



City of Abilene

Abilene-Taylor County Events Venue District Board Agenda

Notice is hereby given of a meeting of the Abilene-Taylor County Events Venue District Board of City of Abilene to be held on June 17, 2024, at 2:00 p.m., at City Hall, 555 Walnut Street, Council Chambers, Abilene, Texas, for the purpose of considering the following agenda items.

CALL TO ORDER

PUBLIC COMMENTS

MINUTES

1. **Minutes:** Approval of the Minutes from the Regular Meeting Held on April 3, 2024.

AGENDA ITEMS

2. Discussion and Approval of a Municipal Advisory Agreement with Hilltop Securities Inc.
3. **CONSIDER AND ADOPT AN ORDER AUTHORIZING THE ISSUANCE OF ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT VENUE TAX REVENUE BOND (HOTEL OCCUPANCY TAX), SERIES 2024; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BOND; PROVIDING AN EFFECTIVE DATE AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.**
4. Presentation of Programs and Venue Tax Use
 - a. Frontier Texas!
5. Discussion and Possible Action Regarding the FY 2025 Allocation of the 2% Venue Tax
6. Acceptance of the Annual Audit Report for the Year Ending September 30, 2023
7. Approval of the Fiscal Year 2024 Revised Budget and the Fiscal Year 2025 Proposed Budget

ADJOURNMENT

Notice

In compliance with the Americans with Disabilities Act, the City of Abilene will provide for reasonable accommodations for persons attending meetings. To better serve you, requests should be received forty-eight (48) hours prior to scheduled meetings. Please contact the City Secretary's Office at 325-676-6208. Telecommunication device for the deaf is 325-676-6360.

CERTIFICATION

I hereby certify the above meeting notice was posted on the bulletin board at the City Hall of the City of Abilene, Texas, on the 14th day of June, 2024, at 8:00 a.m.

*Kaitlin Richardson, Deputy City
Secretary, TRMC*

Minutes
Abilene-Taylor County Events Venue District
Board Meeting April 3, 2024

Public notice having been posted, a meeting of the Board of Directors of the Abilene-Taylor County Events Venue District was held on Wednesday, April 3, 2024 at 1:30 pm at City Hall, 555 Walnut Street, Council Chambers, Abilene, Texas.

Board Members Present: Chuck Statler, Commissioner, Taylor County
Kyle McAlister, Councilmember, City of Abilene
Judge Phil Crowley, Taylor County
Anthony Williams, City of Abilene representative
Shea Hall, Director

Others Present:

Representing City of Abilene:
Stanley Smith, City Attorney
Mike Rains, Director of Finance
George Williford, Hilltop Securities
Jeff Salman, Frontier Texas!

The meeting was called to order at 1:30 pm by Commissioner Statler.

1. Commissioner Statler opened the meeting for public comment. Jeff Salman with Frontier Texas! addressed the board thanking them for their work in getting the new venue implemented.
2. A motion to approve the minutes for the November 20, 2023 meeting was made by Judge Crowley and seconded by Anthony Williams. All board members voted in favor; the motion carried.
3. A motion was made by Kyle McAlister and seconded by Anthony Williams to elect the following as officers of the board: Commissioner Statler as President, Kyle McAlister as Vice-President, Judge Crowley as Secretary, and Shea Hall as Treasurer. All board members voted in favor; the motion carried.
4. A motion was made by Anthony Williams and seconded by Kyle McAlister to Approve the Order Providing for the Imposition and Levy of an Additional Hotel Occupancy Tax Equal to Two Percent (2%) for Venue Projects Approved by the Voters in the Abilene-Taylor County Events Venue District on November 7, 2023 and Consisting of the Planning, Acquisition, Establishment, Development, Construction, Renovation, Maintenance and/or Operation of: Frontier Texas!, a Museum and Visitors Center for Transportation and Western Heritage; and the Expo Center of Taylor County; Together with Related Infrastructure and Other

Related Improvements; and Containing Other Provisions Incident and Related to the Purpose of this Order. All board members voted in favor, the motion carried.

5. Commissioner Statler called on George Williford with Hilltop Securities to present information to the Board related to an upcoming bond issuance for the Frontier Texas! project. Mr. Williford informed the board that the current Venue District will expire with the last bond payment on June 15, 2024. The new Venue District will begin on June 16, 2024 and the board could authorize new debt at that point. The bond issuance will also require the approval of the City Council of Abilene and Commissioner's Court of Taylor County. If the bonds were approved in the later part of June then the proceeds could be received by the end of July or early August. He estimated that a \$2,100,000 bond issuance at 4.5% interest would have annual debt service of approximately \$159,259 over 20 years with project proceeds of \$2,000,000. At 5% interest the annual debt service would be approximately \$166,000. He suggested due to the size and structure of the bond issuance that the board consider a direct placement with a local financial institution. Commissioner Statler commented that this item was only for discussion purposes only and no action was needed at this time.
6. Commissioner Statler called on Mike Rains to present the proposed budget revisions. Mr. Rains informed the board that the previous budgets approved prior to the November 7, 2023 election assumed the Venue District would end on June 15, 2024 with the last payment on the bonds. Since voters approved the new Venue District the budgets were updated to present a complete full year of operations for the year ended September 30, 2024. If the new bonds were issued in the later part of the fiscal year there would normally not be any further debt service due until FY 2025. Shea Hall made a motion to approve the revised FY 2023-24 budgets and seconded by Anthony Williams. All board members voted in favor; the motion carried.
7. A motion was made by Judge Crowley and seconded by Anthony Williams to adjourn the meeting. All board members voted in favor; the motion carried. The meeting was adjourned at 1:49 p.m.

Judge Crowley, Secretary

Chuck Statler, President

MUNICIPAL ADVISORY AGREEMENT

This Municipal Advisory Agreement (the “Agreement”) is made and entered into by and between **Abilene-Taylor County Events Venue District** (the “Issuer”) and Hilltop Securities Inc. (“HilltopSecurities”), and is dated, and shall be effective as of, the date executed by the Issuer as set forth on the signature page hereof (the “Effective Date”).

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of municipal securities, including but not limited to the issuance and sale of evidences of indebtedness or debt obligations that may currently or in the future be authorized and issued or otherwise created or assumed by the Issuer, in amounts and forms which cannot presently be determined; and

WHEREAS, in connection with the authorization, sale, issuance and delivery of such municipal securities, as well as in connection with any matters relating to municipal financial products of the Issuer, the Issuer desires to retain a municipal advisor; and

WHEREAS, the Issuer desires to obtain the professional services of HilltopSecurities as a municipal advisor to advise the Issuer regarding the issuance of municipal securities and any municipal financial products, all as more fully described herein, during the period in which this Agreement shall be effective; and

WHEREAS, HilltopSecurities is willing to provide its professional services and its facilities as a municipal advisor in connection with the Issuer’s issuances of municipal securities and any municipal financial products, all as more fully described herein, during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and HilltopSecurities, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I SCOPE OF SERVICES

A. Scope of Services and Discharge of Responsibilities.

1. *Scope of Services.*

(a) HilltopSecurities is engaged by the Issuer as its municipal advisor to provide the services set forth in **Appendix A** hereto (the “Municipal Advisory Services”). The Municipal Advisory Services, together with any services to be provided by HilltopSecurities as the Issuer’s independent registered municipal advisor (“IRMA”) pursuant to subparagraph B.1 of this Section I, are hereinafter collectively referred to as the “Scope of Services” hereunder. The Scope of Services to be provided by HilltopSecurities may be changed only as provided in paragraph D of this Section I.

(b) If the Issuer engages HilltopSecurities or any of its affiliates, in a capacity other than as municipal advisor, to provide additional services that are not municipal advisory activities (“Non-Municipal Advisor Services”), such engagement for Non-Municipal Advisor Services shall be evidenced by a separate agreement between the Issuer and such party. The parties hereto acknowledge that such Non-Municipal Advisor Services shall not be governed by this Agreement and are intended to consist of activities not requiring registration as a municipal advisor under the Securities Exchange Act.

(c) The Issuer shall provide written notice to HilltopSecurities of any other municipal advisor engaged by the Issuer, whether in regard to all or any portion of the Municipal Advisory Services or for

any other aspects of the issuance of municipal securities or municipal financial products outside the scope of the Municipal Advisory Services, as described in clause (c) of subparagraph B.1 of this Section I.

2. ***Inquiries and Information in Connection with HilltopSecurities' Duties.*** If and to the extent provided in the Scope of Services, HilltopSecurities is called upon to make recommendations to the Issuer or to review recommendations made by others to the Issuer, and in connection therewith to determine whether such recommendations are suitable for the Issuer, in order to fulfill its duties with respect to such recommendations and any associated suitability determinations, HilltopSecurities is required under applicable regulations to make reasonable inquiries of the Issuer as to the relevant facts. Such facts include, at a minimum, information regarding the Issuer's financial situation and needs, objectives, tax status, risk tolerance, liquidity needs, experience with municipal securities transactions or municipal financial products generally or of the type and complexity being recommended, financial capacity to withstand changes in market conditions during the term of the municipal financial product or the period that municipal securities to be issued in the municipal securities transaction are reasonably expected to be outstanding, and any other material information known by HilltopSecurities about the Issuer and the municipal securities transaction or municipal financial product. In addition, HilltopSecurities is required under applicable regulations to use reasonable diligence to know the essential facts about the Issuer and the authority of each person acting on behalf of the Issuer so as to effectively service HilltopSecurities' municipal advisory relationship with the Issuer, to act in accordance with any special directions from the Issuer, to understand the authority of each person acting on behalf of the Issuer, and to comply with applicable laws, regulations and rules.

Accordingly, the Issuer hereby agrees to provide accurate and complete information reasonably designed to permit HilltopSecurities to fulfill its responsibilities in connection with any such recommendations and suitability determinations and to provide to HilltopSecurities reasonable access to relevant documents and personnel in connection with its required investigation to determine that any recommendations are not based on materially inaccurate or incomplete information. The Issuer acknowledges that HilltopSecurities may not be able to make requested recommendations or suitability determinations if it is not provided access to such information and that the Issuer shall be estopped from claiming a violation of HilltopSecurities' fiduciary duty to the Issuer in connection with a recommendation or suitability determination made by HilltopSecurities based on materially inaccurate or incomplete information provided by the Issuer.

3. ***Actions Independent of or Contrary to Advice.*** The parties hereto acknowledge that the Issuer shall not be required to act in accordance with any advice or recommendation provided by HilltopSecurities to the Issuer. Upon providing such advice or recommendation to the Issuer, together with the basis for such advice or recommendation, HilltopSecurities shall have discharged its duties with regard to such advice or recommendation and shall not be liable for any financial or other damages resulting from the Issuer's election not to act in accordance with such advice or recommendation. Furthermore, the Issuer shall be estopped from claiming a violation of HilltopSecurities' fiduciary duty to the Issuer as a result of its election not to act in accordance with any advice or recommendation by HilltopSecurities, including but not limited to any claim that HilltopSecurities should have taken steps, in addition to providing its advice or recommendation together with the basis therefor, to cause the Issuer to follow its advice or recommendation.

