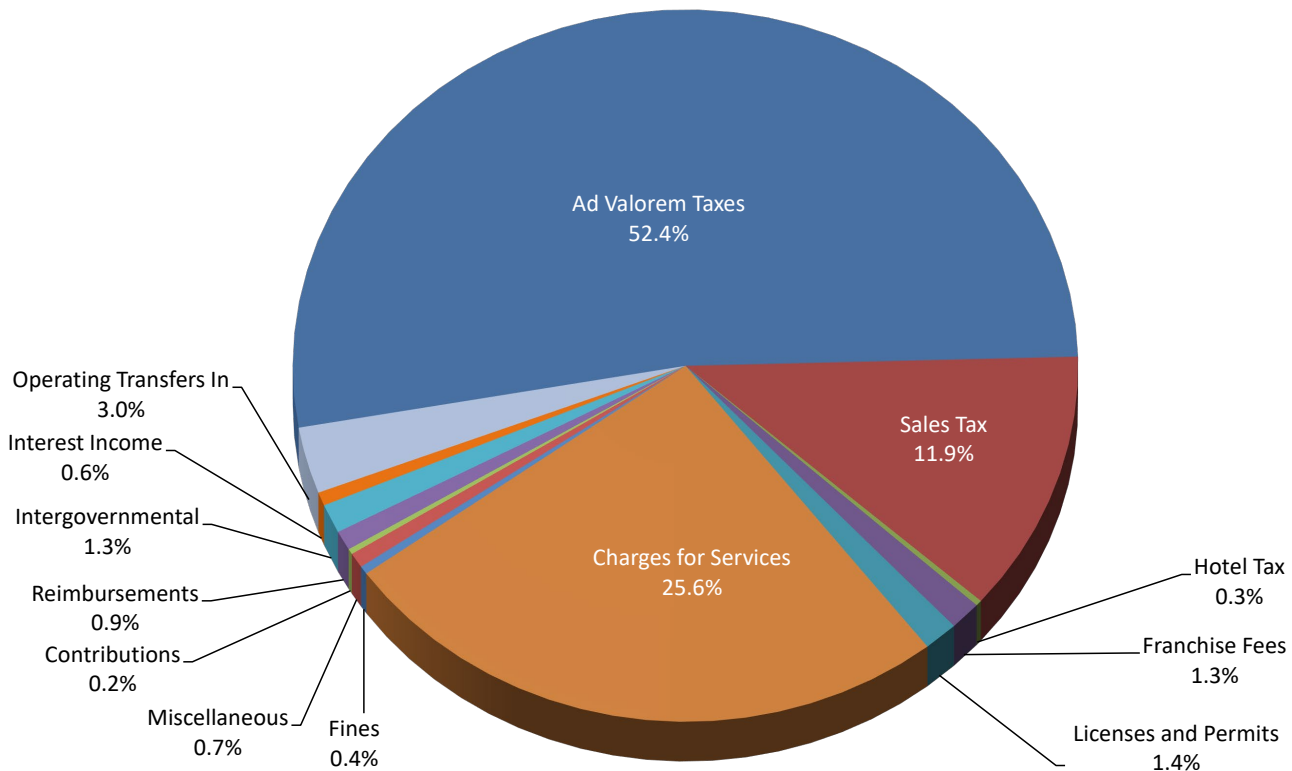
**CITY OF ALLEN
FINANCIAL REPORT
For the Quarter Ended
March 31, 2021
(Unaudited)**

City of Allen
FY2021 Quarterly Statement of Actual Revenues & Expenditures
For Fiscal Year 2020-2021
2nd Quarter Financial Report

				Enterprise Funds				Spec. Rev.
	General Fund	Debt Service	TIF Fund	Water & Sewer	Solid Waste	Drainage Utility	Golf Course	Hotel Occup. Tax
REVENUES								
Ad Valorem Taxes	57,169,776	13,820,574	-	-	-	-	-	-
Sales Tax	8,034,111	-	92,814	-	-	-	-	-
Hotel Tax	-	-	-	-	-	-	-	344,823
Franchise Fees	1,732,626	-	-	-	-	-	-	-
Licenses and Permits	1,923,910	-	-	-	-	-	-	-
Charges for Services	2,405,177	-	-	18,673,048	2,900,979	792,024	1,665,967	-
Fines	459,802	-	-	-	-	-	-	-
Miscellaneous	221,230	-	-	25,624	-	2,174	92,741	-
Contributions	334,138	-	-	-	-	-	-	-
Reimbursements	896,713	-	-	91,830	-	210	32,089	-
Intergovernmental	916,912	-	-	-	-	-	-	-
Interest Income	269,080	3,232	43,164	66,076	20,875	5,655	-	15,631
Operating Transfers In	2,570,818	-	-	708,094	-	-	113,657	-
TOTAL REVENUES	76,934,293	13,823,806	135,978	19,564,672	2,921,854	800,063	1,904,454	360,454

EXPENDITURES								
Salaries	23,423,772	-	-	1,805,851	239,472	220,290	518,028	150,740
Benefits	9,966,541	-	-	960,955	113,470	110,164	248,388	71,252
Operating Costs	8,281,290	-	-	16,760,101	1,579,444	107,499	172,200	108,601
Supplies	813,804	-	-	134,195	4,981	31,067	52,769	828
Maintenance	1,530,414	-	-	255,380	1,106	86,664	91,906	74
Professional Services	3,517,529	-	-	242,550	1,179,781	55,839	362,003	132,680
Debt Service	-	1,854,316	-	335,618	-	-	-	-
Capital	14,781	-	-	23,570	-	-	-	-
Other Financing Uses	536,639	-	-	4,949,370	446,134	212,650	-	2,011
Depreciation	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	48,084,769	1,854,316	-	25,467,589	3,564,389	824,173	1,445,294	466,185

Breakdown of YTD Revenue Actuals by Character - All Funds

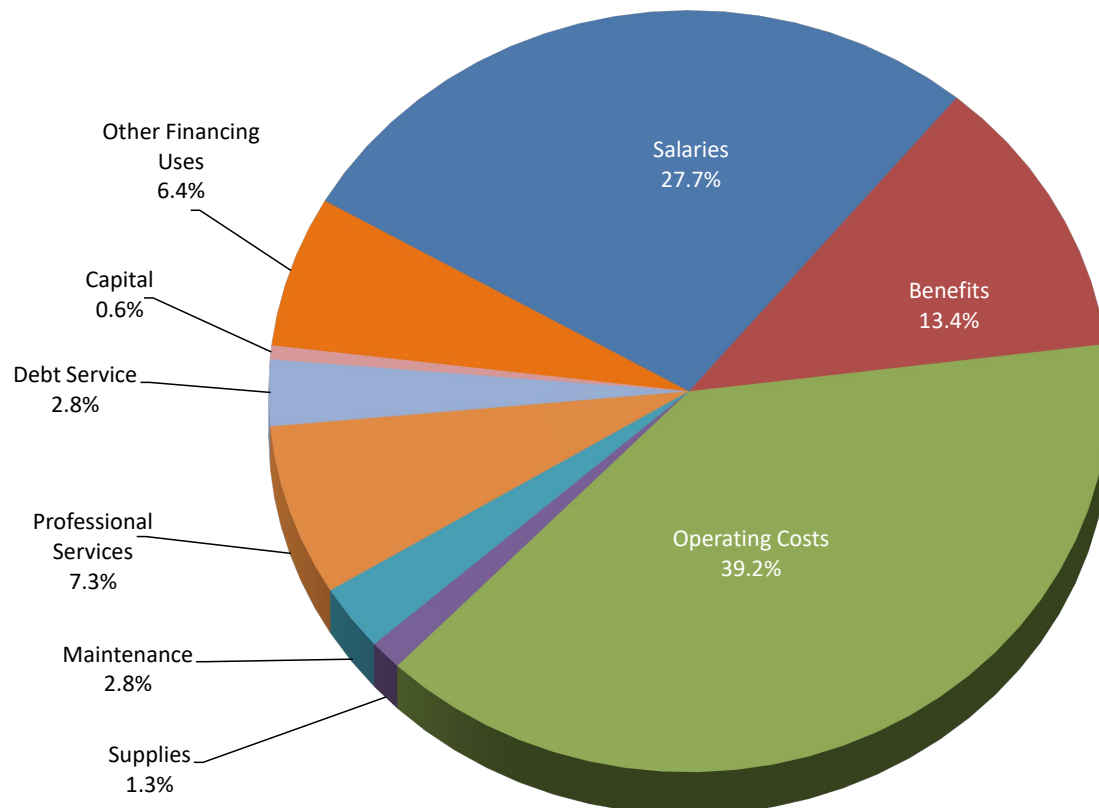


City of Allen
FY2021 Quarterly Statement of Actual Revenues & Expenditures
For Fiscal Year 2020-2021
2nd Quarter Financial Report

Special Revenue			Internal Service Funds			Component Units		YTD	Total	
Asset Forfeiture	Special Revenue	Grant Fund	Replacement Fund	Facility Maintenance	Risk Management	Economic Development	Community Development	FY2021 Actual	FY2021 Budget	Percent of Budget
-	-	-	-	-	-	-	-	70,990,350	72,955,976	97.3%
-	-	-	-	-	-	3,987,416	3,987,416	16,101,756	40,177,809	40.1%
-	-	-	-	-	-	-	-	344,823	1,427,273	24.2%
-	41,917	-	-	-	-	-	-	1,774,543	7,198,200	24.7%
-	-	-	-	-	-	-	-	1,923,910	3,016,100	63.8%
-	-	-	1,855,684	-	6,477,834	-	-	34,770,712	92,557,826	37.6%
-	42,015	-	-	-	-	-	-	501,817	1,826,990	27.5%
51,543	-	438,594	86,396	-	-	-	5,550	923,850	1,758,239	52.5%
-	-	-	-	-	-	-	-	334,138	616,829	54.2%
-	-	-	-	-	177,684	-	-	1,198,527	2,440,609	49.1%
-	-	534,971	-	331,846	-	-	-	1,783,728	2,989,411	59.7%
1,210	11,065	5,216	107,827	10,719	61,277	75,645	133,776	830,447	2,819,123	29.5%
-	-	3,077	230,079	150,000	307,918	-	-	4,083,643	7,937,742	51.4%
52,753	94,998	981,857	2,279,986	492,564	7,024,713	4,063,060	4,126,741	135,562,246	237,722,127	57.0%

-	-	-	-	-	128,922	301,409	-	26,788,484	61,186,259	43.8%
-	-	-	-	-	60,330	117,444	-	11,648,544	24,246,984	48.0%
-	15,000	1,247	-	-	6,721,568	4,185,190	8,497	37,940,636	81,493,505	46.6%
10,995	9,383	-	6,055	-	18	4,788	150,425	1,219,309	3,045,243	40.0%
-	45,028	-	-	548,348	2,749	-	151,194	2,712,864	6,161,748	44.0%
36,979	1,174	1,013,499	-	-	37,941	130,732	339,131	7,049,840	16,168,699	43.6%
-	-	-	-	-	-	215,325	313,433	2,718,692	21,156,936	12.9%
-	-	85,644	101,229	-	2,905	5,000	338,390	571,518	1,969,679	29.0%
-	56,100	-	-	-	-	-	-	6,202,902	11,836,418	52.4%
-	-	-	-	-	-	-	-	-	167,823	0.0%
47,974	126,685	1,100,391	107,284	548,348	6,954,434	4,959,889	1,301,070	96,852,790	227,433,294	42.6%

Breakdown of YTD Expenditure Actuals by Character - All Funds



CITY OF ALLEN
General Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Revenue Source								
Property Taxes	\$ 57,080,458	\$ 57,080,458	\$ 27,600,604	\$ 57,169,776	100.2%	\$ 55,078,983	\$ 54,117,908	98.3%
Sales Tax*	19,994,676	19,994,676	6,289,168	8,034,111	40.2%	19,717,549	7,656,376	38.8%
Franchise Fees	7,047,870	7,047,870	1,664,151	1,732,626	24.6%	6,960,886	2,061,102	29.6%
Licenses & Permits	3,016,100	3,016,100	1,098,830	1,923,910	63.8%	2,866,200	1,696,245	59.2%
Charges for Services	9,885,906	9,885,906	1,369,422	2,405,177	24.3%	6,581,631	4,350,265	66.1%
Fines	1,653,590	1,653,590	237,994	459,802	27.8%	1,043,844	778,033	74.5%
Miscellaneous	670,211	670,211	127,285	221,230	33.0%	567,848	380,194	67.0%
Interest Income	580,541	580,541	145,724	269,080	46.3%	785,697	495,431	63.1%
Contributions	616,829	616,829	165,848	334,138	54.2%	626,369	323,437	51.6%
Reimbursements	1,935,596	1,935,596	835,418	896,713	46.3%	1,753,992	1,515,403	86.4%
Intergovernmental	123,652	123,652	916,912	916,912	741.5%	739,487	31,319	4.2%
Transfers In	5,075,327	5,075,327	1,252,256	2,570,818	50.7%	5,327,680	2,506,874	47.1%
TOTAL Revenue	\$ 107,680,756	\$ 107,680,756	\$ 41,703,610	\$ 76,934,293	50.0%	\$ 102,050,166	\$ 75,912,587	74.4%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Function - Department								
<i>General Government</i>								
City Administration	\$ 1,192,743	\$ 1,192,743	\$ 303,274	\$ 774,261	64.9%	\$ 1,201,997	\$ 493,385	41.0%
City Secretary	715,547	715,547	125,600	346,117	48.4%	634,234	294,090	46.4%
Public & Media Relations	1,264,628	1,264,628	324,906	593,607	46.9%	1,071,560	471,635	44.0%
Information Technology	4,941,294	4,941,294	932,522	2,216,442	44.9%	4,854,005	2,360,216	48.6%
Human Resources	1,077,238	1,077,238	298,050	582,298	54.1%	1,158,408	443,695	38.3%
Internal Services	6,052,817	6,052,817	2,900,128	3,447,620	57.0%	6,012,527	3,242,096	53.9%
Finance	3,567,551	3,567,551	739,495	1,547,890	43.4%	3,314,716	1,790,634	54.0%
Municipal Court	956,179	956,179	185,092	354,206	37.0%	945,254	441,493	46.7%
Building Maintenance	1,308,249	1,308,249	365,158	629,798	48.1%	1,325,531	593,903	44.8%
Service Center	154,871	154,871	45,890	68,640	44.3%	156,004	72,381	46.4%
<i>Public Safety</i>								
Fire	\$ 19,661,326	\$ 19,661,326	\$ 4,974,198	\$ 9,589,150	48.8%	18,165,072	\$ 8,022,745	44.2%
Police	29,109,487	29,109,487	7,029,573	13,653,411	46.9%	28,439,949	12,718,166	44.7%
<i>Public Works</i>								
Community Services Admin	\$ 839,012	\$ 839,012	\$ 189,563	\$ 550,955	65.7%	841,651	\$ 380,645	45.2%
Streets	2,294,266	2,294,266	565,538	1,143,574	49.8%	2,129,575	855,122	40.2%
Engineering	3,545,286	3,545,286	646,788	1,258,340	35.5%	3,428,555	1,362,244	39.7%
<i>Culture & Recreation</i>								
Library	\$ 3,374,790	\$ 3,374,790	\$ 705,883	\$ 1,367,216	40.5%	3,234,506	\$ 1,492,580	46.1%
Parks & Recreation	16,170,383	16,170,383	2,717,578	5,741,729	35.5%	14,886,327	6,347,949	42.6%
Event Center	7,676,978	7,676,978	1,528,637	2,628,940	34.2%	6,875,976	3,724,343	54.2%
<i>Community Development</i>								
Community Development	\$ 3,778,111	\$ 3,778,111	\$ 810,706	\$ 1,590,578	42.1%	3,434,319	\$ 1,489,977	43.4%
TOTAL Expenditures	\$ 107,680,756	\$ 107,680,756	\$ 25,388,579	\$ 48,084,769	44.7%	\$ 102,110,166	\$ 46,597,299	45.6%

Revenues Over (Under) Expenditures \$ 28,849,524

\$ 29,315,288

*Actual Represents 4 Months of Sales Tax Collections

CITY OF ALLEN
Debt Service Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Revenue Source								
Property Taxes	\$ 13,869,057	\$ 13,869,057	\$ 6,669,301	\$ 13,820,574	99.7%	14,630,533	\$ 14,406,775	98.5%
Interest Earnings	175,651	175,651	1,683	3,232	1.8%	148,387	60,561	40.8%
Bond Refunding Proceeds	-	-	-	-		10,088,600	-	
TOTAL Revenues	\$ 14,044,708	\$ 14,044,708	\$ 6,670,984	\$ 13,823,806	98.4%	24,867,520	\$ 14,467,336	58.2%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Principal	\$ 10,932,278	\$ 10,932,278	\$ 20,915	\$ 28,584	0.3%	11,097,263	\$ 15,637	0.1%
Interest	3,606,845	3,606,845	1,825,335	1,825,732	50.6%	3,317,489	1,673,465	50.4%
Fees & Refunding Exp	11,250	11,250	-	-		10,329,850	1,250	0.0%
TOTAL Expenditures	\$ 14,550,373	\$ 14,550,373	\$ 1,846,250	\$ 1,854,316	12.7%	\$ 24,744,602	\$ 1,690,352	6.8%

CITY OF ALLEN
Hotel Occupancy Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Hotel Occupancy Tax	\$ 1,427,273	\$ 1,427,273	\$ 212,294	\$ 344,823	24.2%	1,047,057	\$ 679,621	64.9%
Interest on Investments	37,419	37,419	5,967	15,631	41.8%	49,424	30,715	62.1%
TOTAL Revenues	\$ 1,464,692	\$ 1,464,692	\$ 218,262	\$ 360,454	24.6%	1,096,481	\$ 710,336	64.8%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Org - Character</i>								
<i>Hotel Tax Admin</i>								
Hotel Tax Grants*	\$ 360,100	\$ 360,100	\$ 10,000	\$ 10,000	2.8%	\$ 360,100	\$ 58,114	16.1%
Economic Grants	239,196	239,196	-	-		401,894	401,893	100.0%
Professional Services	2,000	2,000	-	-		2,000	-	
<i>Convention/Visitor Bureau</i>								
Personnel	\$ 461,348	\$ 461,348	\$ 114,231	\$ 221,992	48.1%	\$ 413,505	\$ 158,674	38.4%
Operating Costs	393,421	393,421	36,334	98,601	25.1%	393,221	149,175	37.9%
Supplies	5,000	5,000	391	828	16.6%	5,000	2,420	48.4%
Maintenance	93	93	10	74	79.6%	683	443	64.9%
Professional Services	195,871	195,871	47,954	132,680	67.7%	197,191	106,075	53.8%
Operating Transfer Out	4,021	4,021	1,005	2,011	50.0%	3,540	1,655	46.8%
TOTAL Expenditures	\$ 1,661,050	\$ 1,661,050	\$ 209,926	\$ 466,185	28.1%	1,777,134	878,450	49.4%

HOTEL TAX GRANTS*	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Grant Organizations</i>								
Allen-Fairview Chamber	\$ 1,600	\$ 1,600	\$ -	\$ -		\$ 1,600	\$ -	
Allen Arts Alliance	-	-	-	-		5,000	-	
Allen Civic Ballet	10,000	10,000	10,000	10,000	100.0%	10,000	10,000	100.0%
Allen Community Band	5,000	5,000	-	-		-	-	
Allen Heritage Guild	2,500	2,500	-	-		2,500	-	
Allen Philharmonic Symphony	30,000	30,000	-	-		30,000	5,500	18.3%
Allen's Community Theatre	3,000	3,000	-	-		3,000	-	
City of Allen - Parks & Recreation	60,000	60,000	-	-		60,000	50,500	84.2%
City of Allen - Event Center	235,000	235,000	-	-		235,000	10,577	4.5%
Connemara Conservancy	3,000	3,000	-	-		3,000	2,624	87.5%
Friends of the Library	10,000	10,000	-	-		10,000	-	
TOTAL Grant Amounts	\$ 360,100	\$ 360,100	\$ 10,000	\$ 10,000	2.8%	\$ 360,100	\$ 79,201	22.0%

CITY OF ALLEN
Asset Forfeiture Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
State Forfeiture	\$ 35,000	\$ 35,000	\$ 34,839	\$ 34,839	99.5%	\$ 35,000	\$ 18,824	53.8%
Federal Forfeiture	150,000	150,000	-	14,623	9.7%	150,000	43,760	29.2%
Auction Revenue	5,000	5,000	-	2,081	41.6%	5,000	4,072	81.4%
Interest on Investments	3,479	3,479	473	1,210	34.8%	4,405	2,665	60.5%
TOTAL Revenues	\$ 193,479	\$ 193,479	\$ 35,312	\$ 52,753	27.3%	\$ 194,405	\$ 69,321	35.7%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Supplies	\$ 12,309	\$ 12,309	\$ 10,995	\$ 10,995	89.3%	\$ 137,391	\$ 16,834	12.3%
Professional Services	50,762	50,762	29,576	36,979	72.8%	42,687	14,999	35.1%
Capital	-	-	-	-	-	-	-	-
TOTAL Expenditures	\$ 63,071	\$ 63,071	\$ 40,571	\$ 47,974	76.1%	\$ 180,078	\$ 31,832	17.7%

CITY OF ALLEN
Tax Increment Financing (TIF) Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Org - Object</i>								
<i>TIF#1 - Montgomery Farms</i>								
Property Taxes	\$ 505,405	\$ 505,405	\$ -	\$ -		\$ 374,448	\$ 374,448	100.0%
Sales Tax*	192,575	192,575	69,861	92,814	48.2%	308,864	127,070	41.1%
Intergovernmental	180,935	180,935	-	-		133,921	-	
<i>TIF#2 - Central Business District</i>								
Property Taxes	\$ 1,501,056	\$ 1,501,056	\$ -	\$ -		\$ 1,204,844	\$ 1,204,843	100.0%
Sales Tax*	117,566	117,566	-	-		137,972	2,509	1.8%
<i>Non-Operating Revenues</i>								
Interest on Investments	\$ 80,763	\$ 80,763	\$ 16,596	\$ 43,164	53.4%	\$ 99,216	\$ 58,835	59.3%
TOTAL Revenues	\$ 2,578,300	\$ 2,578,300	\$ 86,457	\$ 135,978	5.3%	\$ 2,259,265	\$ 1,767,704	78.2%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Org - Object</i>								
<i>TIF#1 - Montgomery Farms</i>								
Economic Grant Expenses	\$ 1,030,555	\$ 1,030,555	\$ -	\$ -		\$ 895,235	\$ -	
Professional Services	17,000	17,000	-	-		17,000	15,000	88.2%
<i>TIF#2 - Central Business District</i>								
Professional Services	\$ 17,000	\$ 17,000	\$ -	\$ -		\$ 17,000	\$ 15,000	88.2%
TOTAL Expenditures	\$ 1,064,555	\$ 1,064,555	\$ -	\$ -		\$ 929,235	\$ 30,000	3.2%

*Actual Represents 4 Months of Sales Tax Collections.

