

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION
OF THE TOWN OF PROSPER, TEXAS

NOTICE IS HEREBY GIVEN that the Town Council of the Town of Prosper, Texas, at its meeting to commence at 5:45 P.M. on September 27, 2022, at the Town Council Chambers in Prosper Town Hall, 250 W. First Street, Prosper, Texas, tentatively proposes to authorize the issuance of interest bearing certificates of obligation, in one or more series, in an amount not to exceed \$13,700,000, for the purpose of paying all or a portion of the Town's contractual obligations incurred in connection with (i) acquiring, constructing, installing and equipping additions, improvements, extensions and equipment for the Town's waterworks and sewer system and the acquisition of land and rights-of-way therefor; (ii) acquiring, constructing and installing stormwater drainage and flood control improvements in the Town, including dredging, channel improvements and related infrastructure and utility relocation and the acquisition of land and interests in land necessary for said improvements; and (iii) paying legal, fiscal and engineering fees in connection with such projects. The Town proposes to provide for the payment of such certificates of obligation from the levy and collection of ad valorem taxes in the Town as provided by law and from a pledge of the surplus revenues of the Town's waterworks and sewer system (the "System") that remain after payment of all operation and maintenance expenses thereof, and after all debt service, reserve and other requirements in connection with all revenue bonds or other obligations (now or hereafter outstanding) of the Town have been met, to the extent that such obligations are payable from all or any part of the net revenues of the System. The certificates of obligation are to be issued, and this notice is given, under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271.

The following information is provided to comply with Tex. H.B. 477, 86 Leg., R.S. (2019). The current principal of all outstanding debt obligations of the Town is \$150,135,000. The current combined principal and interest required to pay all outstanding debt obligations of the Town on time and in full is \$197,262,225. The maximum principal amount of the certificates to be authorized is \$13,700,000 and the estimated combined principal and interest required to pay the certificates to be authorized on time and in full is \$20,405,000. The maximum interest rate for the certificates may not exceed the maximum legal interest rate. The maximum maturity date of the certificates to be authorized is August 15, 2042. The above information does not exclude any outstanding debt obligations the Town has designated as self-supporting and which the Town reasonably expects to pay from revenue sources other than ad valorem taxes.

TOWN OF PROSPER, TEXAS