4. ***Preparation of Official Statement in Connection with Issuance of Municipal Securities.*** If and to the extent provided in the Scope of Services, HilltopSecurities is called upon to assist the Issuer in the preparation of its official statement in connection with the issuance of municipal securities, the Issuer hereby agrees to provide accurate and complete information to HilltopSecurities reasonably designed to permit HilltopSecurities to fulfill its responsibility to have a reasonable basis for any information

HilltopSecurities provides about the Issuer, its financial condition, its operational status and its municipal securities in connection with the preparation of the official statement. While HilltopSecurities may participate in the due diligence process in connection with the preparation of the official statement, if such participation is within the Scope of Services, HilltopSecurities shall not be obligated to undertake any inquiry or investigation in connection with such due diligence beyond any inquiries or investigations otherwise required by this Agreement. Furthermore, HilltopSecurities shall not be responsible for certifying the accuracy or completeness of the official statement, other than with respect to information about HilltopSecurities provided for inclusion in the official statement, if applicable. The Issuer agrees that HilltopSecurities may rely on any information provided to it by the Issuer for purposes of this paragraph.

5. ***Representations and Certifications.*** If and to the extent provided in the Scope of Services, HilltopSecurities is called upon to make representations and certifications with regard to certain aspects of matters pertaining to the Issuer, its municipal securities or municipal financial products arising as part of the Municipal Advisory Services to be provided pursuant to this Agreement, the Issuer hereby agrees to provide accurate and complete information to HilltopSecurities as may be reasonably necessary or otherwise helpful to HilltopSecurities in fulfilling its responsibility to have a reasonable basis for any representations, other than representations by HilltopSecurities regarding itself, made in a certificate signed by HilltopSecurities that may be relied upon by the Issuer, any other party involved in any matter arising as part of the Municipal Advisory Services, or investors in the Issuer's municipal securities. The Issuer agrees that HilltopSecurities may rely on any information provided to it by the Issuer for purposes of this paragraph.

B. Services as Independent Registered Municipal Advisor.

1. ***Designation as IRMA and Scope of Designation.***

(a) Subject to clause (b) of this subparagraph B.1, if the Issuer elects to designate HilltopSecurities, and HilltopSecurities agrees to represent the Issuer, as the Issuer's IRMA for purposes of Securities Exchange Commission ("SEC") Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the Municipal Advisory Services, HilltopSecurities will treat such role as IRMA as within the scope of Municipal Advisory Services. Any reference to HilltopSecurities, its personnel and its role as IRMA in the written representation of the Issuer contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by HilltopSecurities.

If there are any other aspects of the issuance of municipal securities or municipal financial products outside the scope of the Municipal Advisory Services with respect to which the Issuer seeks to have HilltopSecurities serve as its IRMA, such aspects, which are separate and distinct from Municipal Advisory Services for purposes of this Agreement, shall be included in Appendix A hereto and may be changed only as provided in paragraph D of this Section I. HilltopSecurities' duties as IRMA shall be strictly limited to the provision of advice to the Issuer with regard to third-party recommendations on any aspects of the issuance of municipal securities or municipal financial products outside the scope of the Municipal Advisory Services, subject to subparagraph B.3 of this Section I, and the provision of advice by HilltopSecurities to the Issuer with respect to such matters shall not result in a change in scope of the Municipal Advisory Services. By way of example, if HilltopSecurities serves as municipal advisor for an issuance of municipal securities within the scope of Municipal Advisory Services, but is asked to review a recommendation made by a third party with respect to a different issuance of municipal securities not within the scope of Municipal Advisory Services, any advice with respect to such review would not, by itself, cause such other issuance to come within the scope of Municipal Advisory Services, and HilltopSecurities

would not be obligated to undertake any of the services set forth in Appendix A with regard to such issuance unless the scope of Municipal Advisory Services hereunder is amended to include such issuance.

(b) If the Issuer elects not to designate HilltopSecurities to serve as an IRMA for purposes of the IRMA exemption with respect to the Municipal Advisory Services, or if the Issuer elects to designate HilltopSecurities to serve as IRMA for less than the full range of Municipal Advisory Services, such election shall be set forth in Appendix A.

(c) The Issuer shall provide written notice to HilltopSecurities of any other municipal advisor engaged by the Issuer, whether such other municipal advisor has been designated as an IRMA, and such notice shall include the scope of services of such municipal advisor. If the Issuer has engaged, or has caused HilltopSecurities to engage through subcontract, any other party to serve as municipal advisor to the Issuer with regard to all or any portion of the Municipal Advisory Services (“Joint Municipal Advisory Services”), whether engaged jointly with or separately from HilltopSecurities (a “Co-Municipal Advisor”), the Issuer agrees that such Co-Municipal Advisor shall not be entitled to treat HilltopSecurities as an IRMA with respect to the Joint Municipal Advisory Services. Notwithstanding the preceding sentence, the Issuer may seek to have HilltopSecurities provide advice on any recommendation made by a Co-Municipal Advisor with regard to matters within the scope of Joint Municipal Advisory Services on the same terms as set forth in subparagraph B.3 of this Section I, provided that any such advice provided by HilltopSecurities shall not serve to eliminate or reduce such Co-Municipal Advisor’s fiduciary or other duties as municipal advisor to the Issuer.

2. ***HilltopSecurities Not Responsible for Independence from Third Parties.*** Notwithstanding HilltopSecurities’ status as an IRMA, HilltopSecurities shall not be responsible for ensuring that it is independent, within the meaning of the IRMA exemption as interpreted by the SEC, from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption or for otherwise ensuring that any such party not be treated as a municipal advisor for purposes of Section 15B of the Securities Exchange Act or any SEC or Municipal Securities Rulemaking Board (“MSRB”) rule thereunder. The Issuer expressly acknowledges that it is the responsibility of such other party to make its own determination of independence and that such other party shall not be entitled to cause HilltopSecurities to make any personnel changes to allow such party to qualify for the IRMA exemption.

3. ***Recommendations Provided by Third Parties Relying on IRMA Exemption.*** The Issuer agrees that, to the extent the Issuer seeks to have HilltopSecurities provide advice with regard to any recommendation made by a third party relying on the IRMA exemption, the Issuer shall provide to HilltopSecurities written direction to provide advice with regard to such third party recommendation as well as any information it has received from such third party. In connection therewith, HilltopSecurities shall be authorized to communicate with such third party as necessary or appropriate in order for HilltopSecurities to have the information it needs to provide informed advice to the Issuer with regard to such recommendation. HilltopSecurities shall provide to the Issuer recommendations it receives directly from any third party but shall not be required to provide advice to the Issuer with regard to any such recommendation unless the Issuer has provided to HilltopSecurities the written direction as described above in this subparagraph B.3.

Except as may be otherwise expressly provided in writing by HilltopSecurities, no recommendation by a third-party (including but not limited to a Co-Municipal Advisor) shall be deemed to be a recommendation by HilltopSecurities, and the failure by HilltopSecurities to specifically address any aspect of a third-party recommendation shall not be viewed as HilltopSecurities having implicitly accepted or

approved such aspect of the recommendation or otherwise having adopted the recommendation or any aspect thereof as its own recommendation. Furthermore, the Issuer agrees that, to the extent the Issuer does not seek to have HilltopSecurities provide advice with regard to any recommendation made by a third party relying on the IRMA exemption, HilltopSecurities shall not be required to provide any advice with regard to such recommendation notwithstanding any information it may have received from such third party. HilltopSecurities may rely on the absence of the Issuer's written direction to provide advice with regard to a third party recommendation as indicative that the Issuer does not seek to have HilltopSecurities provide such advice.

C. Limitations on Scope of Engagement.

1. ***Express Limitations.*** The Scope of Services with respect to HilltopSecurities' engagement as municipal advisor shall be solely as provided in paragraphs A and B of this Section I and Appendix A of this Agreement, subject to the express limitations set forth in this paragraph C. The failure of the parties hereto to set out any particular service or responsibility, or any particular type or aspect of the issuance of municipal securities or municipal financial products, within the express limitations in this paragraph C shall not, by its omission, cause such service, responsibility or product to be within the scope of this engagement if not contemplated by the mutual agreement of the parties hereto or if not reasonably viewed as encompassed by the description of the Municipal Advisory Services set forth in this Agreement.

2. ***Limitation as to Matters Within Then-Current Scope of Engagement.*** It is expressly understood that HilltopSecurities serves as municipal advisor to the Issuer only with respect to the matters, and with respect to specific aspects of matters, within the then-current Scope of Services. The Issuer acknowledges that HilltopSecurities is not a municipal advisor to the Issuer with respect to matters expressly excluded from such Scope of Services as set forth in this paragraph C or matters otherwise not within the Scope of Services as set forth in paragraphs A and B of this Section I and Appendix A hereto. Without limiting the generality of the preceding sentence, the parties hereto agree that HilltopSecurities' service as municipal advisor for one issuance of municipal securities would not result in HilltopSecurities being a municipal advisor to the Issuer for any other issuances of municipal securities if such other issuances are not within the Scope of Services. It is expressly understood that HilltopSecurities shall be municipal advisor with respect to a particular issuance of municipal securities or a particular municipal financial product beginning on the earlier of (a) the date on which HilltopSecurities is assigned to serve or is otherwise put on notice by the Issuer that it will serve as municipal advisor for such particular matter or (b) the date on which HilltopSecurities first provides advice to the Issuer with respect to such particular matter, and it is further understood that HilltopSecurities shall not be deemed to be a municipal advisor to the Issuer with respect to any such particular matter prior to such date merely due to the fact that the matter falls within the general description of the Scope of Services.

3. ***Transactions and Services Outside Scope of Engagement.*** To the extent that the Issuer engages in any transaction with HilltopSecurities, or any affiliate of HilltopSecurities, as principal relating to municipal securities (including but not limited to as underwriter for the issuance of municipal securities) or municipal financial products that are not within the Scope of Services and with respect to which HilltopSecurities does not in fact provide advice other than as permitted within the exceptions and exclusions of SEC Rule 15Ba1-1, the Issuer agrees that it would not view HilltopSecurities as serving as its municipal advisor with respect to such transaction or any related issuance of municipal securities or municipal financial product. In addition, as noted in clause (b) of subparagraph A.1 of this Section I, the Issuer understands that Non-Municipal Advisor Services are outside the scope of this engagement.

4. ***Issuer Consent to Limitation in Scope.*** The Issuer expressly consents to the limitations in scope of the engagement as described in this paragraph C.

D. Change in Scope of Services. The scope of services to be provided by HilltopSecurities, whether within or outside of the scope of the Municipal Advisory Services, may be changed only by written amendment to Appendix A, and the parties hereto agree to amend such appendix promptly to reflect any material changes or additions to the scope of such services, as applicable. Furthermore, the parties hereto agree to amend paragraph C of this Section I to reflect any material changes or additions to the limitations on the overall Scope of Services.

The parties hereto agree that if, on an infrequent or inadvertent basis, HilltopSecurities takes any actions for or on behalf of the Issuer that constitute municipal advisory activities within the meaning of MSRB Rule G-42(f)(iv) but which are not within the Scope of Services under this Agreement, such actions shall not, by themselves, serve to change the Scope of Services under this Agreement without a written amendment as provided in this paragraph. Furthermore, to the extent that any such activities not within the Scope of Services under this Agreement consists of inadvertent advice provided with respect to the issuance of municipal securities or municipal financial products that are not within the Scope of Services under this Agreement, HilltopSecurities may take such action, if any, as it deems appropriate pursuant to Supplementary Material .07 of MSRB Rule G-42 with respect to such inadvertent advice, to maintain the Scope of Services under this Agreement consistent with the intent of the parties hereto.

Amendments to Appendix A may be effected by replacement of the prior version of the appendix with a new version or by the addition of an addendum to such appendix, provided that any such amended appendix shall be dated as of its effective date and shall cause Appendix A, taken together with the provisions of this Section I, to clearly set forth the then-current scope of HilltopSecurities' engagement hereunder and any limitations to such scope.