CITY OF ALLEN
Special Revenue Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Operating Revenues</i>								
PEG Fees	\$ 158,681	\$ 158,681	\$ 41,917	\$ 41,917	26.4%	\$ 157,032	\$ 44,790	28.5%
Juvenile Case Management	72,250	72,250	7,787	15,696	21.7%	36,125	30,341	84.0%
Court Security	43,350	43,350	7,018	14,225	32.8%	21,675	17,730	81.8%
Court Technology	57,800	57,800	5,996	12,095	20.9%	28,900	20,846	72.1%
<i>Non-Operating Revenues</i>								
Interest	\$ 18,518	\$ 18,518	\$ 4,194	\$ 11,065	59.8%	\$ 25,652	\$ 16,393	63.9%
Intergovernmental (Radio System)	46,824	46,824	-	-		46,824	-	
Operating Transfer In	-	-	-	-		-	-	
TOTAL Revenues	\$ 397,423	\$ 397,423	\$ 66,912	\$ 94,998	23.9%	\$ 316,208	\$ 130,099	41.1%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Restricted Expenditures</i>								
PEG Expenses	\$ 75,347	\$ 75,347	\$ 4,934	\$ 25,557	33.9%	\$ 166,743	\$ 42,578	25.5%
Juvenile Case Management	68,850	68,850	17,213	34,425	50.0%	66,090	31,037	47.0%
Court Security	43,350	43,350	10,838	21,675	50.0%	28,050	21,675	77.3%
Court Technology	9,000	9,000	-	-		9,000	-	
Radio System	30,000	30,000	-	45,028	150.1%	25,000	3,090	12.4%
TOTAL Expenditures	\$ 226,547	\$ 226,547	\$ 32,984	\$ 126,685	55.9%	\$ 294,883	\$ 98,379	33.4%

CITY OF ALLEN
Grant Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Org - Object</i>								
<i>Grant Revenue</i>								
Grant Administration*	\$ -	\$ -	\$ -	\$ -		\$ 1,258,839	\$ -	
CDBG	809,744	809,744	339,823	339,823	42.0%	691,460	350,715	50.7%
Police	24,132	24,132	84,323	84,323	349.4%	9,121	9,467	103.8%
Library	2,350	2,350	10,000	12,861	547.3%	5,193	5,193	100.0%
Fire	853	853	791	1,587	186.1%	853	796	93.3%
Planning	-	-	242,848	534,971		4,468,747	-	
Community Services	-	-	-	-		43,000	17,751	41.3%
Subtotal	\$ 837,079	\$ 837,079	\$ 677,785	\$ 973,564	116.3%	\$ 6,477,213	\$ 383,922	5.9%
<i>Non-Operating Revenues</i>								
Interest	\$ 4,812	\$ 4,812	\$ 789	\$ 5,216	108.4%	\$ 5,041	\$ 2,635	52.3%
Operating Transfers	3,077	3,077	-	3,077	100.0%	-	-	
Subtotal	\$ 7,889	\$ 7,889	\$ 789	\$ 8,293	105.1%	\$ 5,041	2,635	52.3%
TOTAL Revenues	\$ 844,968	\$ 844,968	\$ 678,573	\$ 981,857	116.2%	\$ 6,482,254	386,557	6.0%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Org - Object</i>								
<i>Fire Department</i>								
Operating Costs	\$ 853	\$ 853	\$ -	\$ -		\$ 853	\$ -	
<i>Police Department</i>								
Operating Costs	\$ 9,121	\$ 9,121	\$ -	\$ -		\$ 16,621	\$ 11,554	69.5%
<i>Library</i>								
Professional Services	2,350	2,350	-	300	12.8%	4,532	1,350	29.8%
Capital	-	-	-	10,000		-	-	
<i>CDBG Grants</i>								
Operating Costs	\$ 10,000	\$ 10,000	\$ 342	\$ 1,247	12.5%	\$ 65,697	\$ 17,969	27.4%
Professional Services	696,987	696,987	474,754	1,013,199	145.4%	4,995,719	336,794	6.7%
Capital	102,757	102,757	-	-		102,757	-	
<i>Grant Administration</i>								
Professional Services	\$ -	\$ -	\$ -	\$ -		\$ 1,258,839	\$ -	
<i>Community Services</i>								
Operating Costs	\$ -	\$ -	\$ -	\$ -		\$ 23,670	\$ 929	3.9%
Capital	\$ -	\$ -	\$ -	\$ -		\$ 19,331	\$ 19,331	100.0%
TOTAL Expenditures	\$ 822,068	\$ 822,068	\$ 550,740	\$ 1,100,391	133.9%	\$ 6,488,680	\$ 387,926	6.0%

CITY OF ALLEN
Replacement Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Charges for Services</i>								
General Fund	\$ 3,054,250	\$ 3,054,250	\$ 763,563	\$ 1,527,125	50.0%	\$ 2,164,175	\$ 797,558	36.9%
Risk Fund	13,287	13,287	3,322	6,644	50.0%	13,287	6,644	50.0%
Water & Sewer Fund	461,720	461,720	115,430	230,860	50.0%	467,439	236,579	50.6%
Solid Waste Fund	25,496	25,496	6,374	12,748	50.0%	25,496	12,748	50.0%
Drainage Fund	148,815	148,815	37,204	74,408	50.0%	148,815	74,408	50.0%
Hotel Fund	7,800	7,800	1,950	3,900	50.0%	7,800	3,900	50.0%
Subtotal	\$ 3,711,368	\$ 3,711,368	\$ 927,842	\$ 1,855,684	50.0%	\$ 2,827,012	\$ 1,131,836	40.0%
<i>Non-Operating Revenues</i>								
Interest	\$ 220,186	\$ 220,186	\$ 42,611	\$ 107,827	49.0%	\$ 264,055	\$ 156,286	59.2%
Auction Revenue	176,500	176,500	-	86,396	48.9%	206,000	78,839	38.3%
Reimbursements	100,000	100,000	-	-	-	149,500	54,688	36.6%
Operating Transfer In*	-	-	230,079	230,079	-	-	-	-
Subtotal	\$ 496,686	\$ 496,686	\$ 272,690	\$ 424,302	85.4%	\$ 619,555	\$ 289,812	46.8%
TOTAL Revenues	\$ 4,208,054	\$ 4,208,054	\$ 1,200,532	\$ 2,279,986	54.2%	\$ 3,446,567	\$ 1,421,648	41.2%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>By Department</i>								
IT Master Plan	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
Information Technology	135,000	135,000	-	6,055	4.5%	120,000	6,569	5.5%
Municipal Court	-	-	-	-	-	-	-	-
Fire	306,635	306,635	-	-	-	257,754	-	-
Police	471,812	471,812	-	-	-	942,271	411,738	43.7%
Parks & Recreation	-	-	2,371	13,117	-	140,123	-	-
Community Development	-	-	1,403	1,403	-	29,800	-	-
Community Enhancement	37,375	37,375	-	-	-	29,800	-	-
Community Services	-	-	2,351	54,556	-	90,702	-	-
Engineering	-	-	-	-	-	40,500	-	-
Risk Fund	-	-	-	-	-	29,500	-	-
Water & Sewer	550,726	550,726	6,509	6,509	1.2%	229,044	-	-
Solid Waste	65,680	65,680	25,644	25,644	39.0%	33,200	-	-
Drainage	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-
TOTAL Expenditures	\$ 1,567,228	\$ 1,567,228	\$ 38,278	\$ 107,284	6.8%	\$ 1,942,694	\$ 418,307	21.5%

*Operating Transfer In for FY2018 represents transfers from the Non-Bond Capital Fund earmarked for the Fire Department's SCBA Replacement project.
Operating Transfer In for FY2017 represents the contribution from the Water & Sewer Fund for the replacement of the CUES TV Van.

CITY OF ALLEN
Facility Maintenance Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Interest Earnings	\$ 28,797	\$ 28,797	\$ 3,751	\$ 10,719	37.2%	\$ 35,519	\$ 21,121	59.5%
Intergovernmental	-	-	331,846	331,846		500,000	-	
Transfer In	300,000	300,000	75,000	150,000	50.0%	331,000	331,000	100.0%
TOTAL Revenues	\$ 328,797	\$ 328,797	\$ 410,597	\$ 492,564	149.8%	\$ 866,519	\$ 352,121	40.6%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Maintenance	\$ 1,170,000	\$ 1,170,000	\$ 135,182	\$ 548,348	46.9%	\$ 912,000	\$ 9,471	1.0%
Transfer Out	-	-	-	-		-	-	
TOTAL Expenditures	\$ 1,170,000	\$ 1,170,000	\$ 135,182	\$ 548,348	46.9%	\$ 912,000	\$ 9,471	1.0%

CITY OF ALLEN
Risk Management Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Operating Revenues:</i>								
Charges for:								
Medical & Dental	\$ 11,273,720	\$ 11,273,720	\$ 2,774,981	\$ 5,547,818	49.2%	\$ 11,453,911	\$ 5,601,711	48.9%
Workers Comp.	861,016	861,016	464,565	930,016	108.0%	850,000	325,839	38.3%
Property/Liability	1,083,224	1,083,224	-	-		940,814	940,814	100.0%
Subtotal	\$ 13,217,960	\$ 13,217,960	\$ 3,239,546	\$ 6,477,834	49.0%	\$ 13,244,725	\$ 6,868,364	51.9%
<i>Non-Operating Revenues</i>								
Interest	\$ 137,280	\$ 137,280	\$ 23,680	\$ 61,277	44.6%	\$ 162,376	\$ 93,736	57.7%
Reimbursements	520,500	520,500	100,895	177,684	34.1%	916,543	86,004	9.4%
Operating Transfer In	615,835	615,835	153,959	307,918	50.0%	537,710	251,364	46.7%
Subtotal	\$ 1,273,615	\$ 1,273,615	\$ 278,534	\$ 546,879	42.9%	\$ 1,616,629	\$ 431,103	26.7%
TOTAL Revenues	\$ 14,491,575	\$ 14,491,575	\$ 3,518,080	\$ 7,024,713	48.5%	\$ 14,861,354	\$ 7,299,467	49.1%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Administration	\$ 624,863	\$ 624,863	\$ 116,664	\$ 226,478	36.2%	\$ 546,682	\$ 234,214	42.8%
Health & Dental Insurance	10,845,507	10,845,507	2,388,890	5,314,809	49.0%	10,841,705	4,604,226	42.5%
Workers Comp Insurance	660,000	660,000	70,043	416,024	63.0%	650,000	370,237	57.0%
Post Employment Expenses	300,000	300,000	115,373	159,945	53.3%	300,000	61,667	20.6%
Property & Liability Insurance	1,282,300	1,282,300	60,133	837,178	65.3%	2,593,902	774,721	29.9%
TOTAL Expenditures	\$ 13,712,670	\$ 13,712,670	\$ 2,751,103	\$ 6,954,434	50.7%	\$ 14,932,289	\$ 6,045,065	40.5%

CITY OF ALLEN
Water & Sewer Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Operating Revenues								
Water Sales*	\$ 29,672,173	\$ 29,672,173	\$ 4,656,824	\$ 9,733,584	32.8%	\$ 29,119,162	\$ 8,475,638	29.1%
Sewer Charges*	21,303,285	21,303,285	4,928,175	8,640,530	40.6%	20,500,147	7,410,240	36.1%
Connections	205,000	205,000	35,298	72,126	35.2%	205,000	102,289	49.9%
Service Charges	626,900	626,900	87,555	226,809	36.2%	581,900	330,827	56.9%
Miscellaneous	10,000	10,000	14,971	25,624	256.2%	19,700	25,614	130.0%
Reimbursements	350,998	350,998	60,523	91,830	26.2%	385,998	113,820	29.5%
Subtotal	\$ 52,168,356	\$ 52,168,356	\$ 9,783,347	\$ 18,790,502	36.0%	\$ 50,811,907	\$ 16,458,428	32.4%
Non-Operating Revenues								
Interest	\$ 100,425	\$ 100,425	\$ 24,299	\$ 66,076	65.8%	\$ 134,777	\$ 84,565	62.7%
Operating Transfer In	1,416,189	1,416,189	354,047	708,094	50.0%	972,845	486,422	50.0%
Subtotal	\$ 1,516,614	\$ 1,516,614	\$ 378,346	\$ 774,170	51.0%	\$ 1,107,622	\$ 570,987	51.6%
TOTAL REVENUES	\$ 53,684,970	\$ 53,684,970	\$ 10,161,693	\$ 19,564,672	36.4%	\$ 51,919,529	\$ 17,029,414	32.8%
Operating Expenditures								
W&S Debt Service								
Debt Service	\$ 1,881,530	\$ 1,881,530	\$ -	\$ 335,618	17.8%	\$ 1,608,311	\$ 261,672	16.3%
W&S Operations								
Personnel	\$ 5,804,201	\$ 5,804,201	\$ 1,302,102	\$ 2,522,329	43.5%	\$ 5,366,143	\$ 2,383,339	44.4%
Operating Costs	1,794,778	1,794,778	275,802	689,527	38.4%	1,847,515	849,932	46.0%
NTMWD - Water/Pre-Treatment	31,313,908	31,313,908	7,518,480	16,045,324	51.2%	30,091,148	14,607,900	48.5%
Supplies	531,533	531,533	18,496	130,655	24.6%	504,947	85,932	17.0%
Maintenance	562,320	562,320	187,842	255,380	45.4%	545,601	184,750	33.9%
Professional Services	217,032	217,032	19,453	72,363	33.3%	352,032	92,735	26.3%
Utility Billing/Collections								
Personnel	\$ 525,173	\$ 525,173	\$ 123,642	\$ 244,477	46.6%	\$ 543,575	\$ 269,636	49.6%
Operating Costs	91,713	91,713	15,575	25,250	27.5%	144,713	33,887	23.4%
Supplies	4,345	4,345	3,260	3,540	81.5%	4,345	1,958	45.1%
Professional Services	731,835	731,835	96,079	170,187	23.3%	733,135	359,240	49.0%
Subtotal	\$ 43,458,368	\$ 43,458,368	\$ 9,560,730	\$ 20,494,650	47.2%	\$ 41,741,465	\$ 19,130,981	45.8%
Non-Operating Expenditures								
Other Financing Uses	\$ 9,645,044	\$ 9,645,044	\$ 2,347,838	\$ 4,949,370	51.3%	\$ 7,102,442	\$ 3,549,557	50.0%
Capital	388,716	388,716	-	23,570	6.1%	143,159	67,810	47.4%
Subtotal	\$ 10,033,760	\$ 10,033,760	\$ 2,347,838	\$ 4,972,939	49.6%	\$ 7,245,601	\$ 3,617,367	49.9%
TOTAL EXPENSES	\$ 53,492,128	\$ 53,492,128	\$ 11,908,567	\$ 25,467,589	47.6%	\$ 48,987,066	\$ 22,748,348	46.4%

*Revenue represents 5 months of collections.

CITY OF ALLEN
Solid Waste Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Revised Budget	Revised FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Revised Budget
Operating Revenues								
Garbage Fees	\$ 5,462,461	\$ 5,462,461	\$ 1,375,185	\$ 2,359,913	43.2%	\$ 5,390,915	\$ 2,192,327	40.7%
Commercial Garbage*	1,333,200	1,333,200	291,103	401,243	30.1%	1,233,200	559,887	45.4%
Household Haz Waste	199,446	199,446	49,863	85,593	42.9%	196,620	80,027	40.7%
Recycling Revenues	80,836	80,836	21,119	25,827	31.9%	78,870	35,613	45.2%
Composting Revenue*	85,000	85,000	23,734	28,403	33.4%	85,000	29,294	34.5%
Miscellaneous	36,500	36,500	-	-		36,500	4,971	13.6%
Subtotal	\$ 7,197,443	\$ 7,197,443	\$ 1,761,004	\$ 2,900,979	40.3%	\$ 7,021,105	\$ 2,902,119	41.3%
Non-Operating Revenues								
Interest	\$ 48,360	\$ 48,360	\$ 7,696	\$ 20,875	43.2%	\$ 58,438	\$ 34,258	58.6%
Intergovernmental	-	-	-	-		2,174	-	
Subtotal	\$ 48,360	\$ 48,360	\$ 7,696	\$ 20,875	43.2%	\$ 60,612	\$ 34,258	56.5%
TOTAL REVENUES	\$ 7,245,803	\$ 7,245,803	\$ 1,768,700	\$ 2,921,854	40.3%	\$ 7,081,717	\$ 2,936,377	41.5%
Operating Expenditures								
Personnel	\$ 758,724	\$ 758,724	\$ 175,264	\$ 352,943	46.5%	\$ 769,223	\$ 362,046	47.1%
Operating Costs	114,352	114,352	25,892	50,058	43.8%	111,117	58,167	52.3%
<i>Solid Waste Services</i>	2,712,231	2,712,231	655,449	1,529,386	56.4%	2,712,231	1,582,387	58.3%
Supplies	43,866	43,866	204	4,981	11.4%	46,040	12,743	27.7%
Maintenance	6,800	6,800	940	1,106	16.3%	6,800	3,262	48.0%
Professional Services	3,525,574	3,525,574	615,897	1,179,781	33.5%	3,515,391	1,181,871	33.6%
Subtotal	\$ 7,161,547	\$ 7,161,547	\$ 1,473,646	\$ 3,118,255	43.5%	\$ 7,160,802	\$ 3,200,476	44.7%
Non-Operating Expenditures								
Other Financing Uses**	\$ 588,411	\$ 588,411	\$ 71,139	\$ 446,134	75.8%	\$ 575,922	\$ 437,783	76.0%
Capital	-	-	-	-		-	-	
Subtotal	\$ 588,411	\$ 588,411	\$ 71,139	\$ 446,134	75.8%	\$ 575,922	\$ 437,783	76.0%
TOTAL EXPENSES	\$ 7,749,958	\$ 7,749,958	\$ 1,544,784	\$ 3,564,389	46.0%	\$ 7,736,724	\$ 3,638,259	47.0%

*Commercial Garbage and Composting Revenues represent only 5 months of revenue collected.

**Other Financing Uses includes \$146,134 in Operational Transfers and \$300,000 in Capital Projects Transfers for the FY2018 Streets and Alleys Repair Project.

CITY OF ALLEN
Drainage Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Operating Revenues</i>								
Drainage Fees	\$ 1,792,200	\$ 1,792,200	\$ 447,182	\$ 761,400	42.5%	\$ 1,740,000	\$ 712,947	41.0%
Inspection Fees	70,000	70,000	30,624	30,624	43.7%	75,000	42,541	56.7%
Subtotal	\$ 1,862,200	\$ 1,862,200	\$ 477,806	\$ 792,024	42.5%	\$ 1,815,000	\$ 755,488	41.6%
<i>Non-Operating Revenues</i>								
Interest	\$ 21,134	\$ 21,134	\$ 2,127	\$ 5,655	26.8%	\$ 27,705	\$ 17,138	61.9%
Contributions	-	-	-	-		350,000	350,000	100.0%
Auction Revenue	-	-	-	2,174		-	-	
Reimbursements	5,000	5,000	200	210	4.2%	5,000	2,806	56.1%
Subtotal	\$ 26,134	\$ 26,134	\$ 2,327	\$ 8,039	30.8%	\$ 382,705	\$ 369,944	96.7%
TOTAL REVENUES	\$ 1,888,334	\$ 1,888,334	\$ 480,133	\$ 800,063	42.4%	\$ 2,197,705	\$ 1,125,431	51.2%
<i>Operating Expenditures</i>								
Personnel	\$ 790,954	\$ 790,954	\$ 178,460	\$ 330,454	41.8%	\$ 707,651	\$ 341,956	48.3%
Operating Costs	239,781	239,781	56,922	107,499	44.8%	234,919	111,414	47.4%
Supplies	46,100	46,100	18,444	31,067	67.4%	46,100	20,421	44.3%
Maintenance	198,430	198,430	43,810	86,664	43.7%	168,430	15,777	9.4%
Professional Services	377,513	377,513	24,372	55,839	14.8%	377,513	97,932	25.9%
Subtotal	\$ 1,652,778	\$ 1,652,778	\$ 322,008	\$ 611,524	37.0%	\$ 1,534,613	\$ 587,500	38.3%
<i>Non-Operating Expenditures</i>								
Other Financing Uses	\$ 416,542	\$ 416,542	\$ 101,946	\$ 212,650	51.1%	\$ 397,221	\$ 198,401	49.9%
Capital	-	-	-	-		789,000	-	
Subtotal	\$ 416,542	\$ 416,542	\$ 101,946	\$ 212,650	51.1%	\$ 1,186,221	\$ 198,401	16.7%
TOTAL EXPENSES	\$ 2,069,320	\$ 2,069,320	\$ 423,955	\$ 824,173	39.8%	\$ 2,720,834	\$ 785,901	28.9%

CITY OF ALLEN
Golf Course Fund
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
<i>Operating Revenues</i>								
Green Fees	\$ 2,058,550	\$ 2,058,550	\$ 421,133	\$ 1,046,202	50.8%	\$ 1,719,247	\$ 702,098	40.8%
Driving Range	400,900	400,900	138,353	300,394	74.9%	367,802	175,090	47.6%
Lesson Fees	382,000	382,000	87,838	190,096	49.8%	299,910	134,761	44.9%
Concession Sales	241,680	241,680	29,313	75,471	31.2%	179,821	90,362	50.3%
Alcohol Sales	185,500	185,500	27,197	82,210	44.3%	138,600	61,738	44.5%
Retail Pro Shop	140,450	140,450	26,096	60,651	43.2%	104,940	47,854	45.6%
Facility Rental	14,000	14,000	1,600	3,685	26.3%	12,400	5,450	44.0%
Subtotal	\$ 3,423,080	\$ 3,423,080	\$ 731,529	\$ 1,758,708	51.4%	\$ 2,822,720	\$ 1,217,352	43.1%
<i>Non-Operating Revenues</i>								
Other Reimbursements	\$ 25,475	\$ 25,475	\$ 4,592	\$ 32,089	126.0%	\$ 28,365	\$ 28,041	98.9%
Operating Transfer In	227,314	227,314	56,829	113,657	50.0%	411,152	176,076	42.8%
Subtotal	\$ 252,789	\$ 252,789	\$ 61,421	\$ 145,746	57.7%	\$ 439,517	\$ 204,117	46.4%
TOTAL REVENUES	\$ 3,675,869	\$ 3,675,869	\$ 792,950	\$ 1,904,454	51.8%	\$ 3,262,237	\$ 1,421,470	43.6%
<i>Operating Expenses</i>								
Personnel	\$ 1,900,994	\$ 1,900,994	\$ 391,348	\$ 766,416	40.3%	\$ 1,718,489	\$ 778,436	45.3%
Operating Costs	520,949	520,949	81,899	172,200	33.1%	487,240	195,581	40.1%
Supplies	191,916	191,916	24,593	52,769	27.5%	196,676	70,215	35.7%
Maintenance	96,391	96,391	48,163	91,906	95.3%	101,301	38,843	38.3%
Professional Service	867,734	867,734	151,908	362,003	41.7%	761,710	351,851	46.2%
Subtotal	\$ 3,577,984	\$ 3,577,984	\$ 697,911	\$ 1,445,294	40.4%	\$ 3,265,416	\$ 1,434,926	43.9%
<i>Non-Operating Expenses</i>								
Depreciation	\$ 167,823	\$ 167,823	\$ -	\$ -		\$ 167,823	\$ -	
Subtotal	\$ 167,823	\$ 167,823	\$ -	\$ -		\$ 167,823	\$ -	
TOTAL EXPENSES	\$ 3,745,807	\$ 3,745,807	\$ 697,911	\$ 1,445,294	38.6%	\$ 3,433,239	\$ 1,434,926	41.8%

CITY OF ALLEN
Economic Development Corporation
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Revenue Source								
Sales Tax*	\$ 9,936,496	\$ 9,936,496	\$ 3,103,468	\$ 3,987,416	40.1%	\$ 9,930,258	\$ 3,838,431	38.7%
Interest on Investments	135,791	135,791	33,780	75,645	55.7%	92,698	89,442	96.5%
Reimbursements	5,000	5,000	-	-		3,113,194	3,663	0.1%
Sale of Land	-	-	-	-		1,417,738	1,417,738	100.0%
Other Financing Sources^	-	-	-	-		1,800,000	-	
TOTAL Revenues	\$ 10,077,287	\$ 10,077,287	\$ 3,137,247	\$ 4,063,060	40.3%	\$ 16,353,888	\$ 5,349,273	32.7%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Org - Character								
<u>Operating Expenditures</u>								
Personnel	\$ 961,240	\$ 961,240	\$ 210,855	\$ 418,854	43.6%	\$ 938,526	\$ 416,114	44.3%
Operating Costs	276,757	276,757	61,059	128,960	46.6%	\$ 279,507	153,894	55.1%
Marketing/BRE	233,000	233,000	37,654	93,390	40.1%	246,000	152,756	62.1%
Supplies	8,200	8,200	912	4,788	58.4%	5,900	1,707	28.9%
Professional Services	238,264	238,264	46,011	130,732	54.9%	711,247	460,119	64.7%
Capital	-	-	5,000	5,000		-	-	
Debt Service^	2,320,517	2,320,517	215,325	215,325	9.3%	3,771,998	236,648	6.3%
TOTAL OPERATING	\$ 4,037,978	\$ 4,037,978	\$ 576,818	\$ 997,049	24.7%	\$ 5,953,178	\$ 1,421,238	23.9%
<u>Non-Operating Expenditures</u>								
Economic Grant Expense	\$ 9,782,284	\$ 9,782,284	\$ 3,240,070	\$ 3,962,840	40.5%	12,427,398	\$ 3,397,301	27.3%
Revenue Supported Econ Inc.	-	-	-	-		-	-	
TOTAL NON-OPERATING	\$ 9,782,284	\$ 9,782,284	\$ 3,240,070	\$ 3,962,840	40.5%	12,427,398	\$ 3,397,301	27.3%
TOTAL Expenditures	\$ 13,820,262	\$ 13,820,262	\$ 3,816,888	\$ 4,959,889	35.9%	\$ 18,380,576	\$ 4,818,539	26.2%

*Actual Represents 4 Months of Sales Tax Collections

^Revenue and Expenditures correspond with the Advance Refunding and Defeasance of Revenue Bonds.

CITY OF ALLEN
Community Development Corporation
FY2021 Quarterly Statement of Revenues & Expenditures Compared to Budget
With Comparative Information from Prior Fiscal Year

REVENUE	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Revenue Source								
Sales Tax*	\$ 9,936,496	\$ 9,936,496	\$ 3,103,468	\$ 3,987,416	40.1%	\$ 9,930,258	\$ 3,838,431	38.7%
Interest on Investments	337,967	337,967	53,655	133,776	39.6%	274,938	200,498	72.9%
Auction Revenue	-	-	-	5,550			-	
TOTAL Revenues	\$ 10,274,463	\$ 10,274,463	\$ 3,157,123	\$ 4,126,741	40.2%	\$ 10,205,196	\$ 4,038,928	39.6%

EXPENDITURES	Original FY2021 Budget	Revised FY2021 Budget	2nd Quarter FY2021 Actual	YTD Actual as of 3/31/21	Percent of Original Budget	Original FY2020 Budget	2nd Quarter FY2020 YTD Actual	Percent of Original Budget
Org - Character								
<i>CDC Administration</i>								
Operating Costs	\$ 662,963	\$ 662,963	\$ 154,867	\$ 158,922	24.0%	\$ 3,010,317	\$ 6,422	0.2%
Maintenance	199,809	199,809	-	151,194	75.7%	754,616	447,601	59.3%
Professional Services	755,463	755,463	177,768	339,131	44.9%	830,423	342,208	41.2%
Capital	-	-	-	-		358,173	-	
<i>CDC - Capital Improvement Fund</i>								
Construction in Progress	\$ 11,950,000	\$ 11,950,000	\$ 317,934	\$ 338,390	2.8%	\$ 6,622,844	\$ 514,457	7.8%
<i>CDC - Debt Service</i>								
Debt Service	\$ 2,419,266	\$ 2,419,266	\$ 313,433	\$ 313,433	13.0%	\$ 2,416,890	\$ 327,245	13.5%
TOTAL Expenditures	\$ 15,987,501	\$ 15,987,501	\$ 964,001	\$ 1,301,070	8.1%	\$ 13,993,263	\$ 1,637,932	11.7%

*Actual Represents 4 Months of Sales Tax Collections

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: April 27, 2021

SUBJECT: Receive the Quarterly Investment Report for Period Ending March 31, 2021.

STAFF RESOURCE: Jennifer Fung, Interim Chief Financial Officer
Chris Landrum, Assistant Chief Financial Officer
Tru Nguyen, Chief Accountant

ACTION PROPOSED: Receive the Quarterly Investment Report for Period Ending March 31, 2021.

BACKGROUND

Under the Public Funds Investment Act (the Act) the investment officer of an entity must prepare and submit to the governing body a written report of investment transactions for all funds covered by this chapter for the preceding reporting period. The report must be submitted quarterly.

The attached report, for the period ended March 31, 2021, meets that requirement of the Act.

The Act requires that the following information be presented in the report: beginning market value, ending market value, beginning book value, ending book value, the accrued interest and the maturity date. The Act also requires that the report be prepared and signed by all authorized investment officers verifying that the information presented is accurate.

STAFF RECOMMENDATION

Staff recommends that the City Council receive the Quarterly Investment Report for Period Ending March 31, 2021.

MOTION

I make a motion to receive the Quarterly Investment Report for Period Ending March 31, 2021.

ATTACHMENTS:

Quarterly Investment Report 03/31/2021

QUARTERLY INVESTMENT REPORT



January 1, 2021 to March 31, 2021

CITY OF ALLEN

QUARTERLY INVESTMENT REPORT

January 1, 2021 to March 31, 2021

Portfolio Summary

This quarterly report is in full compliance with the investment policy and strategy as established for the City of Allen, Texas and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

Quarter End	Book Value	Market Value	Unrealised Gain	Yield-To-Maturity @ Cost	6-Month Treasury Yield	Accrued Interest Receivable	Weighted Average Maturity
12/31/2020	\$248,361,393	\$249,718,491	\$1,357,098	1.17%	0.09%	\$831,270	569 Days
3/31/2021	\$274,421,007	\$274,650,886	\$229,879	1.07%	0.05%	\$782,507	644 Days
\$24,932,395 Increase in Market Value							

Prepared by:



Jennifer Fung, Interim CFO

4/19/2021

Date



Tru Nguyen, Chief Accountant

4/19/2021

Date



Chris Landrum, Assistant CFO

4/19/2021

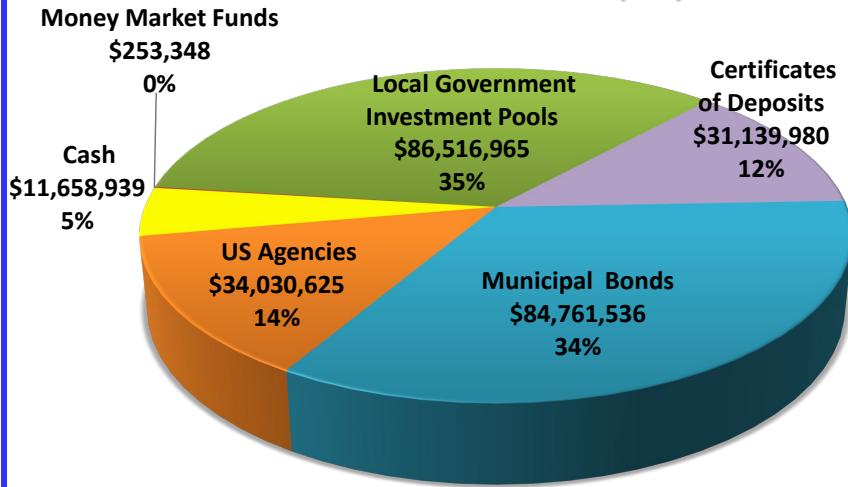
Date

CITY OF ALLEN
QUARTERLY INVESTMENT REPORT
 January 1, 2021 to March 31, 2021

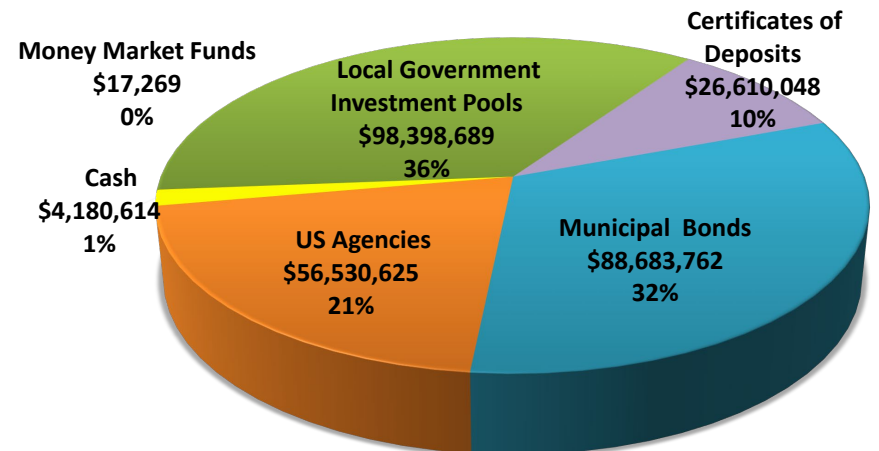
Security Sector Allocation - Book Value

Security Sector	Book Value 12/31/2020	% of Portfolio 12/31/2020	Book Value 3/31/2021	% of Portfolio 3/31/2021
Cash	\$11,658,939	5%	\$4,180,614	1%
Money Market Funds	253,348	0%	17,269	0%
Local Government Investment Pools	86,516,965	35%	98,398,689	36%
Certificates of Deposits	31,139,980	12%	26,610,048	10%
Municipal Securities	84,761,536	34%	88,683,762	32%
US Agency Securities	34,030,625	14%	56,530,625	21%
Total	\$248,361,393	100%	\$274,421,007	100%

Total Portfolio Assets as of 12/31/2020



Total Portfolio Assets as of 3/31/2021



CITY OF ALLEN

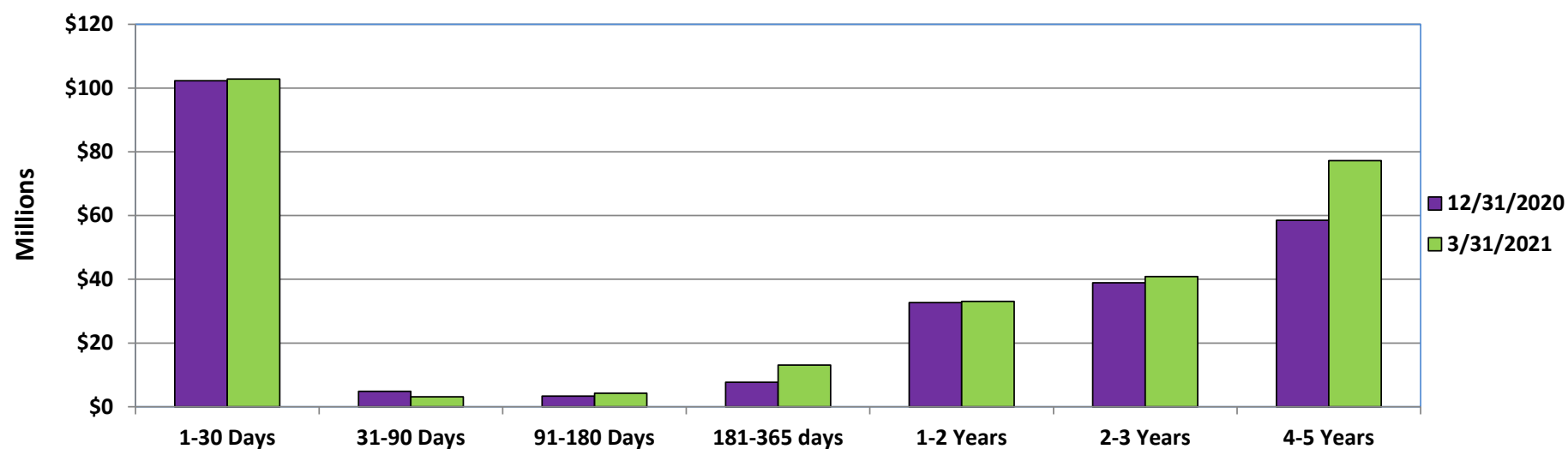
QUARTERLY INVESTMENT REPORT

January 1, 2021 to March 31, 2021

Distribution by Maturity Range - Book Value

Maturity Range	Book Value 12/31/2020	% of Portfolio 12/31/2020	Book Value 3/31/2021	% of Portfolio 3/31/2021
1-30 Days	\$102,320,693	41%	\$102,831,573	41%
31-90 Days	4,852,792	2%	3,140,803	2%
91-180 Days	3,375,802	1%	4,270,668	1%
181-365 days	7,688,705	3%	13,086,281	3%
1-2 Years	32,695,247	13%	33,065,120	13%
2-3 Years	38,882,915	16%	40,816,795	16%
4-5 Years	58,545,239	24%	77,209,767	24%
Total	\$248,361,393	100%	\$274,421,007	100%

Portfolio Holdings



CITY OF ALLEN

QUARTERLY INVESTMENT REPORT

January 1, 2021 to March 31, 2021

Portfolio Holdings and Changes

Maturity	Settlement				Value at 12/31/2020		Value at 3/31/2021	
Date	Date	Description	Yield	CUSIP	Book	Market	Book	Market
Redeemed Securities					\$	\$	\$	\$
01/14/21	01/14/20	Independent Bank	1.750%	440010059	1,013,158.39	1,013,158.39	0.00	0.00
01/15/21	06/30/20	FHLB	0.720%	3130AJQP7	1,000,000.00	1,000,000.00	0.00	0.00
01/15/21	01/15/20	International Bank of Chicago	1.950%	45906ACD7	245,000.00	245,169.05	0.00	0.00
01/19/21	01/19/18	Prosperity Bank	2.250%	60050002649	1,067,724.55	1,067,724.55	0.00	0.00
01/22/21	01/22/19	Texas Security Bank	2.910%	12387	1,810,558.69	1,810,558.69	0.00	0.00
01/29/21	01/29/20	Security First Bank	1.800%	81425PBA8	245,000.00	245,345.45	0.00	0.00
02/01/21	02/22/19	Hudson Cnty N J Impt	3.450%	443730FT8	327,375.00	308,233.50	0.00	0.00
02/16/21	08/16/17	FNMA	1.750%	3136G4NR0	1,500,000.00	1,502,895.00	0.00	0.00
02/24/21	02/24/20	FHLMC	1.750%	3134GVDJ4	1,000,000.00	1,001,350.00	0.00	0.00
03/01/21	03/24/20	Corpus Christi Tex	1.601%	2201124D5	3,022,230.00	3,009,090.00	0.00	0.00
03/01/21	09/02/20	Maplewood Richmond Heig	0.500%	565607PT9	100,000.00	100,016.00	0.00	0.00
03/01/21	06/07/19	New York N Y	2.500%	64966HHA1	230,562.20	222,123.00	0.00	0.00
03/06/21	03/06/20	The BRYN Mawr Trust	1.700%	117673DG5	245,000.00	245,708.05	0.00	0.00
Federal Agencies								
07/25/22	07/23/19	FNMA	2.259%	31381VKE4	1,030,625.00	1,029,240.00	1,030,625.00	1,023,750.00
08/24/22	08/24/17	FHLB	2.000%	3130ABWU6	1,500,000.00	1,545,675.00	1,500,000.00	1,538,355.00
11/13/23	08/13/20	FHLMC	0.350%	3134GWMH6	1,000,000.00	1,000,100.00	1,000,000.00	1,000,130.00
12/22/23	06/22/20	FNMA	0.520%	3136G4XE8	2,000,000.00	2,000,560.00	2,000,000.00	2,001,140.00
02/12/24	08/12/20	FHLB	0.375%	3134GWL08	1,000,000.00	998,620.00	1,000,000.00	998,990.00
05/24/24	08/24/20	FHLB	0.400%	3134GWNS1	1,000,000.00	996,780.00	1,000,000.00	992,790.00
11/26/24	08/26/20	FNMA	0.500%	3136G4Q22	1,000,000.00	997,510.00	1,000,000.00	992,010.00
02/26/25	09/02/20	FHLB	0.550%	3134GWSE7	1,000,000.00	996,450.00	1,000,000.00	990,740.00
08/27/25	09/02/20	FHLB	0.600%	3130AJZ36	1,000,000.00	996,570.00	1,000,000.00	985,070.00
11/25/25	11/16/20	FNMA	0.560%	3135GA2Z3	5,000,000.00	5,003,100.00	5,000,000.00	4,913,900.00
11/18/25	11/25/20	FNMA	0.600%	3135GA3Z2	5,000,000.00	5,004,200.00	5,000,000.00	4,921,050.00
08/16/23	11/17/20	FHLMC	0.250%	3134GXBE3	5,000,000.00	5,003,150.00	5,000,000.00	4,995,300.00
12/30/25	12/30/20	FHLMC	0.700%	3134GXHL1	5,000,000.00	5,000,450.00	5,000,000.00	4,932,000.00
01/22/26	01/22/21	FNMA	0.530%	3135GAC58			5,000,000.00	4,892,900.00
01/28/26	01/28/21	FHLB	0.625%	3130AKQZ2			3,000,000.00	2,954,550.00
02/12/23	02/12/21	FHLB	0.600%	3130AKXQ4			3,000,000.00	2,937,180.00
02/24/26	02/24/21	FHLB	0.650%	3130AL5X8			3,000,000.00	2,951,970.00
03/16/26	03/16/21	FHLB	0.750%	3130ALF33			3,000,000.00	2,965,740.00
03/23/26	03/23/21	FHLB	0.875%	3130ALGC2			2,000,000.00	1,987,260.00
03/23/26	03/23/21	FHLB	1.000%	3130ALGJ7			2,000,000.00	1,988,740.00
11/29/24	03/29/21	FHLB	0.600%	3130ALRM8			2,000,000.00	1,994,700.00

Maturity Date	Settlement Date	Description	Yield	CUSIP	Value at 12/31/2020		Value at 3/31/2021	
					Book	Market	Book	Market
06/30/25	03/30/21	FHLB	0.750%	3130ALU93			3,000,000.00	2,993,670.00
Municipal Bonds								
04/01/21	09/26/19	Spartanburg S C Spl	2.096%	847219AB8	235,000.00	235,571.05	235,000.00	235,000.00
06/01/21	06/14/18	Cedar Rapids Iowa	2.850%	150528YM3	175,738.50	176,837.50	175,738.50	175,721.00
06/01/21	08/08/19	Delaware St Solid Wast	3.710%	246412ED8	2,054,120.00	2,005,880.00	2,054,120.00	2,005,980.00
08/01/21	12/10/18	Virginia St Pub Bldg	3.100%	928172RZ0	266,393.40	262,522.50	266,393.40	259,498.20
08/15/21	11/15/18	Roanoke Tex Economic	3.300%	770047AP3	310,000.00	315,009.60	310,000.00	313,028.70
09/01/21	09/25/19	Alabama Incentives Fi	2.241%	01030LDD4	230,000.00	232,424.20	230,000.00	231,649.10
09/01/21	12/19/19	Bainbridge Ga Pub Facs	2.111%	056869BT6	129,759.50	130,687.70	129,759.50	130,917.80
09/01/21	09/10/20	Bloomfield Twp N J Br	0.581%	094226CZ8	50,000.00	50,021.00	50,000.00	50,025.00
09/01/21	09/01/20	Fullerton Calif Redev	0.591%	35981VAV2	100,000.00	100,016.00	100,000.00	100,017.00
10/01/21	07/18/19	Pleasant Ohio Loc Sch D	2.200%	728500FD6	475,000.00	478,861.75	475,000.00	477,693.25
10/01/21	08/25/20	Trussville Ala	0.301%	898242MZ2	455,000.00	455,136.50	455,000.00	455,218.40
10/01/21	08/25/20	Trussville Ala	0.301%	898242NR9	1,000,000.00	1,000,300.00	1,000,000.00	1,000,480.00
10/15/21	07/16/20	Jersey City N J Mun U	1.050%	476623CM3	100,000.00	100,079.00	100,000.00	100,300.00
12/01/21	12/20/18	Cook Cnty Ill Sch Dist	3.250%	215075KE1	1,159,020.80	1,152,580.80	1,159,020.80	1,144,035.20
01/01/22	11/26/19	Greenville Ohio City Sc	2.217%	396352HA7	300,765.15	310,860.90	300,765.15	312,029.55
02/15/22	01/25/19	Dallas Tex Indpt Sch D	2.750%	235308QM8	6,225,372.25	5,994,288.15	6,225,372.25	5,984,445.90
04/01/22	09/26/19	Spartanburg S C Spl Ob	2.140%	847219AC6	290,000.00	293,920.80	290,000.00	293,282.80
05/01/22	04/26/18	Wisconsin St Gen Fd A	3.000%	977100CY0	527,257.50	560,785.50	527,257.50	559,933.00
06/01/22	06/13/19	Portland Ore	2.282%	736679KX8	581,327.25	560,411.25	581,327.25	551,134.50
07/01/22	07/15/20	Metropolitan Wtr Dist	0.360%	592657CN8	1,350,000.00	1,351,566.00	1,350,000.00	1,351,971.00
07/15/22	03/21/19	Evansville-Vanderburgh	4.162%	299620ES9	1,034,950.00	1,003,360.00	1,034,950.00	1,003,390.00
08/15/22	11/15/18	Roanoke Tex Economic	3.400%	770047AQ1	315,000.00	328,841.10	315,000.00	326,844.00
09/01/22	09/25/19	Alabama Incentives Fi	2.303%	01030LDE2	245,000.00	251,845.30	245,000.00	250,919.20
09/01/22	12/19/19	Bainbridge Ga Pub Facs	2.230%	056869BU3	34,926.50	35,639.45	34,926.50	35,880.25
09/01/22	09/10/20	Bloomfield Twp N J Br	0.651%	094226DA2	405,000.00	405,915.30	405,000.00	405,943.65
09/01/22	09/18/19	Clayton Town Wis	2.000%	184423AW1	461,574.00	456,934.50	461,574.00	454,347.00
09/01/22	09/01/20	Fullerton Calif Redev	0.761%	35981VAV0	150,000.00	150,337.50	150,000.00	150,306.00
09/01/22	06/13/19	Miami Univ Ohio Gen R	2.547%	593791EK8	552,445.00	538,705.00	552,445.00	533,125.00
10/01/22	05/07/19	Allentown Pa	2.989%	018340SG5	540,000.00	559,283.40	540,000.00	560,314.80
10/01/22	07/18/19	Pleasant Ohio Loc Sch	2.250%	728500FE4	500,000.00	511,140.00	500,000.00	509,725.00
10/01/22	08/25/20	Trussville Ala	0.401%	898242NA6	515,000.00	516,035.15	515,000.00	516,066.05
10/01/22	08/25/20	Trussville Ala	0.401%	898242NS7	1,080,000.00	1,082,170.80	1,080,000.00	1,082,235.60
10/15/22	07/16/20	Jersey City N J Mun U	1.065%	476623CN1	440,000.00	441,390.40	440,000.00	443,740.00
11/01/22	05/29/19	Riverside Pub Fing Aut	2.600%	76926CAU8	641,604.00	654,900.90	641,604.00	652,360.90
12/01/22	11/05/19	Corpus Christi Tex Re	2.000%	220228BH2	892,073.70	912,214.40	892,073.70	909,446.50
12/01/22	08/20/19	King Cnty Wash	2.026%	49474E3W1	2,383,858.80	2,381,121.30	2,383,858.80	2,356,440.00
12/01/22	08/15/18	Los Angeles Cnty Calif	3.050%	54531FAV3	1,007,960.00	1,053,120.00	1,007,960.00	1,046,330.00
12/01/22	12/18/19	Mukwonago Wis	1.801%	625064QM5	973,622.50	957,225.15	973,622.50	957,234.70
12/01/22	03/12/20	Willoughby Eastlake Ohi	1.970%	971039RL8	94,808.00	98,776.00	94,808.00	98,951.00
01/01/23	11/26/19	Greenville Ohio City Sc	2.327%	396352HB5	749,334.25	784,231.00	749,334.25	786,959.95
02/01/23	08/01/18	Georgia St	3.021%	373384L38	204,000.00	213,124.00	204,000.00	211,706.00
03/01/23	09/02/20	Maplewood Richmond Heig	0.800%	565607PV4	185,000.00	186,098.90	185,000.00	185,954.60