E. Non-Municipal Advisory Activities Related to Scope of Services. The Scope of Services under this Agreement is intended to encompass activities subject to the provisions of Securities Exchange Act Section 15B and the rules of the SEC and MSRB thereunder relating to municipal advisory activities. However, the Issuer and HilltopSecurities acknowledge that in some cases the range of activities necessary or appropriate to provide the intended services hereunder in a fair, effective and efficient manner for the benefit of the Issuer may involve a combination of actions that consist of municipal advisory activities and actions that may not qualify as municipal advisory activities. Unless otherwise prohibited by Securities Exchange Act Section 15B or any rule of the SEC or MSRB thereunder, the fact that HilltopSecurities serves as municipal advisor to the Issuer in connection with a particular matter shall not prohibit HilltopSecurities from undertaking such necessary or appropriate non-municipal advisory activities in connection therewith, and the fact that HilltopSecurities undertakes such non-municipal advisory activities within the Scope of Services under this Agreement would not, by itself, cause such activities to become municipal advisory activities for purposes Securities Exchange Act Section 15B or any rule of the SEC or MSRB thereunder.

SECTION II TERM AND TERMINATION

A. Term of this Engagement. The term of this Agreement begins on the Effective Date and ends, unless terminated pursuant to paragraph B of this Section II, on the last day of the month in which the fifth anniversary date of the Effective Date shall occur (the "Original Termination Date"). Unless HilltopSecurities or the Issuer shall notify the other party in writing at least thirty (30) days in advance of

the Original Termination Date that this Agreement will not be renewed, this Agreement will be automatically renewed on the Original Termination Date for an additional one (1) year period and thereafter will be automatically renewed on each anniversary date of the Original Termination Date for successive one (1) year periods unless HilltopSecurities or the Issuer shall notify the other party in writing at least thirty (30) days in advance of such successive anniversary date.

B. Termination of this Engagement. This Agreement may be terminated with or without cause by the Issuer or HilltopSecurities upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due HilltopSecurities for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

SECTION III COMPENSATION, EXPENSES, LIABILITY AND OTHER FINANCIAL MATTERS

A. Compensation. The fees due to HilltopSecurities for the Municipal Advisory Services and any other services set forth in Appendix A hereto shall be as provided in Appendix B hereto. The Issuer has agreed to the compensation arrangements set forth in Appendix B and believes that they are reasonable and not excessive. If at any time the Issuer becomes concerned that, notwithstanding its initial belief that the compensation arrangements set forth in this Agreement are reasonable, the actual amount of compensation to be paid in accordance with such arrangements for any particular matter during the course of this engagement may potentially become excessive, the Issuer shall immediately notify HilltopSecurities in writing of its concern in that regard.

B. Expenses. HilltopSecurities shall be entitled to reimbursement of expenses incurred in connection with any services provided hereunder as set forth in Appendix B.

C. Third-Party Payments. The Issuer agrees that any request it makes to HilltopSecurities to make payments to any third party on its behalf (other than with any underwriter), whether pursuant to a fee-splitting arrangement or otherwise, shall be in writing and shall set forth the name of the recipient, the amount of payment, and a brief statement of the purpose of such payment. The Issuer agrees that the counter signature by HilltopSecurities of any such written request shall be satisfactory disclosure of such third-party payment or fee-splitting arrangement for purposes of MSRB Rule G-42(e)(i)(D) and shall, in the case of any such arrangements made after the Effective Date, serve as satisfactory written disclosure of any conflict of interest arising from such third-party payment or fee-splitting arrangement for purposes of MSRB Rule G-42(b)(i)(D) and (c)(ii).

D. No Custody of Issuer Funds. This engagement does not contemplate that HilltopSecurities receive deposit of or maintain custody of the Issuer's funds unless otherwise provided in Appendix A hereto.

E. Limitation on Liability. In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of HilltopSecurities or any of its associated persons, HilltopSecurities and its associated persons shall have no liability to the Issuer for any act or omission in the course of, or connected with, rendering services hereunder or for any error of judgment, mistake of law, or any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment.

**SECTION IV
REQUIRED DISCLOSURES**

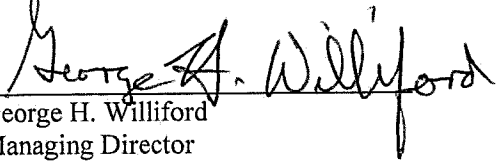
- A. Disclosure of Conflicts of Interest and Information Regarding Legal or Disciplinary Events.** The Issuer hereby acknowledges receipt of, and has read and understands the content of, the Municipal Advisor Disclosure Statement, attached hereto as **Appendix C**, current as of the date of this Agreement, setting forth disclosures by HilltopSecurities of material conflicts of interest (the “Conflict Disclosures”), if any, and of any legal or disciplinary events required to be disclosed pursuant to MSRB Rule G-42(b) and (c)(ii). The Conflict Disclosures also describe how HilltopSecurities addresses or intends to manage or mitigate any disclosed conflicts of interest, as well as the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by HilltopSecurities with the SEC.
- B. Waiver of Disclosed Conflicts of Interest.** By executing this Agreement, the Issuer hereby waives any conflicts of interest disclosed by HilltopSecurities in the Conflict Disclosures as of the date of this Agreement.
- C. Consent to Electronic Delivery of Disclosures.** By executing this Agreement, the Issuer consents, for the full term of this Agreement, to the electronic delivery of the Conflict Disclosures at no cost to the Issuer, in lieu of delivery of hard copy. The Conflict Disclosures may be delivered by email to the Issuer at marjorie.knight@abilenetx.gov, or at such other email address as the Issuer may hereafter provide in writing to HilltopSecurities.

**SECTION V
MISCELLANEOUS**

- A. Choice of Law.** This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.
- B. Binding Effect; Assignment.** This Agreement shall be binding upon and inure to the benefit of the Issuer and HilltopSecurities, their respective successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
- C. Entire Agreement.** This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto, subject to the provisions of paragraph D of Section I hereof.

Signature page follows

HILLTOP SECURITIES INC.

By: 
George H. Williford
Managing Director

**ABILENE-TAYLOR COUNTY
EVENTS VENUE DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A MUNICIPAL ADVISORY SERVICES

This Appendix A sets out the scope of the Municipal Advisory Services to be performed by HilltopSecurities pursuant to the Agreement, subject to the limitations in scope set out in paragraph C of Section I of the Agreement, and with the understanding that:

(a) Individual actions taken within this scope shall be consistent with any request or direction provided by an authorized representative of the Issuer or as HilltopSecurities determines to be necessary or appropriate in furtherance of any matter for which it serves as municipal advisor. However, not all listed activities will be appropriate, necessary or applicable to any particular matter subject to this Agreement.

(b) For purposes of this Agreement, an issuance of municipal securities (an “issuance”) shall encompass any and all stages in the life of an issuance, from the pre-issuance planning stage to the repayment stage.

I. New Issuances of Municipal Securities. At the direction of or upon the request of the Issuer, HilltopSecurities shall provide advice to the Issuer on any new issuances, including reofferings of outstanding issuances that are treated for purposes of the federal securities laws and/or federal tax laws as new issuances, throughout the term of this Agreement. The activities to be performed by HilltopSecurities may include, depending on the specific circumstances of an issuance and any request or direction of the Issuer, one or more of the following:

Planning for New Issuance

1. ***Survey and Analysis.*** Surveying the financial resources of the Issuer in connection with its capacity to authorize, issue and service the contemplated issuance. This survey would be expected to include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, would include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the contemplated issuance, the survey would be expected to take into account any outstanding indebtedness payable from such revenues, additional revenues to be available from any proposed rate increases, and additional revenues resulting from improvements to be financed by the contemplated issuance, as projected by consulting engineers engaged by the Issuer.

2. ***Future Financings.*** In connection with the contemplated issuance, considering and analyzing future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, engaged by the Issuer.

3. ***Recommendations.*** Making recommendations to the Issuer on the contemplated issuance, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options for prepayment, security provisions, and such other provisions as may be appropriate.

4. **Market Information.** Advising the Issuer of HilltopSecurities' view of current bond market conditions, other related forthcoming bond issues and general information (including applicable economic data) which might normally be expected to influence interest rates or bidding conditions relevant to setting an appropriate date and time for the sale of the issuance.

5. **Elections.** In the event it is necessary to hold an election to authorize the contemplated issuance, assisting in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to the Issuer's bond counsel.

Debt Management and Financial Implementation for New Issuance

6. **Method of Sale.** Evaluating the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:

- a. If the issuance is to be sold by a competitive sale:
 - (1) Supervising the sale of the municipal securities;
 - (2) Disseminating information to prospective bidders, organizing such informational meetings as may be necessary, and facilitating prospective bidders' efforts in making timely submission of proper bids;
 - (3) Assisting the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids;
 - (4) Advising the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids; and
 - (5) Obtaining CUSIP numbers on behalf of the Issuer.
- b. If the issuance is to be sold by negotiated sale:
 - (1) Recommending for the Issuer's final approval and acceptance one or more investment banking firms, as sole underwriter or as managers of an underwriting syndicate, for the purpose of negotiating the purchase of the municipal securities;
 - (2) Cooperating with and assisting any selected sole or managing underwriter and its counsel, as well as any disclosure counsel retained by the Issuer, in connection with the preparation of any preliminary or final official statement or offering memorandum. HilltopSecurities will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters' agreement and other related documents;
 - (3) Assisting the staff of the Issuer in the safekeeping of any good faith checks and providing a cost comparison to the then-current market of expenses, interest rates and prices which are proposed by the underwriters;
 - (4) Advising the Issuer on the fairness of the price offered by the underwriters;

(5) Advising the Issuer in connection with any terms and conditions it may wish to establish with respect to order priorities and other similar matters relating to the underwriting of the new issuance;

(6) If the new issuance will have a retail order period, advising the Issuer on retail eligibility criteria and other features of the retail order period and reviewing information provided by the underwriters to the Issuer in connection with retail orders received; and

(7) At the request of the Issuer, reviewing required disclosures by underwriters to the Issuer relating to their role as underwriter, conflicts of interests, material terms and risks of the issuance, and any other matters, and providing any appropriate advice to the Issuer in connection with such disclosures.

7. ***Offering Documents for Competitive Offerings.*** Coordinating the preparation of the notice of sale and bidding instructions, preliminary official statement (including cooperating with and assisting any disclosure counsel retained by the Issuer), official bid form and such other documents as may be required and submitting all such documents to the Issuer for examination, approval and certification. After such examination, approval and certification, HilltopSecurities shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute sets of the same to prospective bidders for the municipal securities. HilltopSecurities also shall provide copies of the final official statement to the winning bidder purchasing the municipal securities in the MSRB-designated electronic format and in accordance with the notice of sale and bidding instructions promptly after the Issuer approves the final official statement for distribution.

8. ***Credit Ratings.*** Making recommendations to the Issuer on the advisability of obtaining one or more credit ratings for the issuance and, when directed by the Issuer, coordinating the preparation of such information as may be appropriate for submission to any rating agency. In those cases where the advisability of personal presentation of information to a rating agency may be indicated, HilltopSecurities will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be approved or directed by the Issuer.

9. ***Trustee, Paying Agent, Registrar, Professionals and Other Transaction Participants.*** Upon request, providing advice to the Issuer in the selection of a trustee and/or paying agent/registrar, legal, accounting or other professionals, and other transaction participants relating to any issuance, and assisting in the negotiation of agreements pertinent to these services and the fees incident thereto.

10. ***Financial Publications.*** When appropriate, advising financial publications of the forthcoming sale of the municipal securities and providing them with all pertinent information.

11. ***Consultants.*** After consulting with and receiving directions from the Issuer, arranging for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the issuance.