Maturity Date	Settlement Date	Description	Yield	CUSIP	Value at 12/31/2020		Value at 3/31/2021	
					Book	Market	Book	Market
04/01/23	01/30/19	Anne Arundel Cnty Md	2.705%	03588E4K6	2,571,225.00	2,509,225.00	2,571,225.00	2,505,875.00
04/01/23	03/15/19	Michigan St Hsg Dev A	2.869%	59465MV51	492,295.00	519,720.00	492,295.00	517,395.00
04/01/23	09/26/19	Spartanburg S C Spl Ob	2.190%	847219AD4	300,000.00	308,055.00	300,000.00	307,080.00
05/15/23	07/17/18	Los Angeles Calif Dep	3.011%	544445BC2	247,577.50	262,607.50	247,577.50	262,315.00
06/01/23	06/01/18	Alameda Cnty Calif Jt	3.095%	010831DQ5	480,000.00	509,625.60	480,000.00	508,123.20
06/01/23	06/14/18	Cedar Rapids Iowa	3.050%	150528YP6	305,000.00	319,600.35	305,000.00	318,206.50
06/01/23	07/15/19	Commonwealth Fing Aut	2.280%	20281PGL0	910,965.90	935,480.40	910,965.90	927,285.30
06/01/23	06/07/18	Las Vegas Nev	3.200%	5176968J2	711,618.80	744,924.90	711,618.80	740,814.00
07/01/23	07/20/18	Hartford Conn	3.606%	416415HH3	141,282.40	150,066.00	141,282.40	148,922.20
07/01/23	07/15/20	Metropolitan Wtr Dist	0.540%	592657CP3	1,955,000.00	1,961,138.70	1,955,000.00	1,959,046.85
07/01/23	10/01/19	Utah St Mun Pwr Agy P	2.070%	91756TAL5	1,015,850.00	1,038,760.00	1,015,850.00	1,033,910.00
07/15/23	11/13/18	Evansville-Vanderburgh	3.000%	299620ET7	416,172.00	401,408.00	416,172.00	401,392.00
07/15/23	08/13/18	New York N Y City Tran	3.100%	64972HN81	1,000,430.00	1,067,180.00	1,000,430.00	1,059,410.00
08/01/23	02/22/19	San Bernardino Cnty Ca	3.150%	796839BP2	1,448,645.70	1,458,464.20	1,448,645.70	1,452,505.85
08/15/23	11/15/18	Roanoke Tex Economic	3.500%	770047AR9	330,000.00	353,700.60	330,000.00	350,964.90
08/15/23	08/22/19	Round Rock Tex Transn	2.228%	77924PAB1	475,000.00	486,176.75	475,000.00	489,150.25
08/15/23	01/27/20	Stratford Conn	1.950%	8628113Y0	545,860.00	551,825.00	545,860.00	547,510.00
09/01/23	09/25/19	Alabama Incentives Fi	2.387%	01030LDF9	660,000.00	689,772.60	660,000.00	685,918.20
09/01/23	12/19/19	Bainbridge Ga Pub Facs	2.330%	056869BV1	69,801.20	71,673.70	69,801.20	72,896.60
09/01/23	09/10/20	Bloomfield Twp N J Br	0.773%	094226DB0	425,000.00	426,708.50	425,000.00	425,871.25
09/01/23	09/01/20	Fullerton Calif Redev	0.882%	35981VAX8	235,000.00	235,998.75	235,000.00	234,971.80
10/01/23	09/04/19	Norristown Pa Area Sch	2.470%	656491PY7	485,000.00	506,301.20	485,000.00	504,278.75
10/01/23	07/18/19	Pleasant Ohio Loc Sch D	2.300%	728500FF1	213,540.00	215,186.00	213,540.00	213,424.00
10/01/23	07/25/19	Scotts Vy Calif Pub F	2.361%	810227AR9	560,000.00	586,370.40	560,000.00	582,876.00
10/01/23	08/25/20	Trussville Ala	0.526%	898242NB4	520,000.00	521,866.80	520,000.00	520,691.60
10/01/23	08/25/20	Trussville Ala	0.526%	898242NT5	250,000.00	250,897.50	250,000.00	250,332.50
10/15/23	07/16/20	Jersey City N J Mun U	1.194%	476623CP6	405,000.00	407,077.65	405,000.00	410,714.55
11/01/23	05/17/19	New Jersey St Hsg + M	2.653%	646108PX2	632,130.80	655,737.80	632,130.80	652,846.40
11/01/23	05/09/19	Riverside Pub Fing Auth	2.850%	76926CAV6	764,750.00	795,712.40	764,750.00	790,825.60
11/15/23	08/23/19	Brick Twp N J	2.100%	107889SH1	291,472.50	291,912.50	291,472.50	289,267.00
12/01/23	09/17/20	Centerville Ohio City	0.549%	152239JV2	100,000.00	100,191.00	100,000.00	99,903.00
12/01/23	05/29/19	Imperial Calif Redev A	2.620%	452674AH7	402,196.00	416,216.00	402,196.00	419,200.00
12/01/23	03/11/19	Los Angeles Cnty Cali	2.866%	54473ERV8	1,031,620.00	1,087,330.00	1,031,620.00	1,077,850.00
12/01/23	12/10/18	South Carolina St Pub	3.800%	837151WM7	229,449.85	255,410.05	229,449.85	257,014.80
12/01/23	06/07/19	Vermont Mun Bd Bk	2.371%	924214FT1	547,230.00	539,245.00	547,230.00	534,855.00
12/01/23	03/12/20	Willoughby Eastlake Ohi	1.988%	971039RM6	185,812.00	195,794.00	185,812.00	195,618.00
01/01/24	11/26/19	Greenville Ohio City Sc	2.377%	396352HC3	285,931.80	300,903.75	285,931.80	301,266.00
02/01/24	02/22/19	Hudson Cnty N J Impt A	3.450%	443730FT8	1,145,812.50	1,122,523.50	1,145,812.50	1,118,281.50
02/15/24	05/20/19	Duncanville Tex Indpt S	2.435%	265138HS9	1,055,530.00	1,071,840.00	1,055,530.00	1,063,160.00
02/15/24	10/15/19	Williamson Cnty Tex	1.800%	969887H50	442,977.90	451,077.60	442,977.90	450,355.50
03/01/24	09/10/19	Houston Tex	1.900%	4423315T7	2,004,260.00	2,090,820.00	2,004,260.00	2,076,400.00
03/15/24	03/13/19	Connecticut St	3.200%	20772GE61	1,116,160.00	1,164,120.00	1,116,160.00	1,153,300.00
04/01/24	09/26/19	Spartanburg S C Spl Ob	2.250%	847219AE2	305,000.00	315,205.30	305,000.00	313,180.10
05/01/24	10/02/19	Cedar Springs Mich Pub	2.010%	150609HV0	1,457,517.15	1,525,320.15	1,457,517.15	1,513,156.35

Maturity Date	Settlement Date	Description	Yield	CUSIP	Value at 12/31/2020		Value at 3/31/2021	
					Book	Market	Book	Market
05/01/24	11/19/19	Thornapple Kellogg Mi	2.061%	885205NF7	880,000.00	921,949.60	880,000.00	916,564.00
05/01/24	09/03/19	Wisconsin St	1.470%	97705LA64	522,310.00	506,285.00	522,310.00	501,430.00
06/01/24	10/31/19	Montgomery Cnty Va Ec	2.080%	613741GM3	1,024,000.00	1,072,770.00	1,024,000.00	1,062,020.00
06/01/24	07/19/19	Naugatuck Conn	2.350%	639064RP1	900,524.00	890,372.40	900,524.00	893,857.40
07/01/24	10/22/19	Massachusetts St Dev	2.250%	57584XCR0	2,136,340.00	2,165,340.00	2,136,340.00	2,158,160.00
07/01/24	08/27/19	Sioux Falls S D Sch Dis	2.000%	829596NX9	925,484.80	930,757.40	925,484.80	931,019.80
07/15/24	08/08/19	Toms River N J Brd Ed	2.434%	890125WX1	2,455,755.40	2,471,701.40	2,455,755.40	2,450,852.60
08/01/24	08/23/19	Lynn Haven Fla Rev	2.071%	551537AD5	378,860.00	382,299.00	378,860.00	380,950.00
08/01/24	03/17/20	Lynwood Calif Uni Sch	1.271%	551800JC0	500,000.00	501,965.00	500,000.00	498,600.00
08/01/24	08/01/19	New York N Y City Tran	2.320%	64971WVC1	2,064,780.00	2,165,780.00	2,064,780.00	2,159,860.00
08/15/24	09/03/19	South San Antonio Tex I	1.520%	8398562C4	428,044.50	424,581.75	428,044.50	422,581.05
09/01/24	09/25/19	Alabama Incentives Fi	2.437%	01030LDG7	675,000.00	714,339.00	675,000.00	706,691.25
09/01/24	12/19/19	Bainbridge Ga Pub Facs	2.430%	056869BW9	69,750.80	72,271.50	69,750.80	73,516.10
09/01/24	09/10/20	Bloomfield Twp N J Br	0.939%	094226DC8	530,000.00	532,925.60	530,000.00	528,913.50
09/01/24	09/01/20	Fullerton Calif Redev	1.081%	35981VAY6	650,000.00	656,207.50	650,000.00	647,198.50
09/01/24	09/12/19	Port Morrow Ore Trans	1.950%	73474TAB6	747,236.55	776,684.40	747,236.55	766,440.75
10/01/24	08/25/20	Trussville Ala	0.722%	898242NC2	490,000.00	493,253.60	490,000.00	489,137.60
11/01/24	11/20/19	Colorado Hsg + Fin Aut	2.200%	196480EA1	997,840.80	1,031,629.50	997,840.80	1,023,095.70
11/01/24	11/14/19	Estes Pk Colo Pwr + C	2.462%	29747TAX1	690,000.00	736,312.80	690,000.00	727,128.90
12/01/24	09/17/20	Centerville Ohio City	0.709%	152239JW0	500,000.00	501,375.00	500,000.00	496,560.00
02/01/25	02/03/20	New York N Y City Tran	1.872%	64971WF70	1,035,040.00	1,074,290.00	1,035,040.00	1,068,380.00
03/15/25	03/16/20	Connecticut St	1.602%	20772KFJ3	461,690.00	469,895.00	461,690.00	468,525.00
09/01/25	09/10/20	Bloomfield Twp N J Br	1.089%	094226DD6	510,000.00	513,258.90	510,000.00	504,425.70
06/01/21	11/20/20	Build NY Resources Corp	0.450%	12008EDT0	910,944.00	906,543.00	910,944.00	902,592.00
10/01/24	11/19/20	San Diego Taxable	0.700%	7973913L1	995,652.90	997,949.70	995,652.90	989,554.50
07/01/25	12/29/20	Oklahoma ST Capitol Imp	0.757%	679075BX8	1,013,090.00	1,009,000.00	1,013,090.00	991,330.00
09/01/25	01/06/21	Tarrant County Cult EDU	1.050%	87638QQW2			507,605.00	501,720.00
01/01/25	01/04/21	Southern NH University	1.100%	84352JAA4			1,031,330.64	1,010,960.00
08/01/25	01/08/21	New York City GEN	0.650%	64971WP61			1,078,560.00	1,058,660.00
09/01/24	01/28/21	New Jersey Kean University	0.800%	6460662E9			1,758,087.50	1,735,971.25
09/01/25	01/28/21	New Jersey Kean University	1.000%	6460662F6			2,200,180.00	2,157,640.00
04/01/24	03/02/21	Brazos Higher Ed Authority	1.050%	10623ABA0			1,026,630.00	1,018,390.00
Certificates of Deposit (FDIC Insured)								
07/28/21	07/28/17	Enerbank	1.950%	29266N5U7	245,000.00	247,775.85	245,000.00	246,565.55
08/06/21	08/07/17	Medallion Bank	2.000%	58404DAB7	245,000.00	247,895.90	245,000.00	246,683.15
10/13/21	10/13/17	MB Financial Bank NA	2.000%	55266CWZ5	245,000.00	248,765.65	245,000.00	247,555.35
01/31/22	01/31/19	Keesler FCU	3.050%	49254FAG1	245,000.00	252,950.25	245,000.00	251,080.90
03/09/22	03/09/18	Randolph Savings Bank	2.600%	75272LAD8	245,000.00	252,379.40	245,000.00	250,853.05
03/14/22	03/12/18	Firsttrust Savings Bank	2.650%	337630BM8	245,000.00	252,629.30	245,000.00	251,002.50
03/16/22	03/16/18	Summit Community Bank	2.550%	86604XMU7	245,000.00	252,367.15	245,000.00	250,799.15
04/05/22	05/06/19	Farmer's Insurance Group FCU	2.750%	30960QAA5	245,000.00	253,298.15	245,000.00	251,600.30
04/11/22	04/11/18	Citibank, NA	2.800%	17312QH85	245,000.00	253,560.30	245,000.00	251,830.60
04/13/22	04/13/18	BMW Bank of North America	2.800%	05580AMH4	245,000.00	253,597.05	245,000.00	251,864.90
07/25/22	07/25/17	Comenity Capital Bank	2.250%	20033AU0	245,000.00	253,330.00	245,000.00	251,904.10

Maturity Date	Settlement Date	Description	Yield	CUSIP	Value at 12/31/2020		Value at 3/31/2021	
					Book	Market	Book	Market
07/26/22	07/26/17	Barclays Bank	2.250%	06740KKR7	245,000.00	253,342.25	245,000.00	251,931.05
07/26/22	07/26/17	Capital One Bank NA	2.250%	14042RGS4	245,000.00	253,342.25	245,000.00	251,931.05
07/26/22	07/26/17	Goldman Sachs Bank	2.300%	38148PLT2	245,000.00	253,533.35	245,000.00	252,092.75
08/15/22	08/15/19	Ally Bank	2.000%	02007GLD3	245,000.00	252,629.30	245,000.00	251,365.10
08/23/22	08/23/19	CIT Bank, NA	1.950%	12556LBB1	245,000.00	252,528.85	245,000.00	251,291.60
10/12/22	10/12/17	Mountain American Federal CU	2.300%	62384RAB2	245,000.00	254,638.30	245,000.00	253,156.05
10/14/22	10/13/17	Morgan Stanley Bank	0.000%	61765QDT3	245,000.00	243,493.25	245,000.00	247,290.75
10/17/22	10/17/18	UBS Bank USA	3.250%	90348JEG1	245,000.00	258,889.05	245,000.00	256,823.70
10/18/22	10/18/17	Beneficial Bank	2.150%	08173QBX3	245,000.00	254,062.55	245,000.00	252,668.50
10/26/22	10/26/17	Business Bank	2.150%	12325EHX3	245,000.00	254,170.35	245,000.00	252,776.30
12/05/22	12/04/18	American Express National Bank	3.400%	02589AAZ5	245,000.00	260,618.75	245,000.00	258,438.25
12/30/22	12/30/19	Wells Fargo National Bank West	1.850%	949495AF2	245,000.00	253,557.85	245,000.00	252,315.70
01/12/23	01/12/18	Synchrony Bank	2.550%	87165HUB4	245,000.00	257,164.25	245,000.00	255,512.95
01/17/23	01/17/18	Sallie Mae Bank	2.600%	795450J30	245,000.00	257,492.55	245,000.00	255,809.40
04/28/23	04/30/18	University of Iowa CU	3.000%	91435LAB3	245,000.00	261,346.40	245,000.00	259,379.05
06/26/23	06/26/20	BMO Harris Bank NA	0.600%	05600XAA8	245,000.00	243,848.50	245,000.00	245,308.70
06/30/23	08/30/18	Industrial and Commercial Bank	3.300%	45581EAX9	245,000.00	264,315.80	245,000.00	262,064.25
11/08/23	11/08/18	Morgan Stanley Private Bank, NA	3.550%	61760ARS0	245,000.00	268,030.00	245,000.00	265,489.35
11/28/23	11/28/18	Numerica CU	3.550%	67054NAN3	245,000.00	268,975.70	245,000.00	266,354.20
04/10/24	04/10/19	Wells Fargo Bank NA	2.850%	949763ZA7	245,000.00	265,489.35	245,000.00	263,612.65
05/31/24	05/31/19	Comenity Bank	2.800%	PER200LZ0	200,000.00	202,367.80	200,000.00	202,209.60
08/14/24	08/14/19	Capital One Bank USA, NA	2.100%	14042TBT3	245,000.00	261,297.40	245,000.00	259,067.90
12/11/24	09/11/20	Texas Exchange Bank	0.500%	88241TJG6	245,000.00	245,127.40	245,000.00	245,129.85
01/29/25	01/29/20	Citadel FCU	1.850%	17286TAF2	245,000.00	260,295.35	245,000.00	257,781.65
02/28/25	02/28/20	Austin Telco FCU	1.800%	052392AA5	245,000.00	258,465.20	245,000.00	256,059.30
09/29/25	09/29/20	US Alliance FCU	0.500%	90352RBF1	245,000.00	245,276.85	245,000.00	243,064.50
01/09/23	01/09/20	American National Bank	1.750%	9625880	3,209,449.93	3,209,449.93	3,223,571.36	3,223,571.36
07/28/21	07/28/17	Prosperity Bank	1.950%	60050001931	1,603,334.42	1,603,334.42	1,611,055.01	1,611,055.01
01/19/22	01/19/18	Prosperity Bank	2.400%	60050002650	1,072,394.61	1,072,394.61	1,078,750.83	1,078,750.83
01/19/23	01/19/18	Prosperity Bank	2.500%	60050002651	1,075,518.98	1,075,518.98	1,082,159.88	1,082,159.88
08/22/21	08/22/18	Prosperity Bank	3.110%	60050005698	1,075,196.45	1,075,196.45	1,083,460.15	1,083,460.15
08/22/23	08/22/18	Prosperity Bank	3.380%	60050005699	1,081,976.03	1,081,976.03	1,091,015.77	1,091,015.77
01/14/22	01/14/19	Prosperity Bank	3.020%	60050007571	1,059,467.57	1,059,467.57	1,067,372.22	1,067,372.22
01/13/23	01/14/19	Prosperity Bank	3.180%	60050007572	1,062,710.70	1,062,710.70	1,071,060.71	1,071,060.71
01/12/24	01/14/19	Prosperity Bank	3.310%	60050007573	1,065,352.75	1,065,352.75	1,074,066.65	1,074,066.65
01/12/24	01/14/20	Prosperity Bank	1.800%	60050009770	1,016,599.34	1,016,599.34	1,021,115.57	1,021,115.57
01/14/25	01/14/20	Prosperity Bank	1.850%	60050009771	1,017,063.99	1,017,063.99	1,021,707.98	1,021,707.98
07/29/22	07/29/20	Prosperity Bank	0.700%	434000014	1,590,215.31	1,590,215.31	1,592,961.40	1,592,961.40
01/22/25	01/22/20	Texas Security Bank	1.900%	12469	1,564,258.72	1,564,258.72	1,571,750.02	1,571,750.02
Money Market Funds								
		Dreyfus Money Market Fund	0.020%		253,347.79	253,347.79	17,269.49	17,269.49
Local Government Investment Pools								

Maturity Date	Settlement Date	Description	Yield	CUSIP	Value at 12/31/2020		Value at 3/31/2021	
					Book	Market	Book	Market
		TexasCLASS	0.155%		69,501,663.56	69,501,663.56	72,470,844.26	72,470,844.26
		TexPool	0.085%		13,845,356.33	13,845,356.33	22,757,604.04	22,757,604.04
		TexSTAR	0.067%		3,169,945.03	3,169,945.03	3,170,241.18	3,170,241.18
Cash		Cash*	0.020%		11,658,938.56	11,658,938.56	4,180,613.54	4,180,613.54
		Total			248,361,392.75	249,718,491.35	274,421,007.05	274,650,885.51

*Only Cash at JP Morgan Bank with interest.

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

April 27, 2021

SUBJECT:

Consider All Matters Incident and Related to the Issuance and Sale of City of Allen, Texas, Certificates of Obligation, Series 2021, Including the Adoption of an Ordinance Authorizing the Issuance of Such Certificates, Establishing Parameters for the Sale and Issuance of Such Certificates, and Delegating Certain Matters to Authorized Officials of the City.

STAFF RESOURCE:

Jennifer Fung, Interim Chief Financial Officer
Chris Landrum, Assistant Chief Financial Officer

PREVIOUS COUNCIL ACTION:

On February 23, 2021, the City Council adopted Resolution 3803-2-21(R) approving and authorizing publication and posting of Notice of Intention to Issue the Certificates of Obligation and declaring expectation to reimburse expenditures with proceeds of the debt.

ACTION PROPOSED:

Adopt an ordinance authorizing the Issuance and Sale of City of Allen, Texas, Certificates of Obligation, Series 2021, Establishing Parameters for the Sale and Issuance of Such Certificates and Delegating Certain Matters to Authorized Officials of the City.

BACKGROUND

Attached is a parameters Ordinance prepared by the City's bond counsel, Norton Rose Fulbright US LLP, that authorizes the issuance and sale of "City of Allen, Texas, Certificates of Obligation, Series 2021." The certificates \$33,900,000 are for the purpose of providing funds for (1) \$25,000,000 for Stephen G. Terrell Recreation Center, (2) \$3,000,000 for The Farm Economic Development Agreement, and (3) \$5,900,000 for The Avenue Economic Development Agreement.

A parameters sale allows the City to take advantage of market conditions and pricing opportunities. The certificates are priced on a certain date and the pricing is approved by an appointed Pricing Officer of the City. The transaction has to be structured within certain parameters indicated in the authorizing ordinance. Such parameters for the bonds include: the size to not to exceed \$33,900,000, the true interest cost rate not to exceed 4%, and the maximum maturity date for the bonds not to exceed August 2041 (20 years).

The attached Ordinance sets the form, details of, and authorizes the issuance and delivery of the certificates. The certificates are obligations of the City and are payable from the levy of ad valorem taxes upon property within the City of Allen. The negotiated sale will be finalized with the authorized Pricing Officer approving the transaction after it has been structured. The Pricing Officers listed in the ordinance are the Mayor and the Chief Financial Officer. The plan is to receive bids in the second week of June. If the timetable does not change, the

plan is to have the notes close on June 30. Various documents such as the Bond Purchase Agreement, and Paying Agent/Registrar Agreement will be finalized and executed by the authorized Pricing Officer.

BUDGETARY IMPACT

Depending upon the final interest rates, the debt payment associated with the issuance of \$33,900,000 in new notes is expected to be an increase in the average annual debt service amount of approximately \$1.93 million for the next 20 years. The debt issuance will be structured to mature in 20 years. The debt payments will begin in fiscal year 2022.

STAFF RECOMMENDATION

Staff recommends that the City Council adopt an Ordinance authorizing the issuance of "City of Allen, Texas, Certificates of Obligation, Series 2021"; establishing the parameters for the sale and issuance of such bonds; and delegating certain matters to authorized officials of the City.

MOTION

I make a motion to adopt Ordinance No. _____ authorizing the issuance of "City of Allen, Texas, Certificates of Obligation, Series 2021"; establishing the parameters for the sale and issuance of such bonds; and delegating certain matters to authorized officials of the City.

ATTACHMENTS:

Ordinance

Exhibit A - Paying Agent Registrar Agreement

ORDINANCE NO. _____

AN ORDINANCE authorizing the issuance of "CITY OF ALLEN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021"; providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the net revenues derived from the operation of the City's waterworks and sewer system; providing the terms and conditions of such certificates and resolving other matters incident and relating to the issuance, payment, security and delivery of said certificates of obligation; delegating matters relating to the sale and issuance of said certificates to an authorized City official; and providing an effective date.

WHEREAS, the City Council of the City of Allen, Texas, has heretofore determined that certificates of obligation should be issued in the maximum principal amount not to exceed \$33,900,000 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) designing, constructing, improving and equipping the new Stephen G. Terrell Recreation Center and the acquisition of land and rights-of-way therefor, and (b) designing, constructing, acquiring, and improving public infrastructure within the City, including streets, storm sewer, sanitary sewer, water, detention, irrigation, landscaping, and walking trails and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof; and

WHEREAS, a "Notice of Intention to Issue City of Allen, Texas, Certificates of Obligation" was (a) duly published in *The Dallas Morning News*, a newspaper hereby found and determined to be of general circulation in the City of Allen, Texas, on February 27, 2021, and March 6, 2021, the date of the first publication of such notice being not less than forty-six (46) days prior to the date of the passage and adoption of this Ordinance and (b) duly published continuously on the City's website for at least forty-five (45) days before the date of the passage of this Ordinance; and

WHEREAS, no petition protesting the issuance of such certificates of obligation and bearing valid petition signatures of at least 5% of the qualified voters of the City, has been presented to or filed with the Mayor, City Secretary or any other official of the City on or prior to the date of the passage of this Ordinance; and

WHEREAS, the City Council hereby finds and determines that all of the certificates of obligation described in such notice should be issued and sold in the amount and manner as hereinafter provided; and

WHEREAS, the City Council by this Ordinance, in accordance with the provisions of Texas Government Code, Chapter 1371, as amended ("Chapter 1371"), delegates to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of the Certificates to be issued and to negotiate the terms of sale thereof; now therefore:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALLEN, TEXAS:

SECTION 1: Authorization – Designation – Principal Amount – Purpose. Certificates of obligation of the City shall be and are hereby authorized to be issued in an amount not to exceed the aggregate original principal amount hereinafter set forth to be designated and bear the title

"CITY OF ALLEN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021" or such other designation as specified in the Pricing Certificate (hereinafter referred to as the "Certificates"), for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) designing, constructing, improving and equipping the new Stephen G. Terrell Recreation Center and the acquisition of land and rights-of-way therefor, and (b) designing, constructing, acquiring, and improving public infrastructure within the City, including streets, storm sewer, sanitary sewer, water, detention, irrigation, landscaping, and walking trails and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended, and Chapter 1371.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Date. The Certificates are issuable in fully registered form only; shall be dated as provided in the Pricing Certificate (the "Certificate Date") and shall be in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity) and the Certificates shall become due and payable on a date certain in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rates in accordance with the details of the Certificates as provided in the Pricing Certificate.