12. ***Auditors.*** In the event formal verification by an independent auditor of any calculations incident to the issuance is required, making arrangements for such services.

13. **Issuer Meetings.** Attending meetings of the governing body of the Issuer, its staff, representatives or committees as requested when HilltopSecurities may be of assistance or service and matters within the scope of this engagement are to be discussed.
14. **Printing.** To the extent authorized by the Issuer, coordinating all work incident to printing or final production, physical or electronic, of the offering documents.
15. **Bond Counsel.** Maintaining liaison with bond counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the municipal securities.
16. **Delivery of the Municipal Securities.** As soon as a bid for the purchase of a competitive issuance is accepted by the Issuer or the bond purchase contract for a negotiated issuance is signed by the Issuer, coordinating the efforts of all concerned to the end that the municipal securities may be delivered and paid for as expeditiously as possible and assisting the Issuer in the preparation or verification of final closing figures incident to the delivery of the municipal securities.
17. **Debt Service Schedule; Authorizing Resolution.** After the closing of the sale and delivery of the issuance, delivering to the Issuer a schedule of annual debt service requirements for the issuance and, in coordination with bond counsel, assuring that the paying agent/registrars and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.
18. **Continuing Disclosure.** Providing advice to the Issuer with regard to its continuing disclosure undertakings for its new issuances and its selection of a dissemination agent under its continuing disclosure undertakings; provided that, upon the mutual agreement of the Issuer and HilltopSecurities, HilltopSecurities may serve as dissemination agent under one or more of the Issuer's continuing disclosure undertakings upon such terms as the parties shall agree, with such service as dissemination agent being expressly excluded from the scope of this Agreement.

II. Baseline Advice on Outstanding Issuances of Municipal Securities. HilltopSecurities shall provide baseline on-going advice to the Issuer on any outstanding issuances throughout the term of this Agreement, which may include, depending on the specific circumstances of such issuance and any request or direction of the Issuer:

1. **Exercising Calls.** Providing advice and assistance to the Issuer with regard to exercising any calls of outstanding municipal securities unrelated to a refunding of such securities.
2. **Refundings and Tender Offers.** Providing advice to the Issuer with regard to opportunities for refundings of outstanding issuances or to make tender offers for outstanding issuances, whether by means of a new issuance, bank loans, or other funds of the Issuer, but not including serving as advisor in connection with the specific transaction through which such refunding or tender offer is effected. Transaction-based advice in connection with a specific new issuance of bonds to effectuate any such refunding or tender offer would be provided within the scope of Municipal Advisory Services for new issuances described in Section I above. Transaction-based advice in connection with a specific bank loan or other transaction to effectuate any such refunding or tender offer, other than by means of a new issuance of bonds would be provided pursuant to a separate agreement as described in Section IV below.
3. **Continuing Disclosure.** Providing advice to the Issuer with regard to continuing disclosure undertakings for outstanding issuances; processes, policies and procedures to comply with

continuing disclosure undertakings; and coordination of continuing disclosure obligations arising from different continuing disclosure undertakings for its various issuances. However, the preparation of continuing disclosure documents, other than in the capacity of dissemination agent under a continuing disclosure undertaking, would be provided within the scope of other services described in Section V. below.

III. Particularized Services on Outstanding Issuances of Municipal Securities. HilltopSecurities may provide to the Issuer certain additional advisory or related services in connection with particular outstanding issuances or matters affecting multiple outstanding issuances throughout the term of this Agreement, which may include, depending on the specific circumstances of such issuance and any request or direction of the Issuer:

1. ***Other Post-Sale Services.*** Reviewing the transaction features and documentation of outstanding issuances with legal counsel for the Issuer, bond counsel, auditors and other experts and consultants retained by the Issuer and assisting in developing appropriate responses to legal processes, audit procedures, inquiries, internal reviews and similar matters, or other services related to one or more outstanding issuances as may be agreed to by the Issuer and HilltopSecurities.

2. ***Brokerage of Municipal Escrow Investments.*** At the request of the Issuer, brokering the purchase of municipal escrow investments in connection with a refunding of an outstanding issuance, together with any recommendations by HilltopSecurities (but not by Hilltop Securities Asset Management, LLC as an investment adviser) with respect to such brokerage.

IV. Services as Independent Registered Municipal Advisor (“IRMA”). At the written request of the Issuer, HilltopSecurities shall, as the Issuer’s IRMA, review and provide advice to the Issuer in connection with any recommendations, proposals, ideas or matters suggested or otherwise communicated by a third party to the Issuer with respect to the same aspects of the issuance of municipal securities or municipal financial products that are within the scope of Municipal Advisory Services. There are no aspects of the issuance of municipal securities or municipal financial products that are outside the scope of Municipal Advisory Services set forth in this Appendix.

V. Other Services Relating to Municipal Securities. HilltopSecurities agrees to make available to the Issuer other services relating to municipal securities, when so requested by the Issuer and subject to the agreement by Issuer and HilltopSecurities regarding the specific requirements with respect to such services, which requirements shall be made part of the scope of Municipal Advisory Services and included in this Appendix as an amendment or addendum, which services may include, without limitation:

1. ***Capital Improvement Programs.*** Providing advice and assistance in the development of any capital improvement programs of the Issuer.

2. ***Long-Range Planning.*** Providing advice and assistance in the development of other long-range financing plans of the Issuer.

3. ***Refundings and Tender Offers.*** Providing advice and assistance in executing a refunding or tender offer of an outstanding issuance other than by means of refunding bonds, such as by means of a bank loan or other funds of the Issuer.

4. ***Continuing Disclosure Documents.*** Preparing and providing advice with regard to the content of continuing disclosure documents in compliance with the Issuer’s continuing disclosure

undertakings for its outstanding issuances, other than in the capacity of dissemination agent under a continuing disclosure undertaking.

* * * * *

As provided in paragraph D of Section I of the Agreement, amendments to this Appendix A may be effected by replacement of this Appendix A with a new version hereof or by the addition of an addendum to this Appendix A, and this Appendix A, as it may have been amended, shall be dated and effective as of the most recent of the date set forth in any such amendment or the date set forth in any addendum to this Appendix A.

**APPENDIX B
FORM AND BASIS OF COMPENSATION**

This Appendix B sets out the form and basis of compensation to HilltopSecurities for the Municipal Advisory Services provided under this Agreement as set forth in Appendix A; provided that the compensation arrangements set forth in this Appendix B shall also apply to any additional services hereafter added to the scope of the Municipal Advisory Services, unless otherwise provided in the amendment to the Agreement relating to such change in scope of Municipal Advisory Services as provided in paragraph D of Section I of the Agreement.

I. New Issuances of Municipal Securities. The fees due HilltopSecurities in connection with the Municipal Advisory Services set forth in Section I of Appendix A hereto for each new issuance of municipal securities will not exceed those contained in our fee schedule as listed below:

\$14,000	Base Fee	
plus \$4.00 per \$1,000	for the first	\$5,000,000 of securities issued/amount of proceeds
plus \$2.00 per \$1,000	for the next	\$5,000,000 of securities issued/amount of proceeds
plus \$1.00 per \$1,000	for the next	\$40,000,000 of securities issued/amount of proceeds
plus \$0.75 per \$1,000	thereafter	

The above charges shall be based on the greater of the municipal securities issued or the amount of proceeds generated.

The above charges shall be multiplied by 1.25 for an issuance of municipal securities for which HilltopSecurities participates in the completion of an application to a federal or state government agency or for the issuance of revenue bonds, refunding bonds or variable rate bonds, reflecting the additional services required.

The payment of charges as set forth in this Section I for new issuances shall be contingent upon the delivery of the new issuance and shall be due at the time that the municipal securities are delivered.

II. Baseline Advice on Outstanding Issuances of Municipal Securities. There shall be no additional fees due HilltopSecurities in connection with the Municipal Advisory Services set forth in Section II of Appendix A hereto, with the understanding that such services are integral to HilltopSecurities' engagement as municipal advisor to the Issuer and HilltopSecurities shall be compensated for such services through and as part of the fees paid for the other services provided by HilltopSecurities hereunder.

III. Particularized Services on Outstanding Issuances of Municipal Securities. In connection with Other Post-Sale Services described in Section III of Appendix A hereto, HilltopSecurities shall provide those services at no additional cost.

In connection with the brokerage of municipal escrow investments described in Section III of Appendix A hereto, HilltopSecurities shall charge a commission that is normal and customary for investments of that type under then-current market conditions and shall disclose such commission to the Issuer so that the Issuer may consider the information in making its investment decision.

IV. Third-Party Recommendations, Proposals, Ideas or Other Matters as IRMA. In connection with its review of and advice on third-party recommendations to Issuers as an IRMA as described in Section IV of Appendix A hereto, HilltopSecurities shall provide those services at no additional cost.

V. Other Services Relating to Municipal Securities. In connection with any services described in Section V of Appendix A hereto requested by the Issuer and agreed to by HilltopSecurities, the fees due with respect to any such services shall be as agreed to by the parties hereto, which terms shall be made part of the compensation provided under this Agreement and shall be included in this Appendix as an amendment or addendum hereto.

VI. Expenses. The Issuer shall be responsible for the following expenses in connection with the Municipal Advisory Services (including any additional services hereafter added to the scope of the Municipal Advisory Services), if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by HilltopSecurities as reimbursable expenses: bond counsel fees and expenses, bond printing costs, bond ratings fees and expenses, computer structuring costs, credit enhancement fees and expenses, accountant fees for verifications and related activities in connection with refundings, official statement preparation and printing, paying agent/registrar/trustee fees and expenses, travel expenses, underwriter and underwriter's counsel fees and expenses, and other miscellaneous expenses incurred by HilltopSecurities in the furtherance of any matter for which it serves as municipal advisor, including copy, delivery, phone and other charges normally incurred in connection with engagements of this type.

The Issuer agrees that any expense that it requests that HilltopSecurities pay to any third party on the Issuer's behalf shall be made in writing and shall be in accordance with paragraph C of Section III of the Agreement.

The payment of reimbursable expenses that HilltopSecurities has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of a new issuance of municipal securities or the completion of any other transactions for which such expenses have been assumed and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by HilltopSecurities, unless otherwise provided for in any amendment or addendum hereto in connection with the compensation arrangements for any services provided under the Agreement for which such amendment or addendum is required.

APPENDIX C MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement (“Conflict Disclosures”) is provided by **Hilltop Securities Inc.** (“the Firm”) to you (the “Client”) in connection with our current municipal advisory agreement, (“the Agreement”). These Conflict Disclosures provide information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm’s conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client’s best interests without regard to the Firm’s financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm’s arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer’s annual filings and public notification of material events.

The Firm administers government investment pools. These programs offer governmental entities investment options for their cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its

clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of Client, may be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's [BrokerCheck](#) webpage.

- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of \$360,000.
- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of \$120,000 received as financial advisor on the deal, paid prejudgment interest of \$22,400.00 and a penalty of \$50,000.00.
- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay \$16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. HilltopSecurities' engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.
- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to \$822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.
- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of \$100,000 for these self-reported violations.
- In connection with a settlement on July 9, 2021, the U.S. Securities and Exchange Commission found that, between January 2016 and April 2018, the Firm bought municipal bonds for its own account from another broker-dealer and that, on occasion during that time period, the other broker-dealer mischaracterized the Firm's orders when placing them with the lead underwriter. The SEC found that, among other things, the Firm lacked policies and procedures with respect to how stock orders were submitted for new issues bonds to third parties, including the broker-dealer that mischaracterized the Firm's orders. The SEC found violations of MSRB Rules G-27, G-17, and SEC rule 15B(c)(1) and a failure to reasonably supervise within the meaning of Section 15(b)(4)(E) of the Securities Exchange Act of

1934. The Firm was censured and ordered to pay disgorgement of \$206,606, prejudgment interest of \$48,587 and a penalty of \$85,000.

II. How to Access Form MA and Form MA-I Filings. The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at [Forms MA and MA-I](#). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org/>, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – MSRB Rule G-10 Disclosure

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action on your part. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at www.msrb.org
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take you to the electronic version [MA Client Brochure](#)

PART D – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Abilene – Taylor County Events Venue District

Sale of Hotel Occupancy Tax Revenue Bonds, Series 2024

George Williford



Hotel Occupancy Tax Revenue Bonds, Series 2024

Security/Source of Repayment

- 2% Hotel Occupancy Tax (HOT) on rooms in Abilene and Taylor County

Issue Size:

Project Proceeds	\$2,000,000
Costs of Issuance	<u>95,000</u>
	\$2,095,000

Purchaser:	First Financial Bank
Interest Rate:	5.50%
Principal Maturities:	June 15, 2025-2044

Venue District Board act to authorize issuance and approve sale: June 17, 2024

- Approvals by:
- City of Abilene Council June 27, 2024
 - Taylor County Commissioners Court July 2, 2024

Closing and receipt of proceeds: July 25, 2024

Abilene-Taylor County Events Venue District

Hotel Occupancy Tax Revenue Bonds, Series 2024

(based on First Financial interest rates)

Annual Debt Service Schedule

Principal Maturity Date	Principal	Interest Rate	Interest	Total
06/15/2025	70,000.00	5.500%	102,422.22	172,422.22
06/15/2026	65,000.00	5.500%	111,375.00	176,375.00
06/15/2027	65,000.00	5.500%	107,800.00	172,800.00
06/15/2028	70,000.00	5.500%	104,225.00	174,225.00
06/15/2029	75,000.00	5.500%	100,375.00	175,375.00
06/15/2030	80,000.00	5.500%	96,250.00	176,250.00
06/15/2031	85,000.00	5.500%	91,850.00	176,850.00
06/15/2032	85,000.00	5.500%	87,175.00	172,175.00
06/15/2033	90,000.00	5.500%	82,500.00	172,500.00
06/15/2034	95,000.00	5.500%	77,550.00	172,550.00
06/15/2035	100,000.00	5.500%	72,325.00	172,325.00
06/15/2036	110,000.00	5.500%	66,825.00	176,825.00
06/15/2037	115,000.00	5.500%	60,775.00	175,775.00
06/15/2038	120,000.00	5.500%	54,450.00	174,450.00
06/15/2039	125,000.00	5.500%	47,850.00	172,850.00
06/15/2040	135,000.00	5.500%	40,975.00	175,975.00
06/15/2041	140,000.00	5.500%	33,550.00	173,550.00
06/15/2042	150,000.00	5.500%	25,850.00	175,850.00
06/15/2043	155,000.00	5.500%	17,600.00	172,600.00
06/15/2044	165,000.00	5.500%	9,075.00	174,075.00
Total	\$2,095,000.00	-	\$1,390,797.22	\$3,485,797.22

Abilene-Taylor County Events Venue District

Hotel Occupancy Tax Revenue Bonds, Series 2024

(based on First Financial interest rates)

Semi-annual Debt Service Schedule

Payment Date	Principal	Interest Rate	Interest	Total
12/15/2024	-	-	44,809.72	44,809.72
06/15/2025	70,000.00	5.500%	57,612.50	127,612.50
12/15/2025	-	-	55,687.50	55,687.50
06/15/2026	65,000.00	5.500%	55,687.50	120,687.50
12/15/2026	-	-	53,900.00	53,900.00
06/15/2027	65,000.00	5.500%	53,900.00	118,900.00
12/15/2027	-	-	52,112.50	52,112.50
06/15/2028	70,000.00	5.500%	52,112.50	122,112.50
12/15/2028	-	-	50,187.50	50,187.50
06/15/2029	75,000.00	5.500%	50,187.50	125,187.50
12/15/2029	-	-	48,125.00	48,125.00
06/15/2030	80,000.00	5.500%	48,125.00	128,125.00
12/15/2030	-	-	45,925.00	45,925.00
06/15/2031	85,000.00	5.500%	45,925.00	130,925.00
12/15/2031	-	-	43,587.50	43,587.50
06/15/2032	85,000.00	5.500%	43,587.50	128,587.50
12/15/2032	-	-	41,250.00	41,250.00
06/15/2033	90,000.00	5.500%	41,250.00	131,250.00
12/15/2033	-	-	38,775.00	38,775.00
06/15/2034	95,000.00	5.500%	38,775.00	133,775.00
12/15/2034	-	-	36,162.50	36,162.50
06/15/2035	100,000.00	5.500%	36,162.50	136,162.50
12/15/2035	-	-	33,412.50	33,412.50
06/15/2036	110,000.00	5.500%	33,412.50	143,412.50
12/15/2036	-	-	30,387.50	30,387.50
06/15/2037	115,000.00	5.500%	30,387.50	145,387.50
12/15/2037	-	-	27,225.00	27,225.00
06/15/2038	120,000.00	5.500%	27,225.00	147,225.00
12/15/2038	-	-	23,925.00	23,925.00
06/15/2039	125,000.00	5.500%	23,925.00	148,925.00
12/15/2039	-	-	20,487.50	20,487.50
06/15/2040	135,000.00	5.500%	20,487.50	155,487.50
12/15/2040	-	-	16,775.00	16,775.00
06/15/2041	140,000.00	5.500%	16,775.00	156,775.00
12/15/2041	-	-	12,925.00	12,925.00
06/15/2042	150,000.00	5.500%	12,925.00	162,925.00
12/15/2042	-	-	8,800.00	8,800.00
06/15/2043	155,000.00	5.500%	8,800.00	163,800.00
12/15/2043	-	-	4,537.50	4,537.50
06/15/2044	165,000.00	5.500%	4,537.50	169,537.50
Total	\$2,095,000.00	-	\$1,390,797.22	\$3,485,797.22

ORDER AUTHORIZING THE ISSUANCE OF ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT VENUE TAX REVENUE BOND (HOTEL OCCUPANCY TAX), SERIES 2024; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BOND; PROVIDING AN EFFECTIVE DATE AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council of the City of Abilene, Texas (the “City”), and the Commissioners Court of Taylor County, Texas (the “County”) have adopted concurrent Resolutions (the “Resolutions”) creating Abilene-Taylor County Events Venue District (the “District” or the “Issuer”);

WHEREAS, the District has organized pursuant to the provisions of the Resolutions and Chapters 334 and 335 of the Local Government Code, as amended (the “Act”); and

WHEREAS, in 2003, the Board of Directors (the “Board”) of the District declared as a venue project the planning, acquisition, establishment, development, construction, renovation and/or operation of Frontier Texas!, a museum and visitors center for transportation and Western Heritage; improvements to the Taylor County Expo Center and Shotwell Stadium, such as paving of the parking area, together with related infrastructure and other related improvements (the “Prior Venue Project”); and

WHEREAS, on February 7, 2004, the voters of the City and County approved a single proposition authorizing the Prior Venue Project and the imposition of a hotel occupancy tax at a maximum rate of two percent (2%) in the City and the County for the purpose of financing and operating the Prior Venue Project (the “Prior Venue Tax”), which Prior Venue Tax became effective April 1, 2004; and

WHEREAS, in June 2004, the District issued its Abilene-Taylor County Events Venue District Hotel Occupancy Tax Revenue Bonds, Series 2004 (the “2004 Bonds”) that are secured by the Prior Venue Tax; and

WHEREAS, the Prior Venue Tax terminated upon the final maturity of the 2004 Bonds on June 15, 2024 pursuant to Section 334.257 of the Local Government Code, as amended; and

WHEREAS, the Board adopted a Resolution on June 12, 2023 (the “Venue Designation Resolution”) to provide for the planning, acquisition, establishment, development, construction, renovation, maintenance and/or operation of: Frontier Texas!, a museum and visitors center for transportation and Western Heritage; and the Expo Center of Taylor County; together with related infrastructure and other related improvements (the “Venue Project”); and

WHEREAS, in the Venue Designation Resolution, the Board declared its intent to finance the Venue Project with the imposition of a hotel occupancy tax at a maximum rate of two percent (2%) of the price paid for a room in a hotel in the City and County, as provided by the Act, which tax would be imposed after the 2004 Bonds mature and the Prior Venue Tax terminates (the “Venue Tax”); and

WHEREAS, by letter dated June 16, 2023, the Texas Comptroller of Public Accounts (the “Comptroller”) notified the District of the Comptroller’s determination that approval and implementation of the Venue Designation Resolution and the Venue Project would have no significant negative fiscal impact on state revenue; and

WHEREAS, on August 7, 2023, the Board adopted an order calling a special election to be held on November 7, 2023 (the “Election”), at which all qualified voters of the District had the opportunity to vote on the questions of approving the financing of the Venue Project and imposing the Venue Tax; and

WHEREAS, at the Election, a majority of the voters of the District voting in the election voted in favor of the proposition authorizing the Venue Project and the imposition of the Venue Tax; and

WHEREAS, the Board canvassed the returns of the Election and declared the favorable results of the Election on November 20, 2023; and

WHEREAS, the Board found and determined that it was in the best interests of the District to impose the Venue Tax authorized by the voters at the Election with the revenue from such taxes to be pledged as security for and payment of revenue bonds, the proceeds of which shall benefit the Venue Project; and

WHEREAS, the Board adopted an order on April 3, 2024 imposing the Venue Tax (the "Venue Tax Order"); and

WHEREAS, in accordance with the election, the Venue Tax Order and the Act District began collecting the Venue Tax and depositing such collections in the Venue HOT Account within the Venue Project Fund for purposes of paying costs of the Venue Project, including the payment of the proposed bond; and

WHEREAS, the Act authorizes the District to "issue bonds, including revenue bonds and refunding bonds, or other obligations to pay the costs of the approved venue project" and provides that "bonds or other obligations must be payable from and secured by the revenues in the venue project fund"; and

WHEREAS, pursuant to the Act, the Board now seeks to authorize the issuance of a revenue bond secured by the Venue Tax (the "Bond") to fund the costs of the Venue Project; and

WHEREAS, it is now deemed necessary and advisable that said Bond be issued for the purpose set forth herein, in the amount and with the terms to be provided herein; and

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

THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT:

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

(a) The Bond of the Issuer is hereby authorized to be issued and delivered in the aggregate principal amount of \$2,095,000 for the Venue Project and paying costs of issuing the Bond.

(b) When used herein, the following defined terms shall have the meanings ascribed thereto:

"2024 Construction Account" means the account within the Venue Project Fund created in Section 7 this Order.

“*Bond*” means, the Abilene-Taylor County Events Venue District Venue Tax Revenue Bond (Hotel Occupancy Tax), Series 2024 authorized by this Order.

“*Board*” means the governing body of the Issuer.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the applicable regulations and rules promulgated in connection therewith.

“*Defeasance Securities*” means a security described in Section 17 of this Order.

“*Depository*” means one or more official depository banks of the Issuer.

“*Event of Default*” means an event as described in Section 29 of this Order.

“*Holder*” or “*Holder*s” means the registered owner, whose name appears in the Registration Books, for the Bond or any additional bond.

“*Interest and Sinking Fund*” means the special fund created and maintained pursuant to the provisions of Sections 6 and 9 of this Order.

“*Issuer*” means the Abilene-Taylor County Events Venue District.

“*Order*” means this Order finally adopted by the Board on June 17, 2024.