The Certificates shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate (calculated on the basis of a 360-day year of twelve 30-day months) and shall be payable in each year, on the dates and commencing on the date, set forth in the Pricing Certificate.

SECTION 3: Delegation of Authority to Pricing Officer. (a) As authorized by Texas Government Code, Chapter 1371, as amended, each of the Mayor and Chief Financial Officer (either one of them, a "Pricing Officer") is hereby authorized to act on behalf of the City in selling and delivering the Certificates and carrying out the other procedures specified in this Ordinance determining the aggregate principal amount of the Certificates, the date of the Certificates, any additional or different designation or title by which the Certificates shall be known, the price at which the Certificates will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the date from which interest on the Certificates will accrue, the interest payment dates, the record date, the price and terms upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, determination of the use of a book-entry-only securities clearance, settlement and transfer system, the terms of any bond insurance applicable to the Certificates, any modification of the continuing disclosure undertaking contained in Section 32 hereof as may be required by the purchasers of the Certificates in connection with any amendments to Rule 15c2-12, and all other matters relating to the issuance, sale and delivery of the Certificates, all of which shall be specified in the Pricing Certificate, provided that:

- (i) the aggregate original principal amount of the Certificates shall not exceed \$33,900,000;
- (ii) the true interest cost for the Certificates shall not exceed 4.0%; and
- (iii) the maximum maturity date of the Certificates shall not exceed August 15, 2041.

The execution of the Pricing Certificate shall evidence the sale date of the Certificates by the City to the Purchasers (hereinafter defined).

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof. The Pricing Officer may exercise such delegation on more than one occasion during such time period.

SECTION 4: Terms of Payment-Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Certificates, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Certificates (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Certificates shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Certificates (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor or Mayor Pro Tem and City Secretary or the Pricing Officer are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States mail, first-class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Certificates, shall be payable at the Stated Maturities or the redemption thereof only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices as provided in the Pricing Certificate or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Certificates shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (which shall be set forth in the Pricing Certificate) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first-class, postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when such 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.

In the event of a non-payment 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. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record and maintain in the Security Register the name and address of each and every owner of the Certificates issued under and pursuant to the provisions of this Ordinance or, if appropriate, the nominee thereof. Any Certificate may be transferred or exchanged for Certificates of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Certificate (other than the Initial Certificate authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates, executed on behalf of, and furnished by, the City, of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holders, Certificates (other than the Initial Certificate authorized in Section 8 hereof) may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Certificates, executed on behalf of, and furnished by the City, to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent by United States mail, first-class, postage prepaid, to the Holder and, upon the registration and delivery thereof, the same shall be valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered in such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Certificates" shall include any mutilated, lost, destroyed, or stolen Certificate for which a

replacement Certificate has been issued, registered and delivered in lieu thereof pursuant to Section 25 hereof and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Certificate; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained herein relating to the payment and transfer/exchange of the Certificates, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York ("DTC"), in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations by and between the City and DTC (the "Depository Agreement").

In the event the Pricing Officer elects to utilize DTC's "Book-Entry-Only" System, which election shall be made by the Pricing Officer in the Pricing Certificate, pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the "DTC Participants"). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, or in the event the City decides to discontinue use of the system of book-entry transfers through DTC, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Sections 4 and 5 hereof.

SECTION 7: Execution - Registration. The Certificates shall be executed on behalf of the City by the Mayor or the Mayor Pro Tem under the City's seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of said individuals who are or were the proper officers of the City on the date of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or any of them shall cease to hold such offices prior to the delivery of the Certificates to the initial purchaser(s), and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided by Texas Government Code, Chapter 1201, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the

Comptroller of Public Accounts of the State of Texas or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered and delivered.

SECTION 8: Initial Certificate. The Certificates herein authorized shall be initially issued as a single fully registered certificate in the total principal amount with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1 (hereinafter called the "Initial Certificate") and the Initial Certificate shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Certificate shall be the Certificate submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificate, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on the Certificates, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and to be completed and modified with the information set forth in the Pricing Certificate and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Certificates, or any maturities thereof, are purchased with bond insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer. The Pricing Officer shall set forth the final and controlling forms and terms of the Certificates. Any portion of the text of any Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The Certificates, including the Initial Certificate, shall be typewritten, printed, lithographed, or photocopied, or produced in any other similar manner, all as determined by the officers executing such Certificates as evidenced by their execution.

(b) Form of Definitive Certificate.

REGISTERED
NO. R-_____

PRINCIPAL AMOUNT
\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ALLEN, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2021

Bond Date: _____ Interest Rate: _____ Stated Maturity: _____ CUSIP No.: _____

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Allen (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Certificate is prior to the initial interest payment date, in which case it shall bear interest from _____) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ of each year, commencing _____, until maturity or prior redemption of this Certificate. Principal of this Certificate is payable at its Stated Maturity or redemption to the registered owner hereof upon presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while the Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount may be accomplished without presentation and surrender of this Certificate. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States mail, first-class, postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when 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. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ to be designated and bear the title "CITY OF ALLEN, TEXAS,

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021” (hereinafter referred to as the “Certificates”), for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) designing, constructing, improving and equipping the new Stephen G. Terrell Recreation Center and the acquisition of land and rights-of-way therefor, and (b) designing, constructing, acquiring, and improving public infrastructure within the City, including streets, storm sewer, sanitary sewer, water, detention, irrigation, landscaping, and walking trails and the acquisition of land and rights-of-way therefor, and (ii) professional services rendered in relation to such projects and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Texas Local Government Code, Subchapter C of Chapter 271, as amended, and Texas Government Code, Chapter 1371, as amended, and pursuant to an ordinance adopted by the City Council of the City (herein referred to as the “Ordinance”).

[The Certificates maturing on the dates hereinafter identified (the "Term Certificates") are subject to mandatory redemption prior to maturity with funds on deposit in the Certificate Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

Term Certificates due		Term Certificates due	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>

The particular Term Certificates of a Stated Maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Certificates for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Certificates of like Stated Maturity which, at least fifty (50) days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

[The Certificates having Stated Maturities on and after _____ may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States mail, first-class, postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.]

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and are additionally payable from and secured by a lien on and limited pledge of the Net Revenues (as defined in the Ordinance) of the City's combined waterworks and sewer system (the "System"), such lien and pledge being limited to the amount of \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues of the System securing the payment of "Prior Lien Bonds" (identified and defined in the Ordinance) now outstanding and hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Prior Lien Bonds while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise, as well as the right to issue additional obligations payable from the same sources as the Certificates and, together with the Certificates, equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificates; the Net Revenues of the System pledged to the payment of the principal of and interest on the Certificates; the nature and extent and manner of enforcement of the limited pledge; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, may treat the registered owner hereof whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of a non-payment 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. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and covenanted that the City is duly organized and legally incorporated under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates by the levy of a tax and a pledge of the Net Revenues of the System as aforestated. In case any provision in this Certificate or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City.

CITY OF ALLEN, TEXAS

KENNETH M. FULK, Mayor

COUNTERSIGNED:

SHELLEY B. GEORGE, City Secretary

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on the Initial Certificate only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

(
(
(
(

REGISTER NO. _____

THE STATE OF TEXAS

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

WITNESS my signature and seal of office this _____ .

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Certificates only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued and registered under the provisions of the within-mentioned Ordinance; the certificate or certificates of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar located in _____, _____ is the Designated Payment/Transfer Office for this Certificate.

Registration Date: _____

_____,
as Paying Agent/Registrar

By: _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)

(Social Security or other identifying number: _____)
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

(f) The Initial Certificate shall be in the form set forth in paragraph (b) of this Section, except that the heading and first paragraph shall be modified as follows:

NO. T-1

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ALLEN, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2021

Certificate Date: _____

Registered Owner:

Principal Amount:

DOLLARS

The City of Allen (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the above stated Principal Amount on _____ in each of the years and in principal installments in accordance with the following schedule:

<u>Stated Maturity</u>	<u>Principal Installment</u>	<u>Interest Rate(s)</u>
----------------------------	----------------------------------	-----------------------------

(Information to be inserted from the Pricing Certificate).

(or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid Principal Amount from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Certificate is prior to the initial interest payment date, in which case it shall bear interest from the _____) at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ of each year, commencing _____, until maturity or prior redemption of this Certificate. Principal installments of this Certificate are payable at the year of maturity or on a redemption date to the registered owner hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender at its designated offices in _____, or, with respect to a successor paying agent/registrar, at the designated office of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Certificate whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States mail, first-class, postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying

Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when 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. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues therefor, the following words or terms, whenever the same appear herein without qualifying language, are defined to mean as follows:

- (a) The term "Additional Certificates" shall mean tax and revenue obligations hereafter issued under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, or other law and payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Net Revenues of the System on a parity with and of equal rank and dignity with the lien and pledge securing the payment of the Certificates.
- (b) The term "Certificate Fund" shall mean the special fund created and established under the provisions of Section 11 of this Ordinance.
- (c) The term "Certificates" shall mean the "City of Allen, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021" authorized by this Ordinance.
- (d) The term "Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.
- (e) The term "Fiscal Year" shall mean the twelve month accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.
- (f) The term "Net Revenues" shall mean, with respect to any period, all income, revenues, and receipts received from the operation and ownership of the System less Operating and Maintenance Expenses of the System during such period.
- (g) The term "Operating and Maintenance Expenses" shall mean all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining "Net Revenues". Depreciation charges shall not be considered Operating and Maintenance Expenses. Operating and Maintenance

Expenses shall include payments under contracts for the purchase of water supply or the treatment of sewage or other materials, goods, services or facilities for the System to the extent authorized by law and the provisions of such contract.

(h) The term "Outstanding" when used in this Ordinance with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

(1) those Certificates canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates deemed to be duly paid by the City in accordance with the provisions of Section 24 hereof; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 25 hereof.

(i) The term "Prior Lien Bonds" shall mean all bonds or other similar obligations now outstanding and hereafter issued that are payable from and secured by a lien on and pledge of the Net Revenues of the System, which is prior in right and claim to the lien on and pledge of the Net Revenues securing the payment of the Certificates, including but not limited to, the unpaid bonds or other obligations of the following issues or series:

(1) "City of Allen, Texas, Waterworks and Sewer System Revenue Refunding Bonds, Series 2013", dated October 15, 2013, originally issued in the principal amount of \$3,370,000;

(2) "City of Allen, Texas, Waterworks and Sewer System Revenue Refunding Bonds, Series 2014", dated April 1, 2014, originally issued in the principal amount of \$1,280,000;

(3) "City of Allen, Texas, Waterworks and Sewer System Revenue Bonds, Series 2018", dated July 15, 2018, originally issued in the principal amount of \$9,330,000;

(4) "City of Allen, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019", dated June 1, 2019, originally issued in the principal amount of \$3,845,000; and

(5) "City of Allen, Texas, Waterworks and Sewer System Revenue Bonds, Series 2020", dated June 15, 2020, originally issued in the principal amount of \$4,880,000;

and (i) all bonds hereafter issued to refund any part of the aforesaid bonds or other obligations listed in this definition if the same are made payable from and secured by a lien on and pledge of the Net Revenues of the System and (ii) any obligations hereafter issued on a parity (insofar as the revenues of the System are concerned) with such Prior Lien Bond or refunding bonds issued to refund such obligations if the same are made payable from and secured by a lien on and pledge of the Net Revenues of the System.

(i) The term "System" shall mean the City's waterworks and sewer system, including all present and future additions, extensions, replacements, and improvements thereto.

SECTION 11: Certificate Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account on the books of the City to be designated "SPECIAL 2021 TAX AND REVENUE CERTIFICATE OF OBLIGATION FUND," and all moneys deposited to the credit of such account shall be kept and maintained in a banking fund maintained at the City's depository. The Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, or City Secretary, individually or collectively, are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the City's Investment Policy as the same may be amended from time to time and the "Public Funds Investment Act" relating to the investment of "bond proceeds"; provided that all such investments shall be made in such a manner that the money required to be expended from said Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Certificate Fund shall be credited to, and any losses debited to, the said Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 12: Tax Levy. To provide for the payment of the "Debt Service Requirements" on the Certificates being (i) the interest on said Certificates and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied, within the limitations prescribed by law, for the current year and each succeeding year thereafter while said Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars' valuation of taxable property in said City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

(1) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Net Revenues of the System appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Net Revenues of the System, and any other lawfully available revenues which are appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 13: Limited Pledge of Net Revenues. The City hereby covenants and agrees that, subject to the prior lien on and pledge of the Net Revenues of the System to the payment and security of Prior Lien Bonds, the Net Revenues of the System, within the limitation of a total amount of \$1,000, are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Certificates, and the limited pledge of \$1,000 of the Net Revenues of the System herein made for the payment of the Certificates shall constitute a lien on the Net Revenues of the System until such time as the City shall pay all of such \$1,000, after which time the pledge shall cease. Furthermore, such lien on and pledge of the Net Revenues securing the payment of the Certificates shall be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Net Revenues, the filing of this Ordinance or any other act; all as provided in Texas Government Code, Chapter 1208, as amended.

Texas Government Code, Section 1208, as amended, applies to the issuance of the Certificates and the pledge of the Net Revenues of the System granted by the City under this Section 13, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are Outstanding such that the pledge of the Net Revenues of the System granted by the City under this Section 13 is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 14: Revenue Fund. The City hereby covenants and agrees that so long as the pledge of the Net Revenues is made to the payment of the Certificates all revenues derived from the operation of the System shall be kept separate and apart from all other funds, accounts and moneys of the City, and all such revenues shall be deposited as collected into the "Waterworks and Sewer System Fund" (heretofore created and established in connection with the issuance of outstanding Prior Lien Bonds and hereinafter called the "Revenue Fund"). All moneys deposited to the credit of the Revenue Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of the reasonable and proper Operating and Maintenance Expenses of the System as defined herein or required by statute to be a first charge on and claim against the gross revenues of the System.

Second: To the payment of all amounts required to be deposited in the special funds created and established for the payment, security and benefit of Prior Lien Bonds or any obligations of the City having a prior lien on and pledge of the Net Revenues in accordance with the terms and provisions of any ordinance authorizing the issuance of Prior Lien Bonds or any ordinance authorizing the issuance of any obligations of the City having a prior lien on and pledge of the Net Revenues.

Third: To the payment, equally and ratably, of the limited amounts required to be deposited in the special funds and accounts created and established for the payment of the debt service requirements of the Certificates and Additional Certificates.

Any Net Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 15: Deposits to Certificate Fund. Subject to the provisions of Section 13 hereof, the City hereby covenants and agrees to cause to be deposited in the Certificate Fund from the pledged Net Revenues of the System in the Revenue Fund, the amount of Net Revenues of the System pledged to the payment of the Certificates.

The City covenants and agrees that the amount of pledged Net Revenues of the System (\$1,000), together with other lawfully available revenues appropriated by the City for payment of the debt service requirements on the Certificates and ad valorem taxes levied, collected, and deposited in the Certificate Fund for and on behalf of the Certificates, will be an amount equal to one hundred percent (100%) of the amount required to fully pay the interest and principal due and payable on the Certificates. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes and the Net Revenues of the System.

SECTION 16: Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17: Special Covenants. The City hereby further covenants as follows:

(1) It has the lawful power to pledge the Net Revenues of the System supporting this issue of Certificates and has lawfully exercised said powers under the Constitution and laws of the State of Texas, including said power existing under Texas Government Code, Chapter 1502, as amended, and Texas Local Government Code, Sections 271.041, et seq., as amended.

(2) Other than for the payment of the Prior Lien Bonds and the Certificates, the Net Revenues of the System are not pledged to the payment of any debt or obligation of the City or of the System.

SECTION 18: Issuance of Prior Lien Bonds and Additional Certificates. The City hereby expressly reserves the right to hereafter issue Prior Lien Bonds, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, and also reserves the right to issue Additional Certificates which, together with the Certificates, shall be secured by a parity lien on and pledge of the Net Revenues of the System.

SECTION 19: Application of Prior Lien Bonds Covenants and Agreements. It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements and covenants contained in the ordinances authorizing the issuance of the Prior Lien Bonds, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the Prior Lien Bonds, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of the Prior Lien Bonds. Notwithstanding the above, any change or modification affecting the application of revenues derived from the operation of the System shall not impair the obligation of contract with respect to the pledge of revenues herein made for the payment and security for the Certificates.

SECTION 20: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary 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 on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Certificates. In addition, prior to the initial delivery of the Certificates, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary, or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Certificates by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 21: Notices to Holders Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class, postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Certificates. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the

equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 22: Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be returned to the City.

SECTION 23: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

“Closing Date” means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield

from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Certificates.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States from the general fund, other appropriate fund, or if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Certificate Fund, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the

error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary, either or any combination of them to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 24: Satisfaction of Obligations of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance and the applicable Pricing Certificate, then the pledge of taxes levied under this Ordinance and the Net Revenues of the System (to the extent such limited pledge of Net Revenues shall not have been discharged or terminated by prior payment of principal of or interest on the Certificates) and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section ("Defeased Certificates") when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities (as defined below) shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/ Registrar have been made) the redemption date thereof. In the event of a defeasance of the Certificates, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Certificates. At such time as Certificates shall be deemed to be Defeased Certificates hereunder, as aforesaid, such Certificates and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the taxes or revenues levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Government Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem the Defeased Certificates that is made in conjunction with the payment arrangements specified in (i) or (ii) above in this paragraph shall not be irrevocable, provided that in the

proceedings providing for such payment arrangements, the City: (1) expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the registered 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. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Certificates such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Unless otherwise provided in the applicable Pricing Certificate, the term "Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Certificates.

The City reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

SECTION 25: Mutilated, Destroyed, Lost, and Stolen Certificates. In case any Certificate shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Certificate of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Certificate, or in lieu of and in substitution for such destroyed, lost or stolen Certificate, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Certificate, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with

the preparation, execution and delivery of a replacement Certificate shall be borne by the Holder of the Certificate mutilated, or destroyed, lost or stolen.

Every replacement Certificate issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Certificates.

SECTION 26: Ordinance a Contract - Amendments. This Ordinance, together with the Pricing Certificate, shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section and Section 32 hereof. The City, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates and Additional Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 27: Sale of the Certificates – Official Statement. The Certificates authorized by this Ordinance may be sold by the City to the purchaser(s) (herein referred to as the "Purchasers") by (i) negotiated sale, in accordance with one or more bond purchase agreements (each, a "Purchase Contract"), (ii) private placement, in accordance with an agreement to purchase or other agreement, or (iii) competitive bidding, in accordance with the successful bid submitted therefor, as determined by the Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract, agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable, for and on behalf of the City and as the act and deed of this City Council.

The Pricing Officer is hereby authorized and directed to execute said Purchase Contract for and on behalf of the City and as the act and deed of this City Council.

With regard to such terms and provisions of said Purchase Contract as a result of a negotiated sale, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Certificates;
2. The details of any public offering of the Certificates by the Purchasers, if any;

3. The details of any Official Statement or similar disclosure document (and, if appropriate, any Preliminary Official Statement) relating to the Certificates and the City's Rule 15c2-12 compliance, if applicable;
4. A security deposit for the Certificates, if any;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Certificates;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Certificates.

The Mayor and City Secretary of the City are further authorized and directed to deliver for and on behalf of the City copies of one or more Preliminary Official Statements and Official Statements, prepared in connection with the offering of the Certificates by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer shall be deemed to be approved by the City Council of the City and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 28: Proceeds of Sale. The proceeds of sale of the Certificates excluding accrued interest, if any, received from the Purchasers, and amounts to pay costs of issuance and any additional proceeds to be deposited to the Certificate Fund as specified in the Pricing Certificate, shall be deposited in a fund maintained at a City depository bank (the "Construction Fund"). Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, as amended, including specifically guaranteed investment contracts permitted by Texas Government Code, Section 2256.015, et seq., and the City's investment policies and guidelines, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the City Council. Accrued interest, if any, received from the Purchasers as well as proceeds of sale, including investment earnings thereon, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund.

SECTION 29: Control and Custody of Certificates. The Mayor shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale of the

Certificates, the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificate pending the approval thereof by the Attorney General and its registration thereof by the Comptroller of Public Accounts.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary of the City, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Certificates, including a certification as to facts, estimates, circumstances, and reasonable expectations pertaining to the use, expenditure, and investment of the proceeds of the Certificates, as may be necessary for the issuance of the Certificates, the approval of the Attorney General, the registration by the Comptroller of Public Accounts, and the delivery of the Certificates to the Purchasers and, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate(s) to the Purchasers and the initial exchange thereof for definitive Certificates.

SECTION 30: Bond Counsel Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Norton Rose Fulbright US LLP ("Bond Counsel"), Attorneys, Dallas, Texas, approving the Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Certificates. An executed counterpart of said opinion shall accompany the global certificates deposited with The Depository Trust Company or a reproduction thereof shall be printed on the definitive Certificates in the event the book-entry-only system shall be discontinued. The City Council confirms Norton Rose Fulbright US LLP as the City's bond counsel.

SECTION 31: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32: Continuing Disclosure Undertaking. The Pricing Officer is hereby authorized to determine whether a continuing disclosure undertaking is required in connection with the issuance of the Certificates. To the extent it is determined that an undertaking under the Rule is required, this Section 32 shall apply.

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

"Financial Obligation" means (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) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) 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. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in the year stated in the Pricing Certificate, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the Pricing Certificate, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the City 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 City 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 documents available to the public on the MSRB’s internet web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Certificates, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(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 City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

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

For these purposes, (a) any event described in the immediately preceding subsection (c)(12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City 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 City, 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 City, and (b) the City intends the words used in the immediately preceding subsections (c)15 and (c)16 and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule,

except that the City in any event will give the notice required by Subsection (c) of this Section of any Certificate calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders 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 City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the City does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the City's financial results, condition, or prospects; nor does the City undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the City 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.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER 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 CITY, 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.

No default by the City in observing or performing its obligations under this Section shall constitute 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 City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, 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 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders 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 City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 33: Municipal Bond Insurance. The Certificates may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Certificates and make the determination of the provisions of any commitment therefor.

SECTION 34: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 35: Inconsistent Provisions. Subject to Section 19 hereof, all ordinances, orders, or resolutions, or parts thereof which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 36: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 37: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 38: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 39: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 40: Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 41: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 42: Effective Date. In accordance with the provisions of Texas Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage on the date shown below and it is so ordained.

[remainder of page left blank intentionally]

DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ALLEN,
COLLIN COUNTY, TEXAS, ON THIS THE 27th DAY OF APRIL, 2021.

CITY OF ALLEN, TEXAS

KEN FULK
Mayor

ATTEST:

SHELLEY B. GEORGE
TRMC, City Secretary

(City Seal)

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____ (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Allen, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Allen, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021" (the "Securities"), dated _____, 2021, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2021; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code, as amended.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means Estrada Hinojosa & Company, Inc.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

First Class/Registered/Certified Express Delivery/Courier By Hand Only

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable

regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality

of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan or Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

By: _____

Title: _____

Address: _____

CITY OF ALLEN, TEXAS

By: _____
KENNETH M. FULK, Mayor

Address: 305 Century Parkway
Allen, Texas 75013

Attest:

SHELLEY B. GEORGE, City Secretary

ANNEX A

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

April 27, 2021

SUBJECT:

Consider All Matters Incident and Related to the Issuance and Sale of City of Allen, Texas, General Obligation Improvement and Refunding Bonds, Series 2021, Including the Adoption of an Ordinance Authorizing the Issuance of Such Bonds, Establishing Parameters for the Sale and Issuance of Such Bonds and Delegating Certain Matters to Authorized Officials of the City.

STAFF RESOURCE:

Jennifer Fung, Interim Chief Financial Officer
Chris Landrum, Assistant Chief Financial Officer

ACTION PROPOSED:

Adopt an Ordinance Authorizing the Issuance of City of Allen, Texas, General Obligation Improvement and Refunding Bonds, Series 2021, Establishing Parameters for the Sale and Issuance of Such Bonds and Delegating Certain Matters to Authorized Officials of the City.

BACKGROUND

Attached is a parameters Ordinance prepared by the City's bond counsel, Norton Rose Fulbright US LLP, that authorizes the issuance and sale of "City of Allen, Texas, General Obligation Improvement and Refunding Bonds, Series 2021." The bonds are for the purpose of providing funds for construction, acquisition and improvements for projects that were authorized in the 2016 bond election. The amount for the 2021 bond issue is currently established at \$12,000,000. The new funding of \$5,000,000 includes \$1,000,000 for Library Phase II project, and \$4,000,000 for Streets and Drainage projects. This issuance also includes the refunding of existing "General Obligation Bonds, Series 2011 and General Obligation Refunding Bonds, Series 2012 " with a principal balance of about \$7,000,000.

A parameter sale allows the City to take advantage of market conditions and pricing opportunities. The bonds are priced on a certain date and the pricing is approved by an appointed Pricing Officer of the City. The transaction has to be structured within certain parameters indicated in the authorizing ordinance. Such parameters for the bonds include: the size to not to exceed \$12,000,000, the true interest cost rate not to exceed 3%, and the maximum maturity date for the bonds not to exceed August 2036 (15 years). Refunding amount not to exceed \$7,000,000, the true interest cost rate not to exceed 3%, and the maximum maturity date for the bonds not to exceed August 2036 (15 years).

The attached Ordinance sets the form, details of, and authorizes the issuance and delivery of the bonds. The bonds are obligations of the City and are payable from the levy of ad valorem taxes upon property within the City of Allen. The negotiated sale will be finalized with the authorized Pricing Officer approving the transaction after it has been structured. The Pricing Officers listed in the ordinance are the Chief Financial Officer and the Mayor. The plan is to price the bonds in the second week of June. If the timetable does not change, the plan is

to have the bond closing on June 30. Various documents such as the Bond Purchase Agreement, and Paying Agent/Registrar Agreement will be finalized and executed by the authorized Pricing Officer.

BUDGETARY IMPACT

Depending upon the final interest rates, the debt payment associated with the issuance of \$12,000,000 in new improvement bonds is expected to be an increase in the average annual debt service amount of approximately \$860,000. The debt issuance will be structured to mature in 15 years. The debt payments will begin in fiscal year 2022. This transaction also includes the refunding of 2011 and 2012 Series Bonds, generating a minimum anticipated present value savings of 10%, or approximately \$740,000.

STAFF RECOMMENDATION

Staff recommends the City Council adopt the Ordinance authorizing the issuance of "City of Allen, Texas, General Obligation Improvement and Refunding Bonds, Series 2021"; establishing the parameters for the sale and issuance of such bonds; and delegating certain matters to authorized officials of the City.

MOTION

I make a motion to adopt Ordinance No. _____ authorizing the issuance of "City of Allen, Texas, General Obligation Improvement and Refunding Bonds, Series 2021"; establishing the parameters for the sale and issuance of such bonds; and delegating certain matters to authorized officials of the City.

ATTACHMENTS:

Ordinance

Exhibit A - GO - Paying Agent/Registrar Agreement

ORDINANCE NO. _____

AN ORDINANCE authorizing the issuance of "CITY OF ALLEN, TEXAS, GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2021"; levying a continuing direct annual ad valorem tax for the payment of said Bonds; and resolving other matters incident and related to the issuance, sale, payment, and delivery of said Bonds, including establishing parameters therefor and delegating matters relating to the sale and issuance of the Bonds to authorized City officials

WHEREAS, the City Council of the City of Allen, Texas (the "City"), hereby finds and determines that general obligation bonds approved and authorized to be issued at an election held May 7, 2016, be authorized to be issued at this time; a summary of the general obligation bonds authorized at said election, the principal amounts authorized, amounts previously issued, amounts being issued pursuant to this ordinance and amounts remaining to be issued will be set forth in the Pricing Certificate (hereinafter referenced); and

WHEREAS, the City Council hereby reserves and retains the right to issue the balance of unissued bonds approved at the May 12, 2007, and May 7, 2016, elections (as reflected in the Pricing Certificate) in one or more installments when, in the judgment of the City Council, funds are needed to accomplish the purposes for which such bonds were voted; and

WHEREAS, the City Council of the City of Allen, Texas (the "City") has heretofore issued, sold and delivered, and there is currently outstanding, obligations of the City of the following issues or series (hereinafter referred to as the "Refunded Bonds"), to wit: (1) City of Allen, Texas, General Obligation Refunding and Improvement Bonds, Series 2011, dated May 1, 2011, and (2) City of Allen, Texas, General Obligation Refunding Bonds, Series 2012, dated February 1, 2012; and

WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the City Council is authorized to issue refunding bonds and deposit the proceeds of sale directly with any place of payment for the Refunded Bonds, or other authorized depository, and such deposit, when made in accordance with said statute and the ordinance authorizing the issuance of the Refunded Bonds, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and

WHEREAS, the City shall by this Ordinance, in accordance with the provisions of Texas Government Code, Chapter 1207 and Chapter 1371, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Bonds to be issued and negotiate the terms of sale thereof and to select the specific maturities, in whole or in part, of the Refunded Bonds to be refunded and to negotiate the terms of sale thereof; and

WHEREAS, the City Council hereby finds and determines that it is a public purpose and in the best interests of the City to refund the Refunded Bonds in order to achieve a present value debt service savings and to authorize the issuance of the Bonds in one or more series and the terms of such bonds to be included in one or more pricing certificates (each a "Pricing Certificate") to be executed by the Pricing Officer (hereafter designated), all in accordance with the provisions of Texas Government Code, Section 1207.007, and Texas Government Code, Chapter 1371, as amended; now, therefore:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALLEN, TEXAS:

SECTION 1: Authorization - Series Designation - Principal Amount - Purpose - Bond Date. General obligation bonds of the City shall be and are hereby authorized to be issued in one or more series in the aggregate principal amount set forth in the applicable Pricing Certificate to be designated and bear the title "CITY OF ALLEN, TEXAS GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2021" (herein referred to as the "Bonds"), for the purposes of providing funds (1) in the amounts specified in the Pricing Certificate for permanent public improvements and public purposes, to wit: (i) constructing, renovating, improving and expanding municipal library facilities, and (ii) acquiring, constructing, improving and maintaining streets, thoroughfares, bridges, alleyways and sidewalks within the City, including related storm drainage improvements, traffic signalization and signage, streetscaping and median improvements, and utility relocations and the acquisition of land and rights of way therefor; (2) for the discharge and final payment of certain obligations of the City (described in the preamble hereof and finally identified in the applicable Pricing Certificate and referred to as the "Refunded Bonds") and (3) to pay the costs and expenses of issuance, all as provided in the applicable Pricing Certificate and in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1207, 1331 and 1371, as amended. The Bonds shall be dated (the "Bond Date") as provided in the applicable Pricing Certificate.

SECTION 2: Fully Registered Obligations - Terms. The Bonds shall be issued as fully registered obligations, without coupons, and the Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered "R" and numbered consecutively from one (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the applicable Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the applicable Pricing Certificate.

SECTION 3: Delegation of Authority to Pricing Officer (a) As authorized by Texas Government Code, Chapter 1207, as amended, and Texas Government Code, Chapter 1371, as amended, each of the Mayor and Chief Financial Officer (either one of them, a "Pricing Officer") is hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including determining whether the Bonds shall be issued in one or more series, the selection of the specific maturities or series in whole or in part of the Refunded Bonds to be refunded, determining the aggregate principal amount of each series of Bonds, the aggregate principal amount to be issued for new money purposes and the amounts to be issued from each proposition, the aggregate principal amount to be issued for refunding purposes, as applicable, the date of each series of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds of each series will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the designation of a paying agent/registrar, the designation of an escrow agent satisfying the requirements of Texas Government Code, Chapter 1207, as amended, the

terms of any bond insurance applicable to the Bonds, the designation of one or more funds for the payment of the Bonds, and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the Rule 15c2-12 continuing disclosure undertaking contained in Section 31 hereof, all of which shall be specified in the applicable Pricing Certificate, provided that:

(i) the aggregate original principal amount of the Bonds issued for refunding purposes shall not exceed \$7,000,000;

(ii) the refunding must produce present value debt service savings of at least 3.0%, net of any contribution by the City;

(iii) the true interest cost rate for the Bonds issued for refunding purposes shall not exceed 3.0%;

(iv) the maximum maturity date for the Bonds issued for refunding purposes shall not exceed August 15, 2036;

(v) the aggregate original principal amount of the Bonds issued for new money purposes shall not exceed \$5,000,000;

(vi) the true interest cost rate for the Bonds issued for new money purposes shall not exceed 3.0%; and

(vii) the maximum maturity date for the Bonds issued for new money purposes shall not exceed August 15, 2036.

The execution of the applicable Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (hereinafter defined).

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof. The Pricing Officer may exercise such delegation on more than one occasion during such time period.

SECTION 4: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the applicable Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a

commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The Bonds shall be payable at their Stated Maturities or upon their earlier redemption, only upon the presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices as provided in the applicable Pricing Certificate (the "Designated Payment/Transfer Office") provided, however, while a Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Bond. Interest on a Bond shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the Record Date (which shall be set forth in the applicable Pricing Certificate) and such interest payments shall be made (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities of the Bonds 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 past due interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of the Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of like maturity, and amount and in authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for assignment or transfer of any Bond (other than the Initial Bond(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds, executed on behalf of and furnished by the City, shall be registered and issued to the assignee or transferee of the previous Holder; such

Bonds to be of authorized denominations, of like Stated Maturity, and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of and furnished by the City, to the Holder requesting the exchange.

All Bonds issued upon any such transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 11 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 4 and 5 hereof relating to the payment and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum, as amended, the Blanket Issuer Letter of Representation, by and between the City and DTC, and the Letter of Representation from the Paying Agent/Registrar to DTC (collectively, the "Depository Agreement") relating to the Bonds.

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants").

While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar, and payment of such Bonds shall be made in accordance with the provisions of Sections 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under the City's seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officials on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officials of the City on the date of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the aggregate principal amount of the Bonds with principal installments to become due and payable as provided in the applicable Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and, with the Bonds to be completed and modified with the information set forth in the applicable Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer. Each Pricing Certificate shall set forth the final and controlling forms and terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Bonds.

REGISTERED
NO. R-_____

PRINCIPAL AMOUNT
\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ALLEN, TEXAS
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BOND
SERIES 2021

Bond Date: _____ Interest Rate: _____ Stated Maturity: _____ CUSIP No.: _____

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Allen (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the _____) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ in each year, commencing _____,

until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purpose of providing funds for (1) permanent public improvements and public purposes, to wit: \$_____ for constructing, renovating, improving and expanding municipal library facilities, and \$_____ for acquiring, constructing, improving and maintaining streets, thoroughfares, bridges, alleyways and sidewalks within the City, including related storm drainage improvements, traffic signalization and signage, streetscaping and median improvements, and utility relocations and the acquisition of land and rights of way therefor; (2) the discharge and final payment of certain outstanding obligations of the City and (3) to pay the costs and expenses of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1207, 1331 and 1371, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

[The Bonds maturing on the dates hereinafter identified (the "Term Bonds") are subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

Term Bonds due		Term Bonds due	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>

The particular Term Bonds of a Stated Maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term

Bonds of like Stated Maturity which, at least fifty (50) days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Bonds maturing on and after _____, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed, in whole or in part, at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for redemption. If a conditional notice of redemption is given and such prerequisites to the redemption or sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the

Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Bond 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City.

CITY OF ALLEN, TEXAS

COUNTERSIGNED:

Mayor

City Secretary

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

THE STATE OF TEXAS

(
(
(
(

REGISTER NO. _____

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

WITNESS my signature and seal of office this _____.

(SEAL)

Comptroller of Public Accounts
of the State of Texas

- (d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in _____ is the Designated Payment/Transfer Office for this Bond.

_____,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

- (e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____)
_____ the within Bond and all rights thereunder, and hereby
irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment
must correspond with the name of the
registered owner as it appears on the face
of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set forth therefor in paragraph (b) of this Section, except the form of a single registered Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

NO. T-1

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ALLEN, TEXAS
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BOND
SERIES 2021

Bond Date: _____

Registered Owner:

Principal Amount:

The City of Allen (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on _____ in the years and in principal installments in accordance with the following schedule:

<u>Stated Maturity</u>	<u>Principal Installment</u>	<u>Interest Rate(s)</u>
----------------------------	----------------------------------	-----------------------------

(Information to be inserted from Pricing Certificate).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the _____ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each _____ and _____ thereafter, until maturity or prior redemption. Principal installments of this Bond are payable in the year of maturity or on a redemption date to the registered owner hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized

by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 10: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is the greater) there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, sufficient to pay the Debt Service Requirements of the Bonds as the same becomes due and payable; and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the payment of the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; the taxes levied, assessed, and collected for and on account of the Bonds shall be accounted for separate and apart from all other funds of the City and shall be deposited in one or more special funds as specified in the applicable Pricing Certificate by the Pricing Officer (the "Interest and Sinking Fund") to be maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

Provided, however, in regard to the payment to become due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date, if any, sufficient current funds will be available and are hereby appropriated to make such payments; and the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer and City Secretary of the City, individually or jointly, are hereby authorized and directed to transfer and deposit in the Interest and Sinking Fund such current funds which, together with the accrued interest, if any, received from the initial purchasers, will be sufficient to pay the payments due on the Bonds prior to the tax delinquency date next following the annual assessment of taxes levied which next follows the Bond Date.

The Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer and City Secretary of the City, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 11: Mutilated – Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond; and with respect to a lost, destroyed, or stolen Bond, a replacement Bond may be issued only upon the approval of the City and after (i) the filing by the Holder with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with

the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost, or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 12: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance and the applicable Pricing Certificate, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the City, be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of

funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Unless otherwise provided in the applicable Pricing Certificate, the term "Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Bonds.

The City reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. Provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Holders of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

SECTION 13: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance, together with the applicable Pricing Certificate, shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 31 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance or any provision in the applicable Pricing Certificate in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders who own a majority of the aggregate of the principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance or any provision in the applicable Pricing Certificate; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

The term "Outstanding" when used in this Ordinance with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

(1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and

(3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"*Computation Date*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Gross Proceeds*" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"*Investment*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Nonpurpose Investment*" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"*Rebate Amount*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Regulations*" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction, or improvement of which is to be financed (or refinanced) directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Bonds), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department, and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds), other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the Holders thereof for federal income tax purposes, the City shall pay to the United States from an appropriate fund, or if permitted by applicable Texas statute, regulation, or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place, and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other

forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary of the City, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as one or more of such persons deems necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption, or similar or other appropriate certificate, form, or document.

(k) Bonds Not Hedge Bonds. At the time the original obligations refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued, and (2) not more than 50% of the proceeds of the original obligations refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Current Refunding. The Bonds are a current refunding of the Refunded Bonds in that the Refunded Bonds will be paid or redeemed within 90 days of the date of the delivery of the Bonds.

SECTION 15: Sale of Bonds – Official Statement. The Bonds authorized by this Ordinance may be sold by the City to the purchaser(s) (herein referred to as the "Purchasers") by (i) negotiated sale, in accordance with one or more bond purchase agreements (each, a "Purchase Contract"), (ii) private placement, in accordance with an agreement to purchase or other agreement, or (iii) competitive bidding, in accordance with the successful bid submitted therefor, as determined by the Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract, agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable, for and on behalf of the City and as the act and deed of this City Council.

The Pricing Officer is hereby authorized and directed to execute said Purchase Contract for and on behalf of the City and as the act and deed of this City Council.

With regard to such terms and provisions of said Purchase Contract as a result of a negotiated sale, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Bonds;
2. The details of the public offering of the Bonds by the Purchasers;
3. The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance;
4. A security deposit for the Bonds;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Bonds;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

The Mayor and City Secretary of the City are further authorized and directed to deliver for and on behalf of the City copies of one or more Preliminary Official Statements and Official Statements, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer shall be deemed to be approved by the City Council of the City and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 16: Escrow Agreement. An "Escrow Agreement" (the "Escrow Agreement") by and between the City and an authorized escrow agent (the "Escrow Agent") if any such agreement is required in connection with the issuance of the Bonds, shall be attached to, and approved in, the applicable Pricing Certificate. Such Escrow Agreement is hereby authorized to be finalized and executed by the Pricing Officer for and on behalf of the City and as the act and deed of this City Council; and such Escrow Agreement as executed by said Pricing Officer shall be deemed approved by the City Council and constitute the Escrow Agreement herein approved. With regard to the finalization of certain terms and provisions of said Escrow Agreement, a Pricing Officer is hereby authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

The identification of the Refunded Bonds;

The creation and funding of the Escrow Fund; and

The Escrow Agent's compensation, administration of the Escrow Fund, and the settlement of any paying agents' charges relating to the Refunded Bonds.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement (the "Escrowed Securities") and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "CITY OF ALLEN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021 ESCROW FUND" (referred to herein as the "Escrow Fund"), or such other designation as specified on the applicable Pricing Certificate; all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, this Ordinance, the applicable Pricing Certificate, and the Escrow Agreement. At the written direction of the City, the Escrow Agent shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof in substituted Escrowed Securities and enter into any associated contract with a provider of Escrowed Securities as long as any such substituted Escrowed Securities mature on the dates and in the amounts specified in the verification report as sufficient to pay the principal of and redemption premium, if any, and interest on the Refunded Bonds when due. All Escrowed Securities delivered under such an arrangement shall be delivered to the Escrow Agent on a "delivery versus payment" basis. To the extent the Pricing Officer determines such an arrangement is in the City's best interest, the Pricing Officer is authorized to provide such written direction of the City to the Escrow Agent and sign any associated contract, agreement, certificate or instruction letter with respect to such arrangement from time to time.

On or immediately prior to the date of the delivery of the Bonds to the Purchasers, the Pricing Officer shall also cause to be deposited (and is hereby authorized to cause to be deposited) with the Escrow Agent from moneys on deposit in the debt service fund(s) maintained for the payment of the Refunded Bonds an amount which, together with the proceeds of sale, and the investment earnings thereon, will be sufficient to pay in full the Refunded Bonds (or the amount of accrued interest due thereon) scheduled to mature and authorized to be redeemed on the earliest date established in the applicable Pricing Certificate for the redemption of any of the Refunded Bonds (or the earliest date of payment, to be made from moneys in the Escrow Fund, as established in the applicable Pricing Certificate, of the amount of accrued interest due thereon).

To the extent an Escrow Agreement is not required in connection with the issuance of the Bonds, the Pricing Officer is authorized to enter into a deposit letter agreement or such other comparable document which evidences the receipt of refunding bond proceeds with the paying agent for the Refunded Bonds. The deposit letter agreement or such other comparable document as executed by the Pricing Officer shall be deemed approved by the City Council and constitute the agreement herein approved.

SECTION 17: Refunded Bonds. (a) In order to provide for the refunding, discharge and retirement of the Refunded Bonds, the Refunded Bonds identified, described and in the amount set forth in the applicable Pricing Certificate are called for redemption on the first date such Refunded Bonds are subject to redemption or such other date specified by the Pricing Officer in the applicable Pricing Certificate at the price of par plus accrued interest to the redemption date,

and a notice of such redemption shall be given in accordance with the applicable provisions of the ordinance(s) adopted by the City Council of the City, which authorized the issuance of the Refunded Bonds. The Pricing Officer is hereby authorized and directed to provide documentation, including a copy of this Ordinance and the applicable Pricing Certificate, to the paying agent/registrar for the Refunded Bonds, together with a suggested form of notice of redemption to be sent to holders, such suggested form of notice of redemption for the Refunded Bonds to be substantially the form set forth as an exhibit to the applicable Pricing Certificate, in accordance with the redemption provisions applicable to the Refunded Bonds

(b) The paying agent/registrar for the Refunded Bonds is hereby directed to provide the appropriate notice of redemption as required by the ordinance(s) authorizing the Refunded Bonds and is hereby directed to make appropriate arrangements so that the Refunded Bonds may be redeemed on the redemption date.

(c) The source of funds for payment of the principal of and interest on the Refunded Bonds on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent, pursuant to the Escrow Agreement finalized by the Pricing Officer and approved in Section 16 of this Ordinance and by the Pricing Officer in the applicable Pricing Certificate.

SECTION 18: Control and Custody of Bonds. The Mayor shall be and is hereby authorized to take and have charge of all necessary ordinances, resolutions, orders and records, including the definitive Bonds and the Initial Bond(s), pending the investigation and approval of the Initial Bond(s) by the Attorney General of the State of Texas, and the registration of the Initial Bond(s) to the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary of the City, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Bonds, including a certification as to facts, estimates, circumstances, and reasonable expectations pertaining to the use, expenditure, and investment of the proceeds of the Bonds, as may be necessary for the issuance of the Bonds, the approval of the Attorney General, the registration by the Comptroller of Public Accounts, and the delivery of the Bonds to the Purchasers and, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchasers and the initial exchange thereof for definitive Bonds.

SECTION 19: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance, amounts to pay municipal bond insurance premium, if any, any accrued interest received from the Purchasers of the Bonds, premium in the amount, if any, specified in the applicable Pricing Certificate and amounts to be deposited to the construction fund) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement or as provided in the applicable Pricing Certificate. The proceeds of sale of the Bonds not so deposited with the Escrow Agent for the refunding of the Refunded Bonds shall be disbursed for payment of costs of issuance, disbursed for the payment of municipal bond insurance premium, if any, to pay costs of accomplishing the new money purposes for which a portion of the Bonds are being issued, or deposited in the Interest and Sinking Fund for the Bonds, all in accordance with written instructions from the City or its Financial Advisor. Accrued

interest and premium in the amount, if any, specified in the applicable Pricing Certificate received from the sale of the Bonds shall be deposited to the credit of the Interest and Sinking Fund. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Purchasers) deposited in the Interest and Sinking Fund as shall be determined by the City Council of the City.

Pending expenditure for authorized projects and purposes, such proceeds of sale deposited to the construction fund may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted in Texas Government Code, Section 2256.015, et seq., and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the City Council. Any excess bond proceeds issued for new money purposes, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

Additionally, the Pricing Officer shall determine the amount, if any, of any City contribution to the refunding from moneys on deposit in the interest and sinking fund(s) maintained for the payment of the Refunded Bonds.

SECTION 20: Notices to Holders-Waiver. Wherever this Ordinance or a Pricing Certificate provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance or a Pricing Certificate provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 21: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 22: Bond Counsel Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP ("Bond Counsel"), Attorneys, Dallas, Texas, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the Bonds, or an

executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Bonds. The City Council confirms Norton Rose Fulbright US LLP as the City's bond counsel.

SECTION 23: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 24: Benefits of Ordinance. Nothing in this Ordinance or a Pricing Certificate, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof or a Pricing Certificate, this Ordinance and all of its provisions and the applicable Pricing Certificate being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar, and the Holders.

SECTION 25: Inconsistent Provisions. All ordinances or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance or a Pricing Certificate, are hereby repealed to the extent of such conflict, and the provisions of this Ordinance and the applicable Pricing Certificate shall be and remain controlling as to the matters contained herein and therein.