“*Paying Agent/Registrar*” means First Financial Trust and Asset Management Company, Abilene, Texas.

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

“*Pledged Revenues*” means those revenues derived throughout the District from the imposition of the Venue Tax.

“*Record Date*” means Record Date as defined in the Form of Bond attached hereto.

“*Registration Books*” means the books or records for the registration of the transfer, conversion and exchange of the Bond kept by the Paying Agent/Registrar.

“*Venue HOT Account*” means the account created in the Venue Tax Order and continued in Sections 6(b) and 7(b) of this Order.

“*Venue Project*” has the meaning set forth in the recitals of this Order.

“*Venue Project Fund*” means the fund created in the Venue Tax Order and continued in Section 6(a) of this Order.

“*Venue Tax*” means the additional hotel occupancy tax imposed in the District at a rate not to exceed two percent (2%) for the purpose of financing the Venue Project as set forth in the Venue Tax Order.

“*Venue Tax Order*” means the order of the Board adopted on April 3, 2024 imposing the Venue Tax;

“*Year*” means the regular fiscal or calendar year used by the Issuer or any twelve consecutive month period established by the Issuer.

Section 2. DESIGNATION, DATE, DENOMINATION, NUMBER, MATURITY AND INTEREST RATE OF BOND. The bond issued pursuant to this Order shall be designated: “VENUE TAX REVENUE BOND (HOTEL OCCUPANCY TAX), SERIES 2024,” and there shall be issued, sold, and delivered hereunder one fully registered bond, without interest coupons, dated July 25, 2024, in the denomination and principal amount of \$2,095,000, numbered R-1, with any bond issued in replacement thereof being in the denomination of the full principal amount of the series of which the bond is issued and numbered consecutively from R-2 upward, payable in installments to the registered owner thereof, or to the registered assignee of said bond (in each case, the “Registered Owner”). Principal of said Bond shall mature and be payable in installments on the dates and in the amounts stated in the FORM OF BOND set forth in this Order.

The Bond shall bear interest on the unpaid balance of the principal amount thereof, from the date of delivery to the scheduled due date of the principal installments of the Bond, at the rate of interest stated in the FORM OF BOND set forth in this Order. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this ORDER.

The term “Bond” as used in this Order shall mean and include collectively the bond initially issued and delivered pursuant to this Order and any substitute bond exchanged therefor, as well as any other substitute or replacement bond issued pursuant hereto, and the term “Bond” shall mean any such bond.

Section 3. CHARACTERISTICS OF THE BOND. (a) Registration, Transfer, Conversion, and Exchange; Authentication. The Issuer shall keep or cause to be kept at the designated corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion, and exchange of the Bond (the “Registration Books”), and the Paying Agent/Registrar shall keep such books or records and make such registrations of transfers, conversions, and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions, and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bond shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of the Bond shall be made within three (3) business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange, and delivery of a substitute Bond shall be paid as provided in the FORM OF BOND set forth in this Order. Registration of assignments, transfers, conversions, and exchanges of the Bond shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Order. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond

shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel a bond paid or surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of the Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar and, upon the execution of said Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond which initially was issued and delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

The Bond may be transferred and registered in the name of the new registered owner in whole but not in part. The Bond may only be transferred to: (i) an affiliate of the Purchaser (defined herein); (ii) a “Bank” as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the “Securities Act”); (iii) an “Accredited Investor” as defined in Regulation D under the Securities Act; or (iv) a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act.

(b) Paying Agent. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bond, all as provided in this Order. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bond, and of all conversions and exchanges the Bond, and all replacements the Bond, as provided in this Order. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the 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 appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bond to be payable only to the Registered Owner thereof, (ii) may or shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for another Bond, (v) shall have the characteristics, (vi) shall be signed, sealed, executed, and authenticated, (vii) shall have principal and interest payable, and (viii) shall be administered by the Paying Agent/Registrar, and the Issuer shall have certain duties and responsibilities with respect to the Bond, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Order. The Bond initially issued and delivered pursuant to this Order is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond issued under this Order the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the Registered Owner of the Bond that at all times while the Bond is outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bond under this Order, and that the Paying Agent/Registrar will be one such entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than fifteen (15) days notice. In the event that the entity at any time acting as Paying Agent/Registrar (or

its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Order. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bond, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bond, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Order, and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

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

(f) Delivery of Initial Bond. On the closing date, one initial Bond representing the entire principal amount of the Bond, payable in stated installments to the Purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the President and Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to such Purchaser or its designee.

Section 4. FORM OF BOND. The form of the Bond, including the form of Payment Record, the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bond initially issued and delivered pursuant to this Order, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Order:

UNITED STATES OF AMERICA
STATE OF TEXAS
ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT
VENUE TAX REVENUE BOND (HOTEL OCCUPANCY TAX), SERIES 2024

NO. R-1	UNITED STATES OF AMERICA STATE OF TEXAS	PRINCIPAL AMOUNT \$2,095,000
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<u>INTEREST RATE</u>	<u>ISSUANCE DATE</u>	<u>MATURITY DATE</u>
5.50%	July 25, 2024	June 15, 2044

REGISTERED OWNER: FIRST FINANCIAL TRUST AND ASSET MANAGEMENT COMPANY

PRINCIPAL AMOUNT: TWO MILLION NINETY-FIVE THOUSAND DOLLARS

ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT (the “Issuer”), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assign (the “Registered Owner”), the principal amount specified above, and to pay interest thereon, from the Issuance Date set forth above, on the principal amount, at the interest rate per annum set forth above, calculated on the basis of a 360-day year of twelve 30-day months. The unpaid principal of this Bond shall finally mature on the Maturity Date set forth above and shall be payable in installments on the dates and in the amounts set forth in the table below:

Payment Date(06/15)	Principal Installment(\$)
2025	70,000
2026	65,000
2027	65,000
2028	70,000
2029	75,000
2030	80,000
2031	85,000
2032	85,000
2033	90,000
2034	95,000
2035	100,000
2036	110,000
2037	115,000
2038	120,000
2039	125,000
2040	135,000
2041	140,000
2042	150,000
2043	155,000
2044	165,000

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges. The Issuer shall pay interest on this Bond on December 15, 2024, and on each June 15 and December 15 thereafter to the date of maturity. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, at the principal office of First Financial Trust and Asset Management Company, Abilene, Texas, which is the “Paying Agent/Registrar” for this Bond. The payment of all other principal installments of and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each principal and interest payment date by wire, check or draft, dated as of such principal and interest

payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the order authorizing the Bond (the "Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such wire, check or draft shall be sent by the Paying Agent/Registrar by wire transfer pursuant to instructions provided by the Registered Owner hereof or by United States mail, first-class postage prepaid, on each such payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, principal and interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the 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 owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

UPON THE PAYMENT of this Bond, the Paying Agent/Registrar shall note in the Payment Record appearing on a copy of this Bond the amount of such payment and the date said payment was made and shall then have said entry signed by an authorized official of the Paying Agent/Registrar. The Paying Agent/Registrar shall also record such information in the Bond Registration Books.

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

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

THIS BOND is dated as of July 25, 2024, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$2,095,000 for the purpose of providing funds for the Venue Project authorized at the November 7, 2023 election, and to pay costs of issuance of the Bond.

ON JUNE 15, 2034, or any date thereafter, the unpaid principal installments of this Bond may be redeemed prior to their scheduled maturity, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular principal installments or portions thereof, to be redeemed shall be selected and designated by the Issuer, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST FIFTEEN (15) days prior to the date fixed for any optional redemption of this Bond or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying

Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of this Bond at its address as it appeared on the Registration Books on the day such notice of redemption is mailed; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of this Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or portions thereof which are to be so redeemed. If such written notice of redemption is sent, if due provision for such payment is made and the redemption price is paid to the Registered Owner hereof, all as provided above, this Bond or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for redemption, and shall not be regarded as being outstanding. Such notice may be made conditional upon the receipt of funds being made available to effect such optional redemption.

UPON THE PREPAYMENT or partial redemption of this Bond, the Paying Agent/Registrar, shall note in the Payment Record appearing on a copy of this Bond the amount of such prepayment, the date said payment was made and the remaining unpaid principal balance of this Bond and shall then have said entry signed by an authorized official of the Paying Agent/Registrar. The Paying Agent/Registrar shall also record such information in the Registration Books, and the Paying Agent/Registrar shall also record in the Registration Books and on the Payment Record all payments of principal installments on such Bond when made on their respective due dates.

THIS BOND IS ISSUABLE solely as a fully registered bond, without interest coupons in the denomination in the full principal amount set forth above. As provided in the Order, this Bond, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of a fully registered Bond, without interest coupons, payable to the Registered Owner or assignee, as the case may be, having the same denomination, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in the form attached to this Bond and with guarantee of signatures, evidencing assignment of this Bond to the assignee in whose name this Bond hereof is to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring and exchanging any Bond will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

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

THIS BOND shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Order until the Certificate of Authentication shall have been executed by the Paying

Agent/Registrar or the Comptroller's Registration Certificate hereon shall have been executed by the Texas Comptroller of Public Accounts.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law.

THE BOND is a special obligation of the Issuer payable solely from and equally secured by a first lien on and pledge of the Pledged Revenues as defined and as more fully set forth in the Bond Order. Reference is hereby made to the Bond Order for a more complete statement of the covenants and provisions securing the payment of this Bond and the series of which it is one.

THE ISSUER EXPRESSLY RESERVES the right to issue further and additional obligations equally secured by a lien on and pledge of the Pledged Revenues on a parity or subordinate with the Bond without restriction.

THE ISSUER HAS RESERVED THE RIGHT to amend the Order as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owner of this Bond.

BY BECOMING the Registered Owner of this Bond, the Registered Owner hereby acknowledges all of the terms and provisions of the Order, agrees to be bound by such terms and provisions, acknowledges that the Order is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Order constitute a contract between the Registered Owner hereof and the Issuer.

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 or from any sources whatsoever other than those described in the Bond Order.

The Bond was delivered to and paid for by the Purchaser thereof on the Issuance Date set forth above.

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

(signature)
Secretary, Board of Directors

(signature)
President, Board of Directors

(SEAL)

FORM OF PAYMENT RECORD
PAYMENT RECORD

Date of Payment	Principal Payments (amount and installment(s) to which payment is applied)	Name and Title of Authorized Officer Making Entry	Signature of Authorized Officer
_____	_____	_____	_____

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

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

Dated _____

FIRST FINANCIAL TRUST AND ASSET MANAGEMENT
COMPANY
Abilene, Texas
Paying Agent/Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code of Transferee)

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

Dated: _____

Signature Guaranteed:

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

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

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

Section 5. PLEDGE OF PLEDGED REVENUES.

(a) The Issuer hereby covenants and agrees that the Pledged Revenues are hereby irrevocably pledged to the payment and security of the Bond and any additional bonds, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, all as hereinafter provided; and it is hereby ordered that the Bond, and the interest thereon, shall constitute a lien on and pledge of the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the Issuer, and the lien created hereby on the Pledged Revenues for the payment and security of the Bond and any additional bonds, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, shall be superior to the lien on and pledge of the Pledged Revenues securing payment of any subordinate obligations heretofore or hereafter issued by the Issuer.

(b) Chapter 1208, Government Code, applies to the issuance of the Bond and the pledge of the Pledged Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bond is outstanding and unpaid, the result of such

amendment being that the pledge of the Pledged Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the Holders of the Bond a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. SPECIAL FUNDS AND ACCOUNTS. To provide for the payment of the Bond and any additional bonds issued in the future and the furtherance of the Venue Project there are hereby continued, created and/or established, and are hereby confirmed and ordered to be maintained so long as the Bond and any additional bonds are outstanding, the following limited special funds and accounts:

(a) The Abilene-Taylor County Events Venue District Venue Project Fund, hereinafter called the “Venue Project Fund.”