SECTION 26: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 27: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 28: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

SECTION 29: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council of the City hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 30: Incorporation of Findings and Determinations. The findings and determinations of the City Council of the City contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 31: Continuing Disclosure Undertaking. The Pricing Officer is hereby authorized to determine whether a continuing disclosure undertaking is required in connection with the issuance of the Bonds. To the extent it is determined that an undertaking under the Rule is required, this Section 31 shall apply.

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

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) 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. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in the year stated in the applicable Pricing Certificate, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the applicable Pricing Certificate, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in the applicable Pricing Certificate, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the City 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 City 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 available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;

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

For these purposes, (a) any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City 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 City, 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 City, and (b) the City intends the words used in

the immediately preceding subsections (c)15 and (c)16 and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City 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 City'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 City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, 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.

No default by the City in observing or performing its obligations under this Section shall constitute 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 City under federal and state securities laws.

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of

the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 32: Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

SECTION 33: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary, 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 on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, City Secretary or Bond Counsel to the City are each hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance, including each applicable Pricing Certificate: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 34: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 35: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

[remainder of page left blank intentionally]

DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ALLEN,
COLLIN COUNTY, TEXAS, ON THIS THE 27th DAY OF APRIL, 2021.

CITY OF ALLEN, TEXAS

KENNETH M. FULK
Mayor

ATTEST:

SHELLEY B. GEORGE
TRMC, City Secretary

(City Seal)

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____ (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Allen, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Allen, Texas, General Obligation Improvement and Refunding Bonds, Series 2021" (the "Securities"), dated _____, 2021, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2021; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code, as amended.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means Estrada Hinojosa & Company, Inc.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

First Class/Registered/Certified Express Delivery/Courier By Hand Only

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable

regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality

of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan or Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

By: _____

Title: _____

Address: _____

CITY OF ALLEN, TEXAS

By: _____
KENNETH M. FULK, Mayor

Address: 305 Century Parkway
Allen, Texas 75013

Attest:

SHELLEY B. GEORGE, City Secretary

ANNEX A

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

April 27, 2021

SUBJECT:

Consider all Matters Incident and Related to the Issuance and Sale of City of Allen, Texas, Waterworks & Sewer System Revenue Bonds (WW&SS), Series 2021, Including the Adoption of an Ordinance Authorizing the Issuance of Such Bonds, Establishing Parameters for the Sale and Issuance of Such Bonds and Delegating Certain Matters to Authorized Officials of the City.

STAFF RESOURCE:

Jennifer Fung, Interim Chief Financial Officer
Chris Landrum, Assistant Chief Financial Officer

ACTION PROPOSED:

Adopt an Ordinance authorizing the Issuance and Sale of City of Allen, Texas, Waterworks & Sewer System Revenue Bonds (WW&SS), Series 2021, Establishing Parameters for the Sale and Issuance of Such Bonds and Delegating Certain Matters to Authorized Officials of the City.

BACKGROUND

Attached is a parameters Ordinance prepared by the City's bond counsel, Norton Rose Fulbright US LLP, that authorizes the issuance and sale of "City of Allen, Texas, WW&SS Revenue Bonds, Series 2021." The bonds are for the purpose of providing funds for construction, acquisition and improvements for projects that were identified in the 2018 Utility Rate Study. The dollar amount for the 2021 bond issue is currently established at \$11,500,000. The funding will support the following projects: \$3,000,000 for Windridge Sewer Rehab Phase 2 and \$8,500,000 for Sloan Creek Lift Station.

A parameter sale allows the City to take advantage of market conditions and pricing opportunities. The bonds are priced on a certain date and the pricing is approved by an appointed Pricing Officer of the City. The transaction has to be structured within certain parameters indicated in the authorizing ordinance. Such parameters for the bonds include: the size to not to exceed \$11,500,000, the true interest cost rate not to exceed 4%, and the maximum maturity date for the bonds not to exceed June 2041 (20 years) from the date of the Bonds.

The attached Ordinance sets the form, details of, and authorizes the issuance and delivery of the bonds. The bonds are obligations of the City and are payable from the net revenues of water and sewer operations. The negotiated sale will be finalized with the authorized Pricing Officer approving the transaction after it has been structured. The Pricing Officers listed in the ordinance are the Chief Financial Officer and the Mayor. The plan is to price the bonds in the second week of June. If the timetable does not change, the plan is to have the bond closing on June 30. Various documents such as the Bond Purchase Agreement, and Paying Agent/Registrar Agreement will be finalized and executed by the authorized Pricing Officer.

BUDGETARY IMPACT

Depending upon the final interest rates, the debt payment associated with the issuance of \$7,500,000 in new improvement bonds is expected to be an increase in the average annual debt service amount of approximately \$750,000. The debt issuance will be structured to mature in 20 years. The debt payments will begin in fiscal year 2022.

STAFF RECOMMENDATION

Staff recommends that the City Council adopt the Ordinance authorizing the issuance of "City of Allen, Texas, WW&SS Revenue Bonds, Series 2021"; establishing the parameters for the sale and issuance of such bonds; delegating certain matters to authorized officials of the City.

MOTION

I make a motion to adopt Ordinance No. _____ authorizing the issuance of "City of Allen, Texas, WW&SS Revenue Bonds, Series 2021"; establishing the parameters for the sale and issuance of such bonds; and delegating certain matters to authorized officials of the City.

ATTACHMENTS:

Ordinance

Exhibit A - WW&SS Paying Agent/Registrar Agreement

ORDINANCE NO. _____

AN ORDINANCE authorizing the issuance of "CITY OF ALLEN, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2021"; pledging the net revenues of the City's combined Waterworks and Sewer System to the payment of the principal of and interest on said Bonds; and resolving other matters incident and related to the issuance, sale, payment, and delivery of said Bonds, including establishing parameters therefor and delegating matters relating to the sale and issuance of the Bonds to authorized City officials

WHEREAS, the City Council of the City of Allen, Texas (the "City"), hereby finds and determines that revenue bonds should be authorized at this time to construct, improve, renovate, enlarge or equip property, buildings, structures, facilities or related infrastructure for the City's Waterworks and Sewer System (the "System"), including the acquisition of rights of way therefor; and

WHEREAS, the City shall by this Ordinance, in accordance with the provisions of Texas Government Code, Chapter 1371, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Bonds to be issued and to negotiate the terms of sale thereof; and

WHEREAS, the City Council hereby finds and determines that it is a public purpose and in the best interests of the City to authorize the issuance of the bonds and the terms of such bonds to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer (hereafter designated), all in accordance with the provisions of Chapter 1371; and

WHEREAS, the City Council hereby further finds and determines that all of such revenue bonds can and should be issued on a parity with the City's outstanding revenue bonds (hereinafter defined and identified as "Previously Issued Bonds") payable from and secured by a first lien on and pledge of the Net Revenues of the City's combined Waterworks and Sewer System (the "System") in that (i) the Chief Financial Officer of the City will execute a certificate stating (a) that, to the best of his knowledge and belief, the City is not now in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues of the System that would materially affect the security or payment of such obligations and (b) payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues of the System have been made and that the amounts on deposit in such special funds or accounts are the amounts now required to be on deposit therein; (ii) the bonds herein authorized will mature as to principal on June 1 or December 1 in each year; and (iii) the City will secure a certificate or opinion of a Certified Public Accountant to the effect that, according to the books and records of the City, the Net Earnings, for the last completed Fiscal Year, are at least equal to 1.20 times the "Average Annual Debt Service" for all "Bonds Similarly Secured" to be outstanding after giving effect to the issuance of the bonds herein being issued; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALLEN, TEXAS:

SECTION 1: Authorization - Series Designation - Principal Amount - Purpose - Bond Date. Revenue bonds of the City shall be and are hereby authorized to be issued in one or more series in the aggregate principal amount set forth in the applicable Pricing Certificate to be designated and bear the title "CITY OF ALLEN, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2021" (herein referred to as the "Bonds"), in the amount specified in the applicable Pricing Certificate, to construct, improve, renovate, enlarge or equip property, buildings, structures, facilities or related infrastructure for the City's Waterworks and Sewer System, including the acquisition of land and rights of way therefor, all as provided in the applicable Pricing Certificate and in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Government Code, Chapter 1502.051(c) and Texas Government Code, Chapter 1371, as amended. The Bonds shall be dated (the "Bond Date") as provided in the applicable Pricing Certificate.

SECTION 2: Fully Registered Obligations - Terms. The Bonds shall be issued as fully registered obligations, without coupons, and the Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered "R" and numbered consecutively from one (1) upward and principal shall become due and payable on a date certain in each of the years and in amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the applicable Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the applicable Pricing Certificate at the rate(s) per annum shown in the applicable Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on June 1 and December 1, and commencing on the date set forth in the applicable Pricing Certificate.

SECTION 3: Delegation of Authority to Pricing Officer. (a) As authorized by Texas Government Code, Chapter 1371, as amended, each of the Mayor and Chief Financial Officer (either one of them, a "Pricing Officer") is hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including determining the aggregate principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the record date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the terms of any bond insurance applicable to the Bonds, the determination of the Required Reserve, and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the Rule 15c2-12 continuing disclosure undertaking contained in Section 46 hereof, all of which shall be specified in the applicable Pricing Certificate, provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$11,500,000;
- (ii) the true interest cost rate for the Bonds shall not exceed 4.0%;
- and
- (iii) the maximum maturity date for the Bonds shall not exceed June 1, 2041.

The execution of the applicable Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (hereinafter defined).

(b) The delegation made hereby shall expire if not exercised by the Pricing Officer within 180 days of the date hereof. The Pricing Officer may exercise such delegation on more than one occasion during such time period.

SECTION 4: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the applicable Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The Bonds shall be payable at their Stated Maturities or upon their earlier redemption, only upon the presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices as provided in the applicable Pricing Certificate (the "Designated Payment/Transfer Office") provided, however, while a Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Bond. Interest on a Bond shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the Record Date (which shall be set forth in the applicable Pricing Certificate) and such interest payments shall be made (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities of the Bonds 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 past due interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of the Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of like maturity, and amount and in authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for assignment or transfer of any Bond (other than the Initial Bond(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds, executed on behalf of and furnished by the City, shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be of authorized denominations, of like Stated Maturity, and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of and furnished by the City, to the Holder requesting the exchange.

All Bonds issued upon any such transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be,

of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 30 hereof, and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 4 and 5 hereof relating to the payment and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement, and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum, as amended, the Blanket Issuer Letter of Representation, by and between the City and DTC, and the Letter of Representation from the Paying Agent/Registrar to DTC (collectively, the "Depository Agreement") relating to the Bonds.

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar, and payment of such Bonds shall be made in accordance with the provisions of Sections 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under the City's seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officials on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officials of the City on the date of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the aggregate principal amount of the Bonds with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and, with the Bonds to be completed and modified with the information set forth in the applicable Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer. Each Pricing Certificate shall set forth the final and controlling forms and terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Bonds.

REGISTERED
NO. R-_____

PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ALLEN, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BOND
SERIES 2021

Bond Date: _____ Interest Rate: _____ Stated Maturity: _____ CUSIP No.: _____

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Allen (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the _____) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ in each year, commencing _____, until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and

interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") to construct, improve, renovate, enlarge or equip property, buildings, structures, facilities or related infrastructure for the City's Waterworks and Sewer System, including the acquisition of land and rights of way therefor, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1502 and 1371, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

[The Bonds maturing on the dates hereinafter identified (the "Term Bonds") are subject to mandatory redemption prior to maturity with funds on deposit in the Bond Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

<u>Term Bonds due</u>	<u>Principal Amount</u>	<u>Term Bonds due</u>	<u>Principal Amount</u>
<u>Redemption Date</u>		<u>Redemption Date</u>	

The particular Term Bonds of a Stated Maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Bonds of like Stated Maturity which, at least fifty (50) days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Bonds maturing on and after _____, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed, in whole or in part, at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for redemption. If a conditional notice of redemption is given and such prerequisites to the redemption or sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are special obligations of the City, and, together with the outstanding Previously Issued Bonds (identified and defined in the Ordinance), are payable solely from and equally and ratably secured by a first lien on and pledge of the Net Revenues (as defined in the Ordinance) of the City's combined Waterworks and Sewer System (hereinafter referred to as the "System"). The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or the System, except with respect to the Net Revenues. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Subject to satisfying the terms and conditions prescribed therefor, the City has reserved the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System, in the same manner and to the same extent as the Bonds.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the properties constituting the System; the Net Revenues pledged to the payment of the principal of and interest on the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of additional revenue obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Bond 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of the Net Revenues of the System as aforestated. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City.

CITY OF ALLEN, TEXAS

COUNTERSIGNED:

Mayor

City Secretary

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

THE STATE OF TEXAS

(
(
(REGISTER NO. _____
(

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

WITNESS my signature and seal of office this _____.

(SEAL)

Comptroller of Public Accounts
of the State of Texas

- (d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in _____ is the Designated Payment/Transfer Office for this Bond.

_____,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

- (e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____)
_____ the within Bond and all rights thereunder, and hereby
irrevocably constitutes and appoints _____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment
must correspond with the name of the
registered owner as it appears on the face
of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set forth therefor in paragraph (b) of this Section, except the form of a single registered Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

NO. T-1

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ALLEN, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BOND
SERIES 2021

Bond Date:

Registered Owner:

Principal Amount:

The City of Allen (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, solely from the revenues hereinafter identified, the Principal Amount hereinabove stated on _____ in the years and in principal installments in accordance with the following schedule:

Stated
Maturity

Principal
Installment

Interest
Rate(s)

(Information to be inserted from Pricing Certificate).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the _____ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each _____ and _____ thereafter, until maturity or prior redemption. Principal installments of this Bond are payable in the year of maturity or on a redemption date to the registered owner hereof by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall

be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 10: Definitions. For all purposes of this Ordinance and in particular for clarity with respect to the issuance of the Bonds herein authorized and the pledge and appropriation of revenues to the payment of the Bonds, the following definitions are provided:

"Additional Parity Bonds" - Revenue bonds or other evidences of indebtedness which the City reserves the right to issue or enter into, as the case may be, in the future in accordance with the terms and conditions provided in Section 18 hereof and which are equally and ratably secured by a first lien on and pledge of the Net Revenues of the System.

"Average Annual Debt Service" - That amount which, at the time of computation, is derived by dividing the total amount of Debt Service to be paid over a period of years as the same is scheduled to become due and payable by the number of years taken into account in determining the total Debt Service. Capitalized interest payments provided from bond proceeds shall be excluded in making the aforementioned computation.

"Bonds" - The "City of Allen, Texas, Waterworks and Sewer System Revenue Bonds, Series 2021", authorized by this Ordinance.

"Bonds Similarly Secured" - Collectively, the Previously Issued Bonds, the Bonds and Additional Parity Bonds.

"City" - The City of Allen located in the County of Collin, Texas.

"Debt Service" - As of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear, or would have borne, interest at the highest rate reached, or that would have been applied to such obligations (using the index or measure for computing interest applicable to such obligations) during the twenty-four (24) month period next preceding the date of computation, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

"Fiscal Year" - The twelve month accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.

"Government Securities" – unless other provided in the applicable Pricing Certificate, (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the

date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Bonds.

"Gross Revenues" - All income, receipts and revenues of every nature derived or received from the operation and ownership (excluding refundable meter deposits, restricted gifts and grants in aid of construction) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established for the payment and security of the Bonds Similarly Secured and other obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

"Net Earnings" - The meaning assigned to such term in Section 18 hereof.

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

"Operating and Maintenance Expenses" - All current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining "Net Revenues". Depreciation charges shall not be considered Operating and Maintenance Expenses. Operating and Maintenance Expenses shall include payments under contracts for the purchase of water supply or the treatment of sewage or other materials, goods, services or facilities for the System to the extent authorized by law and the provisions of such contract.

"Outstanding" - When used in this Ordinance with respect to Bonds or Bonds Similarly Secured, as the case may be, means, as of the date of determination, all Bonds and Bonds Similarly Secured theretofore sold, issued and delivered by the City, except:

(1) those Bonds or Bonds Similarly Secured cancelled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations;

(2) those Bonds or Bonds Similarly Secured paid or deemed to be paid in accordance with the provisions of Section 28 hereof; and

(3) those Bonds or Bonds Similarly Secured that have been mutilated, destroyed, lost, or stolen and replacement bonds have been registered and delivered in lieu thereof in accordance with the provisions of Section 30 hereof.

"Previously Issued Bonds" - The presently outstanding and unpaid revenue bonds payable from and secured by a first lien on and pledge of the Net Revenues of the System, more particularly described as follows: (1) "City of Allen, Texas, Waterworks and Sewer System

Revenue Refunding Bonds, Series 2013", dated October 15, 2013, originally issued in the principal amount of \$3,370,000, (2) "City of Allen, Texas, Waterworks and Sewer System Revenue Refunding Bonds, Series 2014", dated April 1, 2014, originally issued in the principal amount of \$1,280,000, (3) "City of Allen, Texas, Waterworks and Sewer System Revenue Bonds, Series 2018", dated July 15, 2018, originally issued in the principal amount of \$9,330,000, (4) "City of Allen, Texas, Waterworks and Sewer System Revenue Bonds, Series 2019", dated June 1, 2019, originally issued in the principal amount of \$3,845,000, and (5) "City of Allen, Texas, Waterworks and Sewer System Revenue Bonds, Series 2020", dated June 15, 2020, originally issued in the principal amount of \$4,880,000.

"Required Reserve" - The amount required to be accumulated and maintained in the Reserve Fund under the provisions of Section 14 hereof.

"System" - All properties, facilities and plants owned, operated and maintained by the City for the supply, treatment and transmission of potable water and for the collection, treatment and disposal of water-carried wastes, together with all future extensions, improvements, replacements and additions thereto; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term "System" shall not mean to include facilities of any kind which are declared not to be a part of the System and which are hereafter acquired or constructed by or on behalf of the City with the proceeds from the issuance of "Special Facilities Bonds", which are hereby defined as being special revenue obligations of the City which are not Bonds Similarly Secured but which are payable from and secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Bonds Similarly Secured including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

SECTION 11: Pledge. The City hereby covenants and agrees that the Net Revenues of the System, with the exception of those in excess of the amounts required for the payment and security of the Bonds Similarly Secured, are hereby irrevocably pledged, to the payment and security of the Previously Issued Bonds, the Bonds and Additional Parity Bonds, if issued, including the establishment and maintenance of the special funds created and established by this Ordinance, all as hereinafter provided, and it is hereby ordained that the lien on and pledge of the Net Revenues securing the payment of the Bonds Similarly Secured and interest thereon shall constitute a first lien on the Net Revenues of the System and be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer of control of the Net Revenues, the filing of this Ordinance or any other act; all as provided in Texas Government Code, Chapter 1208, as amended ("Chapter 1208").

Chapter 1208 applies to the issuance of the Bonds and the pledge of the Net Revenues granted by the City under this Section 11, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Net Revenues granted by the City under this Section 11 is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 12: System Fund. The City hereby covenants and agrees that Gross Revenues of the System (excluding earnings and income derived from investments held in the Bond Fund and Reserve Fund) shall be deposited as collected to the credit of a fund maintained at an official depository of City funds and known on the books and records of the City as the "Waterworks and Sewer System Fund" (herein called the "System Fund"), and such revenues of the System shall be kept separate and apart from all other funds of the City. All revenues deposited in the System Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

(1) To the payment of all necessary and reasonable Operating and Maintenance Expenses of the System as defined herein or required by statute to be a first charge on and claim against the Gross Revenues thereof.

(2) To the payment of the amounts required to be deposited in the Bond Fund for the payment of Debt Service on the Bonds Similarly Secured as the same becomes due and payable.

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

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

SECTION 13: Bond Fund. For purposes of providing funds to pay the principal of and interest on the Bonds as the same becomes due and payable, the City agrees to maintain a separate and special account or fund on the books and records of the City known as the "City of Allen Interest and Sinking Revenue Bond Fund" (the "Bond Fund"), and all monies deposited to the credit of such Fund shall be held in a special banking fund or account maintained at an official depository of the City. In addition to the deposits to the Bond Fund for the payment of the Previously Issued Bonds, the City covenants that there shall be deposited into the Bond Fund prior to each principal and interest payment date from the Net Revenues an amount equal to one hundred per centum (100%) of the interest on and the principal of the Bonds then falling due and payable by reason of maturity or redemption, and such deposits to pay principal and accrued interest on the Bonds shall be made in substantially equal monthly installments on or before the 25th day of each month, beginning on or before the 25th day of the month next following the delivery of the Bonds to the initial purchaser.

The required monthly deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Bond Fund and Reserve Fund is equal to the amount required to fully pay and discharge all Outstanding Bonds Similarly Secured (principal and interest) or (ii) the Bonds are no longer Outstanding.

Accrued interest and premium, if any, received from the purchaser(s) of the Bonds, as well as earnings derived from the investment of moneys in the Bond Fund, shall be deposited to the credit of the Bond Fund and taken into consideration and reduce the amount of the monthly deposits hereinabove required to be deposited in the Bond Fund from the Net Revenues of the System.

SECTION 14: Reserve Fund. For purposes of accumulating and maintaining funds as a reserve for the payment of the Bonds Similarly Secured, the City reaffirms its covenant with the owners of the Previously Issued Bonds and agrees with the Holders of the Bonds to maintain a separate and special fund or account at a depository of city funds to be known as the "City of Allen Revenue Bond Reserve Fund" (the "Reserve Fund"), and all funds deposited therein (excluding earnings and income derived or received from deposits or investments which may be transferred to the System Fund established in Section 12 hereof during such periods as there is on deposit in the Reserve Fund the Required Reserve) shall be used solely for the payment of the principal of and interest on the Bonds Similarly Secured when (whether at maturity, upon a mandatory redemption date or any interest payment date) other funds available for such purposes are insufficient, and, in addition, may be used to the extent not required to maintain the "Required Reserve", to pay, or provide for the payment of, the final principal amount of a series of Bonds Similarly Secured so that such series of Bonds Similarly Secured is no longer deemed to be "Outstanding" as such term is defined herein.

The amount currently on deposit to the credit of the Reserve Fund in accordance with the provisions of the ordinances authorizing the issuance of the Previously Issued Bonds will be stated in the applicable Pricing Certificate (the "Current Reserve"). By reason of the issuance of the Bonds, the total amount required to be accumulated and maintained in said Fund shall be determined by the Pricing Officer and specified in the applicable Pricing Certificate (the "Required Reserve") which amount shall be equal to or exceed the Average Annual Debt Service for the Bonds and the Previously Issued Bonds (calculated on a Fiscal Year basis as of the date the Bonds are to be delivered). Beginning on the 25th day of the month following the delivery of the Bonds and on or before the 25th day of each month thereafter, the City agrees and covenants to make monthly deposits to the credit of the Reserve Fund from the Net Revenues of the System equal to not less than 1/60th of the difference between the Required Reserve and the Current Reserve, if required.

When and so long as the cash and investments in the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve (other than as the result of the issuance of Additional Parity Bonds as provided in the paragraph below), the City covenants and agrees to cure the deficiency in the Required Reserve by making monthly deposits to said Fund from the Net Revenues of the System; such monthly deposits to be in amounts equal to not less than 1/60th of the then total Required Reserve to be maintained in said Fund and to be made on or before the 25th day of each month until the total Required Reserve then to be maintained in said Fund has been fully restored. The City further covenants and agrees that, subject only to the payments to be made to the Bond Fund, the Net Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve and to cure any deficiency in such amounts as required by the terms of this Ordinance and any other ordinance pertaining to the issuance of Additional Parity Bonds.

As and when Additional Parity Bonds are delivered or incurred, the Required Reserve shall be increased, if required, to an amount equal to the lesser of (i) the Average Annual Debt Service (calculated on a Fiscal Year basis) for all Bonds Similarly Secured then Outstanding, as determined on the date each series of Additional Parity Bonds are delivered or incurred, as the case may be, or (ii) the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to subsection (d) of section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder. Any additional amount required to be maintained in the Reserve Fund shall be so accumulated by the deposit in the Reserve Fund of all or any part thereof in cash immediately after the delivery of the then

proposed Additional Parity Bonds, or, at the option of the City, by the deposit of monthly installments, made on or before the 25th day of each month following the month of delivery of the then proposed Additional Parity Bonds, of not less than 1/60th of the additional amount to be maintained in said Fund by reason of the issuance of the Additional Parity Bonds then being issued (or 1/60th of the balance of the additional amount not deposited immediately in cash).