(b) Within the Venue Project Fund, the Abilene-Taylor County Events Venue District Venue HOT Account, hereinafter called the “Venue HOT Account.”

(c) Within the Venue Project Fund, the Abilene-Taylor County Events Venue District Venue Tax Revenue Bond (Hotel Occupancy Tax) Interest and Sinking Fund, hereinafter called the “Interest and Sinking Fund.”

Each such Fund and Account shall be accounted for separate and apart from all other funds of the Issuer, and shall be maintained in a Depository of the Issuer.

Section 7. 2024 CONSTRUCTION ACCOUNT AND VENUE HOT ACCOUNT WITHIN THE VENUE PROJECT FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund within the Venue Project Fund to be entitled the “2024 Bond Construction Account” (the “2024 Construction Account”) for use by the Issuer for payment of all lawful costs associated with the Venue Project pursuant to the Act and the Election and to pay the costs incurred in connection with the issuance of the Bond. The proceeds from the sale of the Bond shall be deposited in the 2024 Construction Account and further disbursed, on the date of closing, in the manner described in a letter of instructions or closing memorandum prepared by the Issuer’s bond counsel, financial advisor or the initial purchaser of the Bond. The foregoing notwithstanding, any proceeds representing accrued interest or capitalized interest on the Bond shall be deposited on the date of closing to the credit of the Interest and Sinking Fund.

(b) The Issuer hereby continues the Venue HOT Account within the Venue Project Fund as created in the Venue Tax Order and hereby further covenants, agrees and establishes that the Pledged Revenues shall be deposited and credited to the Venue HOT Account within the Venue Project Fund immediately as collected and received.

Section 8. FLOW OF FUNDS.

(a) All Pledged Revenues deposited and credited to the Venue HOT Account shall be pledged and appropriated to the extent required for the payment of the amounts required to be deposited and credited to the Interest and Sinking Fund created and established for the payment of the Bond and any additional bonds issued by the Issuer as the same become due and payable.

(b) Any Pledged Revenues remaining in the Venue HOT Account after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used by the Issuer for the Venue Project and any other lawful purpose consistent with the Election.

Section 9. INTEREST AND SINKING FUND.

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

(b) The required deposits and credits to the Interest and Sinking Fund shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in and credited to the Interest and Sinking Fund is equal to the amount required to fully pay and discharge the Bond (principal, premium, if any, and interest) or (ii) the Bond (and any additional bonds issued) are no longer outstanding.

Section 10. RESERVED.

Section 11. DEFICIENCIES; EXCESS PLEDGED REVENUES.

(a) Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues (after making all payments pertaining to the Bond and any additional bonds issued) to make the required deposits and credits to the Interest and Sinking Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such deposits and credits shall be in addition to the amounts otherwise required to be deposited and credited to such funds.

(b) Excess Pledged Revenues. Subject to making the deposits and credits required by this Order or any orders authorizing the issuance of additional bonds, or the payments and credits required by the provisions of the orders authorizing the issuance of additional bonds heretofore or hereafter issued by the Issuer, the excess Pledged Revenues may be used for the Venue Project and any other lawful purpose consistent with the Election.

Section 12. INVESTMENT OF FUNDS; VALUATION; FUNDS SECURED; TRANSFER OF INVESTMENT INCOME.

(a) Moneys in any fund established pursuant to this Order may, at the option of the Issuer, be invested in Permitted Investments, provided that all such deposits and investments shall have a market value exclusive of accrued interest at all times at least equal to the amount of money credited to such funds, and shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. To the extent not invested, moneys in any fund established pursuant to this Order shall be secured in the manner prescribed by law for securing funds of the Issuer.

(b) All interest and income derived from such shall be credited to the Venue HOT Account semi-annually and shall constitute Pledged Revenues.

Section 13. PAYMENT OF THE BOND. While the Bond is outstanding, the Issuer shall transfer to the respective paying agent/registrars therefor, from funds on deposit in and credited to the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Bond as shall become due on each interest or principal payment date, or date of redemption of the Bond; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrars for the Bond not later than the business day next preceding the date such payment is due on the Bond. The Paying Agent/Registrar shall destroy the Bond upon its final maturity and furnish the Issuer with an appropriate certificate of cancellation or destruction.

Section 14. RESERVED.

Section 15. NO ISSUANCE OF OBLIGATIONS SENIOR TO THE BOND. The Issuer covenants and agrees that it will not issue any obligations payable from and secured, in whole or in part, by a lien on and pledge of the Pledged Revenues, senior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the Bond.

Section 16. ISSUANCE OF ADDITIONAL OBLIGATIONS. The Issuer hereby reserves the right to issue, at any time and without restriction, obligations including, but not limited to, other bonds or debt authorized by the laws of the State of Texas, payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Pledged Revenues, on parity or subordinate and inferior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the Bond.

Section 17. DEFEASANCE OF THE BOND. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a paying agent or escrow agent in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until the Defeased Bond shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bond, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem a Defeased Bond that is made in conjunction with the payment arrangements specified in (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bond for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bond immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

(c) The term “Defeasance Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bond.

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

Section 18. **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BOND.** (a) Replacement Bond. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

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

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

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

(e) Authority for Issuing A Replacement Bond. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bond is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bond in the form and manner and with the effect, as provided in Section 4(a) of this Order for a Bond issued in conversion and exchange for another Bond.

Section 19. CUSTODY, APPROVAL, AND REGISTRATION THE BOND; AND BOND COUNSEL'S OPINION. The President of the Board is hereby authorized to have control of the Bond initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bond pending delivery and investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel may, at the option of the Issuer, be printed on the Bond issued and delivered under this Order, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owner of the Bond.

Section 20. FEDERAL TAX COVENANTS. (a) General Tax Covenants Regarding Tax Exemption of Interest on the Bond. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bond as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

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

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

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

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

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

(1) proceeds of the Bond invested for a reasonable temporary period until such proceeds are needed for the purpose for which the Bond is issued,

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

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

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

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

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

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

(c) Use of Proceeds. The Issuer understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bond. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bond, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bond under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bond, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bond under section 103 of the Code. In furtherance of such

intention, the Issuer hereby authorizes and directs any authorized officer to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bond. This Order is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects financed with the proceeds of the Bond on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Bond or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bond, or (2) the date the Bond is retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Bond or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

Section 21. SALE OF THE BOND. The Bond is hereby initially sold and shall be delivered to First Financial Trust and Asset Management Company (the "Purchaser") for cash at a price of \$2,095,000, pursuant to the purchase agreement dated the date of the final passage of this Order. The President of the Board is hereby authorized to execute and deliver such agreement. The Bond shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 22. FURTHER PROCEDURES. (a) The President and Secretary of the Board, and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name, under the corporate seal, if necessary, and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Bond, and the sale of the Bond. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

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

Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bond is hereby approved and confirmed

Section 23. NO RULE 15c2-12 UNDERTAKING. The Issuer has not made an undertaking in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission (the “Rule”). The Issuer is not, therefore, obligated pursuant to the Rule to provide any on-going disclosure relating to the Issuer or the Bond.

Section 24. RESERVED

Section 25. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Order subject to the following terms and conditions, to wit:

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

(b) Except as provided in paragraph (a) above, the Registered Owner shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent the Registered Owner, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Order or in any of the Bond so as to:

- (1) Make any change in the maturity of the Bond;
- (2) Reduce the rate of interest borne by the Bond;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on the Bond;
- (4) Modify the terms of payment of principal of or interest or redemption premium, if any, on the Bond or impose any condition with respect to such payment; or
- (5) Change the requirement with respect to consent of the Registered Owner to any proposed amendment.

(c) If at any time the Issuer shall desire to amend this Order under this Section, the Issuer shall send by U.S. mail or other permitted electronic means to the Registered Owner a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owner of the Bond, which instrument

or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

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

(f) Any consent given by the Registered Owner of the Bond pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of such consent and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Issuer.

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

Section 26. APPROPRIATION. To pay the debt service coming due on the Bond, if any (as determined by the Issuer) prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 27. GOVERNING LAW. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 28. SEVERABILITY. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Order would have been enacted without such invalid provision.

Section 29. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an event of default (an "Event of Default"):

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

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

Section 30. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

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

Section 31. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bond or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Bond shall not be available as a remedy under this Order.

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

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

ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT ALLOCATION HISTORY

Fiscal Year:	Frontier Texas!	Expo Center	Shotwell
2004-2009	55.0%	25.0%	20.0%
2010-2011	53.0%	30.0%	17.0%
2012	62.5%	37.5%	0.0% *
2013-2014	60.0%	40.0%	
2015	58.0%	42.0%	
2016	57.0%	43.0%	
2017	55.0%	45.0%	
2018	55.0%	45.0%	
2019	55.0%	45.0%	
2020	53.5%	46.5%	
2021	53.5%	46.5%	
2022	52.0%	48.0%	
2023	50.5%	49.5%	
2024	50.0%	50.0%	

*On July 25, 2011, the Board approved that no allocation would be sent to the AISD-Shotwell Reserve effective October 1, 2011 (FY 2012).

Venue Allocations Effects of Changing Allocation Percentages

	Proposed FY 2025
Budgeted Total Resources	\$ 1,315,884
Less Debt payments	(172,430)
Less Admin Fee	(26,318)
Less Election	(66,668)
Total Available	\$ 1,050,468

Budgeted for Frontier Texas!	\$ 525,234	Based on current 50% allocation
Budgeted for Expo Center	525,234	Based on current 50% allocation
	\$ 1,050,468	

Frontier Texas!

	Allocation %	Budgeted FY 2025	Change in Total	Change
Current	50.0%	\$ 525,234		
-0.5%	49.5%		\$ 519,982	\$ (5,252)
-1.0%	49.0%		514,729	(10,505)
-1.5%	48.5%		509,477	(15,757)
-2.0%	48.0%		504,225	(21,009)
-2.5%	47.5%		498,972	(26,262)
0.5%	50.5%		530,486	5,252
1.0%	51.0%		535,739	10,505
1.5%	51.5%		540,991	15,757
2.0%	52.0%		546,243	21,009
2.5%	52.5%		551,496	26,262

Expo Center

	Allocation %	Budgeted FY 2025	Change in Total	Change
Current	50.0%	\$ 525,234	\$ -	
0.5%	50.5%		\$ 530,486	\$ 5,252
1.0%	51.0%		535,739	10,505
1.5%	51.5%		540,991	15,757
2.0%	52.0%		546,243	21,009
2.5%	52.5%		551,496	26,262
-0.5%	49.5%		519,982	(5,252)
-1.0%	49.0%		514,729	(10,505)
-1.5%	48.5%		509,477	(15,757)
-2.0%	48.0%		504,225	(21,009)
-2.5%	47.5%		498,972	(26,262)

Effect of % Change	
Change	Change
0.5%	\$ 5,252
1.0%	10,505
1.5%	15,757
2.0%	21,009
2.5%	26,262



MEMORANDUM

City of Abilene, Texas

To: Board of Directors of the Abilene-Taylor County Events Venue District

From: Marjorie Knight, Director of Finance

Date: June 10, 2024

Subject: 2023 Audited Financial Statements

The Abilene-Taylor County Events Venue District is audited as a fiduciary fund of the City of Abilene. The City's auditors, Forvis, LLP, have provided an unqualified (clean) opinion on the financial statements.