During such time as the Reserve Fund contains the total Required Reserve, the City may, at its option, withdraw all surplus in the Reserve Fund in excess of the Required Reserve and deposit such surplus in the System Fund.

The City retains the right to fund the Required Reserve in whole or in part with a surety bond or insurance policy issued by an insurance company or other entity that is rated either for the long term unsecured debt of the issuer of such surety bond or for obligations insured, secured or guaranteed by such issuer have a rating in the highest letter category by two nationally recognized municipal securities rating or evaluation services, and money deposited to the credit of the Reserve Fund may be used to make any payments required to satisfy the City's repayment obligation to the issuer of such surety bond or insurance policy in the same manner and with like effect as if such payments were being used to accumulate, maintain or restore the Required Reserve in cash or with authorized investments.

Notwithstanding anything herein to the contrary, when all Previously Issued Bonds with a dated date prior to July 15, 2018 are either paid or deemed to have been paid in accordance with the provisions of the ordinances authorizing their issuance, the City retains the right to fund the Required Reserve in whole or in part with a surety bond or insurance policy issued by an insurance company or other entity that is rated either for the long term unsecured debt of the issuer of such surety bond or for obligations insured, secured or guaranteed by such issuer have a rating in the highest two letter categories (i.e., AA- or equivalent or higher) by one nationally recognized municipal securities rating or evaluation services.

SECTION 15: Deficiencies. If on any occasion there shall not be sufficient Net Revenues of the System to make the required deposits into the Bond Fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available Net Revenues of the System, or from any other sources available for such purpose.

SECTION 16: Payment of Bonds. While any of the Bonds are Outstanding, the Chief Financial Officer (or other designated financial officer of the City) shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit in the Bond Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 17: Investments - Security of Funds. Money in any Fund referenced in this Ordinance may, at the option of the City, be invested in eligible investments described in the Texas Public Funds Investment Act, Texas Government Code, Chapter 2256, consistent with the investment policy approved by the City Council. Such investments as described in this Section (except State and Local Government Series investments held in book-entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year and, with respect to investments held for the account of the Reserve Fund, within 30 days of the date of passage of each ordinance authorizing the

issuance of Additional Parity Bonds. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All interest and interest income derived from deposits in and investments of the Reserve Fund shall, subject to the limitations provided in Section 14 hereof, be credited to and deposited in the System Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Money in all Funds created by this Ordinance, to the extent not invested, shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds.

SECTION 18: Issuance of Additional Parity Bonds. Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the City reserves the right to issue, from time to time as needed, Additional Parity Bonds for any lawful purpose. Such Additional Parity Bonds may be issued in such form and manner as now or hereafter authorized by the laws of the State of Texas for the issuance of evidences of indebtedness or other instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, the City reserves the right to employ the same in its financing arrangements provided only that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(1) The Chief Financial Officer of the City (or other officer of the City then having the primary responsibility for the financial affairs of the City) shall have executed a certificate stating (a) that, to the best of his knowledge and belief, the City is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues of the System that would materially affect the security or payment of such obligations and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues of the System have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such obligations then being issued will cure any such deficiency.

(2) The Additional Parity Bonds shall be scheduled to mature or be payable as to principal on June 1 or December 1 (or both) in each year the same are to be outstanding or during the term thereof.

(3) The City has secured a certificate or opinion of a Certified Public Accountant (the "Accountant") to the effect that, according to the books and records of the City, the Net Earnings for the last completed Fiscal Year, or for 12 consecutive months out of the 15 months, immediately preceding the month the ordinance authorizing the issuance of the Additional Parity Bonds is adopted are at least equal to 1.20 times the Average Annual Debt Service for all Outstanding Bonds Similarly Secured after giving effect to the issuance of the Additional Parity Bonds then being issued. In making a determination of the Net Earnings, the Accountant may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least sixty (60) days prior to the last day of the period for which Net Earnings are

determined and, for purposes of satisfying the above Net Earnings test, make a pro forma determination of the Net Earnings of the System for the period of time covered by his certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Accountant's certificate or opinion.

As used in this Section, the term "Net Earnings" shall mean the Gross Revenues of the System after deducting the Operating and Maintenance Expenses of the System, but not depreciation charges or other expenditures which, under generally accepted accounting principles, should be treated as capital expenditures.

SECTION 19: Refunding Bonds. The City reserves the right to issue refunding bonds to refund all or any part of the Bonds Similarly Secured (pursuant to any law then available) upon such terms and conditions as the City Council of the City may deem to be in the best interest of the City and its inhabitants, and if less than all such Bonds Similarly Secured then outstanding are refunded, the conditions precedent prescribed (for the issuance of Additional Parity Bonds) set forth in subparagraph (3) of Section 18 hereof shall be satisfied and the Accountant's certificate or opinion required in subparagraph (3) shall give effect to the Debt Service of the proposed refunding bonds (and shall not give effect to the Debt Service of the Bonds Similarly Secured being refunded following their cancellation or provision being made for their payment).

SECTION 20: Obligations of Inferior Lien and Pledge. The City hereby reserves the right to issue obligations payable from and secured by a lien on and pledge of the Net Revenues of the System, junior and subordinate in rank and dignity to the lien and pledge securing the payment of the Bonds Similarly Secured, as may be authorized by the laws of the State of Texas.

SECTION 21: Rates and Charges. For the benefit of the Holders of the Bonds and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Bonds are Outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient:

- (1) To pay Operating and Maintenance Expenses;
- (2) To produce Net Revenues sufficient to pay the principal of and interest on the Bonds Similarly Secured and the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Bonds Similarly Secured, and other obligations or evidences of indebtedness issued or incurred that are payable only from and secured solely by a lien on and pledge of the Net Revenues of the System;
- (3) To produce Net Revenues equal to at least 1.20 times the annual Debt Service for the Fiscal Year on the Outstanding Bonds Similarly Secured; and
- (4) To pay all other indebtedness payable from the Net Revenues and/or secured by a lien on the properties or the revenues of the System.

SECTION 22: Maintenance and Operation - Insurance. (a) The City shall maintain the System in good condition and operate the System in an efficient manner and at reasonable cost. While any Bonds are Outstanding, the City agrees to maintain casualty and other insurance on the System of a kind and in an amount customarily carried by municipal corporations owning and operating similar properties. Nothing in this Ordinance shall be construed as requiring the City to expend any funds derived from sources other than the operation of the System, but nothing herein shall be construed as preventing the City from doing so.

(b) The foregoing notwithstanding, but subject to any similar covenant made in an ordinance authorizing Previously Issued Bonds, the City may self-insure against risks, accidents or casualties.

SECTION 23: Sale or Lease of Properties. The City, to the extent and in the manner authorized by law, may sell or exchange for consideration representing the fair value thereof, as determined by the City Council of the City, any property not necessary or required in the efficient operations of the System, or any equipment not necessary or useful in the operations thereof or which is obsolete, damaged or worn out or otherwise unsuitable for use in the operation of the System. The proceeds of any sale of properties of the System shall be deposited in the System Fund.

SECTION 24: Records and Accounts. The City hereby covenants and agrees that so long as any of the Bonds are Outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Texas Government Code, Chapter 1502, as amended, or other applicable law. The Holders of any Bonds or any duly authorized agent or agents of such Holders shall have the right at all reasonable times to inspect such records, accounts and data relating thereto, and to inspect the System and all properties comprising same. The City further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant, shall particularly include the following:

- (1) A statement of the income and expenses of the System for such Fiscal Year.
- (2) A balance sheet for the System as of the end of such Fiscal Year.
- (3) A statement describing the sources and application of funds of the System for such Fiscal Year.
- (4) The Accountant's comments regarding the manner in which the City has carried out the requirements of this Ordinance and any other ordinance authorizing the issuance of Additional Parity Bonds and his recommendations for any changes or improvements in the operations, records and accounts of the System.
- (5) A list of insurance policies in force at the end of the Fiscal Year covering the properties of the System, setting out as to each policy the amount thereof, the risk covered, the name of the insurer and the policy's expiration date.

(6) Expenses incurred in making an annual audit of the operations of the System are to be regarded as Operating and Maintenance Expenses. Copies of each annual audit shall be furnished to the Executive Director of the Municipal Advisory Council of Texas at his office in Austin, Texas, and, upon request, to the initial purchasers of the Bonds and subsequent Holders of any of said Bonds. The audits herein required shall be made within 180 days following the close of each Fiscal Year insofar as is possible.

SECTION 25: Special Covenants. The City further covenants and agrees by and through this Ordinance as follows:

(1) It has the lawful power to pledge the Net Revenues of the System to the payment of the Bonds to the extent provided herein and has lawfully exercised said power under the Constitution and laws of the State of Texas, and that the Previously Issued Bonds, the Bonds issued hereunder, together with the Additional Parity Bonds, shall be equally and ratably secured in such manner that no one bond shall have preference over any other bond of said issues.

(2) The Net Revenues of the System have not been in any manner pledged or encumbered to the payment of any debt or obligation of the City or the System, save and except for the Previously Issued Bonds and the Bonds.

(3) No free services of the System shall be allowed, and should the City or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

(4) To the extent that it legally may and while any of the Bonds are Outstanding, no franchise shall be granted for the installation or operation of any competing waterworks or sewer system facilities.

(5) The City will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the ownership and operation of municipal facilities for the supply and distribution of potable water and the collection, treatment and disposal of water-carried wastes, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorizations and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of such properties and facilities.

SECTION 26: Remedy in Event of Default. In addition to all rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in payments to be made to the Bond Fund or the Reserve Fund as required by this Ordinance or (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the City and its officers to observe and perform any covenant, condition or obligation prescribed in this Ordinance. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of

any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

SECTION 27: Special Obligations. The Bonds are special obligations of the City payable from the pledged Net Revenues of the System and the Holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 28: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance and the applicable Pricing Certificate, then the pledge of Net Revenues of the System under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the City, be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 29: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 46 hereof. The City, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance or the applicable Pricing Certificate in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent from the owners holding a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the written consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds or Bonds Similarly Secured, as the case may be, required to be held for consent to any such amendment, addition, or rescission.

SECTION 30: Mutilated – Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond; and with respect to a lost, destroyed, or stolen Bond, a replacement Bond may be issued only upon the approval of the City and after (i) the filing by the Holder with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost, or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 31: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"*Computation Date*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Gross Proceeds*" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"*Investment*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Nonpurpose Investment*" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"*Rebate Amount*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Regulations*" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"*Yield*" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction, or improvement of which is to be financed (or refinanced) directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department, and

instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the Holders thereof for federal income tax purposes, the City shall pay to the United States from an appropriate fund, or if permitted by applicable Texas statute, regulation, or opinion of the Attorney General of the State of Texas, the Bond Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place, and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary of the City, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as one or more of such persons deems necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption, or similar or other appropriate certificate, form, or document.

SECTION 32: Sale of Bonds – Official Statement. The Bonds authorized by this Ordinance may be sold by the City to the purchaser(s) (herein referred to as the "Purchasers") by (i) negotiated sale, in accordance with one or more bond purchase agreements (each, a "Purchase Contract"), (ii) private placement, in accordance with an agreement to purchase or other agreement, or (iii) competitive bidding, in accordance with the successful bid submitted therefor, as determined by the Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract, agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable, for and on behalf of the City and as the act and deed of this City Council.

The Pricing Officer is hereby authorized and directed to execute said Purchase Contract for and on behalf of the City and as the act and deed of this City Council.

With regard to such terms and provisions of said Purchase Contract as a result of a negotiated sale, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Bonds;
2. The details of the public offering of the Bonds by the Purchasers;
3. The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance;
4. A security deposit for the Bonds;
5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Bonds;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

The Mayor and City Secretary of the City are further authorized and directed to deliver for and on behalf of the City copies of one or more Preliminary Official Statements and Official Statements, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and

content as approved by the Pricing Officer shall be deemed to be approved by the City Council of the City and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 33: Control and Custody of Bonds. The Mayor shall be and is hereby authorized to take and have charge of all necessary ordinances, resolutions, orders and records, including the definitive Bonds and the Initial Bond(s), pending the investigation and approval of the Initial Bond(s) by the Attorney General of the State of Texas, and the registration of the Initial Bond(s) to the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary of the City, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Bonds, including a certification as to facts, estimates, circumstances, and reasonable expectations pertaining to the use, expenditure, and investment of the proceeds of the Bonds, as may be necessary for the issuance of the Bonds, the approval of the Attorney General, the registration by the Comptroller of Public Accounts, and the delivery of the Bonds to the Purchaser and, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchaser and the initial exchange thereof for definitive Bonds.

SECTION 34: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance, amounts to pay municipal bond insurance premium, if any, any accrued interest received from the Purchasers of the Bonds and premium in the amount, if any, specified in the applicable Pricing Certificate) shall be deposited in a construction fund to be maintained at a City depository. Pending expenditure for authorized projects and purposes, such proceeds of sale deposited to the construction fund may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted in Texas Government Code, Section 2256.015, et seq, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Bond Fund as shall be determined by the City Council. Any excess bond proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Bond Fund. Accrued interest and premium in the amount, if any, specified in the applicable Pricing Certificate received from the sale of the Bonds shall be deposited to the credit of the Bond Fund. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Purchasers) deposited in the Bond Fund as shall be determined by the City Council of the City.

SECTION 35: Notices to Holders-Waiver. Wherever this Ordinance or a Pricing Certificate provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance or a Pricing

Certificate provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 36: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 37: Bond Counsel Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP ("Bond Counsel"), Attorneys, Dallas, Texas, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the Bonds, or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Bonds. The City Council confirms Norton Rose Fulbright US LLP as the City's bond counsel.

SECTION 38: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 39: Benefits of Ordinance. Nothing in this Ordinance or a Pricing Certificate, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof or a Pricing Certificate, this Ordinance and all of its provisions and the applicable Pricing Certificate being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar, and the Holders.

SECTION 40: Inconsistent Provisions. All ordinances or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance or the applicable Pricing Certificate, are hereby repealed to the extent of such conflict, and the provisions of this Ordinance and the applicable Pricing Certificate shall be and remain controlling as to the matters contained herein and therein.

SECTION 41: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 42: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 43: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

SECTION 44: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council of the City hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 45: Incorporation of Findings and Determinations. The findings and determinations of the City Council of the City contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 46: Continuing Disclosure Undertaking. The Pricing Officer is hereby authorized to determine whether a continuing disclosure undertaking is required in connection with the issuance of the Bonds. To the extent it is determined that an undertaking under the Rule is required, this Section 46 shall apply.

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

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) 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. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in the year stated in the applicable Pricing Certificate, financial information and operating data with respect to the City of the general type included in the final Official Statement approved by the Pricing Officer and described in the applicable Pricing Certificate, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in the applicable Pricing Certificate, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such

twelve-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the City 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 City 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 available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

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

(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 City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

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

For these purposes, (a) any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City 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 City, 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 City, and (b) the City intends the words used in the immediately preceding subsections (c)15 and (c)16 and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section while, but only while, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City 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 City'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 City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, 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.

No default by the City in observing or performing its obligations under this Section shall constitute 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 City under federal and state securities laws.

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 47: Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor.

SECTION 48: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, and City Secretary, 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 on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Assistant Chief Financial Officer, City Secretary or Bond Counsel to the City are each hereby

authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance, including each applicable Pricing Certificate: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 49: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 50: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

[remainder of page left blank intentionally]

DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ALLEN,
COLLIN COUNTY, TEXAS, ON THIS THE 27th DAY OF APRIL, 2021.

CITY OF ALLEN, TEXAS

KENNETH M. FULK
Mayor

ATTEST:

SHELLEY B. GEORGE
TRMC, City Secretary

(City Seal)

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____ (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the City of Allen, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Allen, Texas, Waterworks and Sewer System Revenue Bonds, Series 2021" (the "Securities"), dated _____, 2021, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2021; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code, as amended.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means Estrada Hinojosa & Company, Inc.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

First Class/Registered/Certified Express Delivery/Courier By Hand Only

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable

regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality

of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan or Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

By: _____

Title: _____

Address: _____

CITY OF ALLEN, TEXAS

By: _____
KENNETH M. FULK, Mayor

Address: 305 Century Parkway
Allen, Texas 75013

Attest:

SHELLEY B. GEORGE, City Secretary

ANNEX A

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

April 27, 2021

SUBJECT:

Consider all Matters Incident and Related to the Issuance and Sale of "Allen Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2021", Including the Adoption of a Resolution Approving the Resolution of the Board of Directors of the Corporation Authorizing the Issuance of Such Bonds.

STAFF RESOURCE:

Jennifer Fung, Interim Chief Financial Officer
Chris Landrum, Assistant Chief Financial Officer

BOARD / COMMISSION ACTION:

On April 21, 2021, the Allen Economic Development Corporation (AEDC) Board of Directors Considered Approval of a Parameters Resolution Authorizing the Issuance of Sales Tax Revenue Bonds, Taxable Series 2021.

ACTION PROPOSED:

Adopt a Resolution Approving the Resolution of the Board of Directors of the Corporation Authorizing the Issuance of the "Allen Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2021."

BACKGROUND

Attached is a Resolution prepared by the City's bond counsel, Norton Rose Fulbright US LLP, that approves the resolution of the Allen Economic Development Corporation (AEDC) authorizing the issuance of its Sales Tax Revenue Bonds, Taxable Series 2021. The AEDC's resolution requires certain parameters set forth in Section 3 of the resolution to be met at the time the bonds are priced.

The bond issue is expected to be in the approximate amount of \$7,500,000. The bonds are to provide funds to finance the costs of designing, constructing, acquiring, and improving infrastructure within the City, including streets and roads, storm sewer, sanitary sewer and water utilities, detention and irrigation improvements, site improvements, and related improvements to promote or develop new or expanded business enterprises (collectively, the "Projects") and to pay costs of issuance. These improvements are part of the incentive agreement for The Farm and The Avenue projects. The term of the taxable bonds should not exceed September 2041 (20 years) and the true interest cost on the bonds will not exceed 4%.

The maximum sales tax revenue bonds that can be outstanding is restricted by a requirement that the pledged revenues (sales taxes) are not less than 1.50 times the average annual debt service of the total bonds outstanding. This bond issue will result in a 5.48 times debt service coverage, which is above the restricted requirement.

The attached resolution sets the form, details of, and authorizes the issuance and delivery of the bonds. The bonds are obligations of the AEDC and are payable from the sales tax revenues of AEDC. The negotiated sale will be finalized with the authorized Pricing Officer approving the transaction after it has been structured. The Pricing Officers listed in the resolution are the President of the Board of Directors of the Corporation or the City Manager of the City, as an ex-officio member of the Board of Directors, or the Executive Director of the Corporation. The plan is to price the bonds in the second week of June. If the timetable does not change, the plan is to have the bond closing on June 30.

BUDGETARY IMPACT

The impact on the AEDC budget over the term of this debt on an annual basis would be approximately \$600,000 which is consistent with the projected amount approved in the AEDC revised budget. Property taxes of the City are not pledged for the repayment of the sales tax bonds.

STAFF RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving the resolution of the Allen Economic Development Corporation providing for the issuance of its sales tax revenue bonds, Taxable Series 2021, and resolving other matters incident and related to the issuance of the bonds.

MOTION

I make a motion to adopt Resolution No. _____ approving the resolution of the Allen Economic Development Corporation providing for the issuance of its Sales Tax Revenue Bonds, Taxable Series 2021, and resolving other matters incident and related to the issuance of the bonds.

ATTACHMENTS:

Resolution
Agreement

RESOLUTION NO. _____

A RESOLUTION relating to the "Allen Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2021" approving the resolution of the Allen Economic Development Corporation authorizing the issuance of such Bonds; resolving other matters incident and related to the issuance of such Bonds; and providing an effective date.

WHEREAS, Allen Economic Development Corporation (the "Issuer") has been duly created and organized pursuant to the provisions of Section 4A of the Development Corporation Act of 1979, Article 5190.6, Vernon's Texas Civil Statutes, as amended, now codified as Texas Local Government Code, Title 12, Subtitle C1, as amended (the "Act"), specifically Chapters 501 and 504 of the Local Government Code; and

WHEREAS, pursuant to the Act, the Issuer is empowered to issue bonds for the purpose of defraying the cost of any "project" defined as such by the Act; and

WHEREAS, the Board of Directors of the Issuer has found and determined that designing, constructing, acquiring, and improving infrastructure within the City of Allen, Texas (the "City"), including streets and roads, storm sewer, sanitary sewer and water utilities, detention and irrigation improvements, site improvements, and related improvements, and the acquisition of land and rights-of-way therefor to promote or develop new or expanded business enterprises (collectively, the "Projects") constitute projects within the meaning of the Act; and

WHEREAS, the Board of Directors further finds and determines the costs of Projects should be financed from the proceeds of sale of "Allen Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2021" (the "Bonds"); and

WHEREAS, Section 501.204(a) of the Act requires the City Council of the City approve the resolution of the Issuer providing for the issuance of the Bonds no more than sixty (60) days prior to the delivery of the Bonds; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, TEXAS:

SECTION 1: The Resolution authorizing the issuance of the Bonds adopted by the Issuer on April 21, 2021 (the "Issuer Resolution") attached hereto as Exhibit A and incorporated herein by reference as a part hereof for all purposes, is hereby approved in all respects. The principal amount of the Bonds shall not exceed \$7,500,000 and the true interest cost rate shall not exceed 4.00%.

SECTION 2: The approvals herein given are in accordance with Section 501.204(a) of the Act and the Bylaws of the Issuer, and the Bonds shall never be construed as an indebtedness or pledge of the City, or the State of Texas (the "State"), within the meaning of any constitutional or statutory provision, and the owner of the Bonds shall never be paid in whole or in part out of any funds raised or to be raised by taxation (other than sales tax proceeds as authorized pursuant to the Act) or any other revenues of the Issuer, the City, or the State, except those revenues assigned and pledged by the Issuer Resolution.

SECTION 3: The City hereby agrees to promptly collect and remit to the Issuer the Gross Sales Tax Revenues (as defined in the Issuer Resolution) in accordance with the terms of the Issuer Resolution and the Act to provide for the prompt payment of the Bonds, and to

assist and cooperate with the Issuer in the enforcement and collection of sales and use taxes imposed on behalf of the Issuer.

SECTION 4: The Mayor, the City Secretary, the City Manager, Chief Financial Officer and Assistant Chief Financial Officer of the City are hereby authorized, jointly and severally, to execute and deliver such endorsements, instruments, certificates, documents, or other papers necessary and advisable to carry out the intent and purposes of this Resolution and the Issuer Resolution.

SECTION 5: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 6: This Resolution shall be in force and effect from and after its passage on the date shown below.

[remainder of page left blank intentionally]

DULY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ALLEN,
COLLIN COUNTY, TEXAS, ON THIS THE 27th DAY OF APRIL, 2021.

CITY OF ALLEN, TEXAS

KENNETH M. FULK
Mayor

ATTEST:

SHELLEY B. GEORGE
TRMC, City Secretary

(City Seal)

EXHIBIT A

BOND RESOLUTION

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____ (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the United States of America (the "Bank") and the Allen Economic Development Corporation (the "Issuer").

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "Allen Economic Development Sales Tax Revenue Bonds, Taxable Series 2021" (the "Securities"), dated _____, 2021, such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2021; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code, as amended.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date, if any, on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means Estrada Hinojosa & Company, Inc..

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

First Class/Registered/Certified Express Delivery/Courier By Hand Only

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in

a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.09 Tax Reporting. It shall be the duty of the Bank, on behalf of the Issuer, to report to the Holders and the Internal Revenue Service, to the extent required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, (i) the amount of "reportable payments," if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Securities and (ii) the amount of interest or amount treated as interest on the Securities and required to be included in gross income of the Holder.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and

records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Iran, Sudan or Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

By: _____

Title: _____

Address: _____

ALLEN ECONOMIC DEVELOPMENT CORPORATION

By: _____
President, Board of Directors

Address: 900 West Bethany Dr., Suite 280
Allen, Texas 75013

Attest:

Secretary, Board of Directors

ANNEX A