The attached financial report for the Venue District has been provided without the City's schedules. A separate auditor's report for the supplemental information provided for the Venue District is included.

For the fiscal year ending September 30, 2023 total assets for the Venue District are \$248,643, total liabilities are \$212,145, and total net position is \$36,498. Most of the net position is restricted for debt service.

Total revenues and expenses were \$1.3 million, remaining flat over 2023. At the close of the year, the District only had one year of payments remaining for the 2004 Hotel/Motel Tax Revenue Bonds Series 2004. The final payment on the bonds is scheduled for June 14, 2024.

We work together to build and maintain a community of the highest quality for present and future generations.

Respect • Integrity • Service Above Self • Excellence in All We Do

CITY OF ABILENE, TEXAS

ANNUAL FINANCIAL REPORT

With Supplemental Information for
Abilene-Taylor County Events
Venue District

Year Ended September 30, 2023

CITY OF ABILENE, TEXAS

Annual Financial Report
Year Ended September 30, 2023

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent Auditor's Report		1
Management's Discussion and Analysis		5
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position	A-1	21
Statement of Activities	A-2	22
Fund Financial Statements:		
Balance Sheet - Governmental Funds	B-1	24
Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position		
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	26
Reconciliation of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities		
Statement of Net Position - Proprietary Funds	B-3	28
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	B-4	30
Statement of Cash Flows - Proprietary Funds	B-5	31
Statement of Fiduciary Net Position	B-6	33
Statement of Changes in Fiduciary Net Position	B-7	34
Notes to the Financial Statements		35
REQUIRED SUPPLEMENTAL INFORMATION		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	C-1	79
Texas Municipal Retirement System and Abilene Firemen's Relief and Retirement Fund - Schedule of Changes in Net Pension Liability and Related Ratios	C-2	80
Texas Municipal Retirement System and Abilene Firemen's Relief and Retirement Fund - Schedule of Contributions	C-3	84
Texas Municipal Retirement System - Schedule of Change in the Total OPEB Liability and Related Ratios	C-4	86
Notes to Required Supplementary Information		87
OTHER SUPPLEMENTAL INFORMATION		
Abilene-Taylor County Events Venue District:		
Statements of Net Position		88
Statements of Revenues, Expenses, and Changes in Net Position		90
Schedule of Long-Term Tax Revenue Bond Payable		92

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Abilene, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Abilene, Texas (City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Abilene Firemen's Relief and Retirement Fund, a fiduciary component unit of the City, which represent approximately 41% of the total assets, 46% of fund balance/net position, and 13% of the total revenues/additions of the aggregate remaining fund information of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for the Abilene Firemen's Relief and Retirement Fund is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Abilene Convention Center Hotel Development Corporation, a discretely presented component unit of the City, and the Abilene Firemen's Relief and Retirement Fund, a fiduciary component unit of the City, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in *Notes 1, 7, and 8* to the financial statements, in fiscal year 2023 the City adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended September 30, 2023, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Abilene, Texas' basic financial statements. The supplementary information for Abilene-Taylor County Events Venue District as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements for the year ended September 30, 2023, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Abilene-Taylor County Events Venue District information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended September 30, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Abilene as of and for the year ended September 30, 2022 (not presented herein), and have issued our report thereon dated March 24, 2023, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information. The Abilene-Taylor County Events Venue District information for the year ended September 30, 2022, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The Abilene-Taylor County Events Venue District information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Abilene-Taylor County Events Venue District information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended September 30, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

FORVIS,LLP

**Dallas, Texas
March 26, 2024**

CITY OF ABILENE, TEXAS
Abilene-Taylor County Events Venue District
Statements of Net Position
September 30, 2023 and 2022

	2023		
	Venue Project Fund	Interest and Sinking Fund	Total
ASSETS:			
Cash and cash equivalents	\$ 108,304	\$ 31,498	\$ 139,802
Hotel/motel tax receivable	108,841	-	108,841
Total Assets	217,145	31,498	248,643
LIABILITIES:			
Accounts payable	212,145	-	212,145
Total Liabilities	212,145	-	212,145
NET POSITION:			
Restricted for:			
Debt service	-	31,498	31,498
Unrestricted	5,000	-	5,000
Total Net Position	\$ 5,000	\$ 31,498	\$ 36,498

2022		
Venue Project Fund	Interest and Sinking Fund	Total
\$ 98,804	\$ 29,144	\$ 127,948
105,770	-	105,770
204,574	29,144	233,718
199,574	-	199,574
199,574	-	199,574
-	29,144	29,144
5,000	-	5,000
<u>\$ 5,000</u>	<u>\$ 29,144</u>	<u>\$ 34,144</u>

CITY OF ABILENE, TEXAS
Abilene-Taylor County Events Venue District
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended September 30, 2023 and 2022

	2023		
	Venue Project Fund	Interest and Sinking Fund	Total
REVENUES:			
Hotel/motel occupancy tax	\$ 1,331,869	\$ -	\$ 1,331,869
Interest on investments	231	2,354	2,585
Total revenues	1,332,100	2,354	1,334,454
EXPENSES:			
City administrative fees	26,052	-	26,052
Frontier Texas! operating funds	605,744	-	605,744
Expo Center operating funds	594,724	-	594,724
Other disbursements	-	105,580	105,580
Total expenses	1,226,520	105,580	1,332,100
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	105,580	(103,226)	2,354
TRANSFERS			
Transfers in	-	105,580	105,580
Transfers out	(105,580)	-	(105,580)
Net transfers	(105,580)	105,580	-
NET CHANGE IN NET POSITION	-	2,354	2,354
NET POSITION - BEGINNING	5,000	29,144	34,144
NET POSITION - ENDING	\$ 5,000	\$ 31,498	\$ 36,498

2022		
Venue Project Fund	Interest and Sinking Fund	Total
\$ 1,227,838	\$ -	\$ 1,227,838
32	227	259
<u>1,227,870</u>	<u>227</u>	<u>1,228,097</u>
35,555	-	35,555
621,273	-	621,273
576,220	-	576,220
-	105,395	105,395
<u>1,233,048</u>	<u>105,395</u>	<u>1,338,443</u>
(5,178)	(105,168)	(110,346)
-	105,395	105,395
<u>(105,395)</u>	<u>-</u>	<u>(105,395)</u>
<u>(105,395)</u>	<u>105,395</u>	<u>-</u>
(110,573)	227	(110,346)
<u>115,573</u>	<u>28,917</u>	<u>144,490</u>
<u>\$ 5,000</u>	<u>\$ 29,144</u>	<u>\$ 34,144</u>

CITY OF ABILENE, TEXAS
Abilene-Taylor County Events Venue District
Schedule of Long-Term Tax Revenue Bond Payable
Debt Service Requirements to Maturity
September 30, 2023

Year	Hotel/Motel Tax Revenue Bonds, Series 2004 *		
	Principal	Interest	Total
2023-24	\$ 100,000	\$ 5,450	\$ 105,450
TOTALS	\$ 100,000	\$ 5,450	\$ 105,450

* The City of Abilene, Texas acts as the custodian of the venue taxes collected on behalf of the Abilene-Taylor County Venue District. The above debt is not the obligation of the City of Abilene, Texas and, therefore, is not reflected in the accompanying Statements of Net Position.



MEMORANDUM

City of Abilene, Texas

To: Board of Directors of the Abilene-Taylor County Events Venue District

From: Marjorie Knight, Director of Finance

Date: June 10, 2024

Subject: Revised 2024 and Proposed 2025 Budget

Attached is the Revised 2024 Budget and Proposed 2025 Budget.

2024 Revised Budget

The 2024 Budget has been updated to reflect the latest revenues and the issuance of the 2024 bonds. Transfers to debt service from the operating fund to the interest and sinking fund have been increased to \$116,004 so that enough funds will be set aside to make the December interest payment. As a result, the estimated disbursements to Expo Center and Frontier Texas! have been adjusted to \$586,781 each.

Included is a new budget for the Construction Fund. This budget provides for the receipt of the \$2.095 million in bond proceeds, an estimated \$95,000 in bond issuance costs, and \$2 million for Frontier Texas! improvements. Any amounts not disbursed for Frontier Texas! in 2024 will roll over into 2025.

2025 Proposed Budget

The Proposed Budget projects Venue tax revenues will remain flat into 2025. The full impact of the increased annual debt service requirement of \$172,430 has been included, as well as the \$66,668 in election costs the Board has agreed to reimburse the City and County. Disbursements for Frontier Texas! and the Expo Center assume the 50/50 allocation will be maintained and have been estimated at \$525,234 each.

We work together to build and maintain a community of the highest quality for present and future generations.

Respect • Integrity • Service Above Self • Excellence in All We Do

**ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT
VENUE OPERATING FUND
STATEMENT OF REVENUES & EXPENDITURES (BUDGET BASIS)
2024-25 BUDGET**

	ACTUAL 2022-23	APPROVED 2023-24	REVISED 2023-24	PROPOSED 2024-25
Beginning Undesignated Balance	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
<u>REVENUE</u>				
Venue Tax	1,328,798	1,003,480	1,315,620	1,315,620
Miscellaneous Revenue	231	175	264	264
Total Revenue	1,329,029	1,003,655	1,315,884	1,315,884
Total Resources	1,334,029	1,008,655	1,320,884	1,320,884
<u>EXPENDITURES</u>				
Transfer to Debt Service	105,580	73,806	116,004	172,430
Frontier Texas! Operating Funds	604,419	457,388	586,781	525,234
Expo Center Operating Funds	592,450	457,388	586,781	525,234
Administrative Fee	26,580	20,073	26,318	26,318
Election Costs	-	-	-	66,668
Total Expenditures	1,329,029	1,008,655	1,315,884	1,315,884
Ending Undesignated Balance	\$ 5,000	\$ -	\$ 5,000	\$ 5,000

**ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT
INTEREST AND SINKING FUND
STATEMENT OF REVENUES & EXPENDITURES (BUDGET BASIS)
2024-25 BUDGET**

	ACTUAL 2022-23	APPROVED 2023-24	REVISED 2023-24	PROPOSED 2024-25
Beginning Designated Balance	\$ 28,918	\$ 30,644	\$ 31,273	\$ 44,827
<u>REVENUE</u>				
Transfer from Project Fund	105,580	73,806	116,004	172,430
Interest on Investments	2,355	1,000	3,000	3,000
Total Revenue	107,935	74,806	119,004	175,430
Total Resources	136,853	105,450	150,277	220,257
<u>EXPENDITURES</u>				
Principal	95,000	100,000	100,000	70,000
Interest	10,580	5,450	5,450	102,430
Total Expenditures	105,580	105,450	105,450	172,430
Ending Designated Balance	\$ 31,273	\$ -	\$ 44,827	\$ 47,827

**ABILENE-TAYLOR COUNTY EVENTS VENUE DISTRICT
CONSTRUCTION FUND
STATEMENT OF REVENUES & EXPENDITURES (BUDGET BASIS)
2024-25 BUDGET**

	ACTUAL 2022-23	APPROVED 2023-24	REVISED 2023-24	PROPOSED 2024-25
Beginning Designated Balance	\$ -	\$ -	\$ -	\$ 1,500,000
<u>REVENUE</u>				
Bond Proceeds	-	-	2,095,000	-
Total Revenue	-	-	2,095,000	-
Total Resources	-	-	2,095,000	1,500,000
<u>EXPENDITURES</u>				
Frontier Texas! Improvements	-	-	500,000	1,500,000
Costs of Bond Issuance	-	-	95,000	-
Total Expenditures	-	-	595,000	1,500,000
Ending Designated Balance	\$ -	\$ -	\$ 1,500,000	\$ -