

ORDINANCE NO. _____

AUTHORIZING THE
ISSUANCE OF

CITY OF LEAGUE CITY, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS
SERIES 2019

Adopted: October 8, 2019

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ORDINANCE NO. _____

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF LEAGUE CITY, TEXAS GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2019; LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE ISSUANCE OF THE BONDS IN ACCORDANCE WITH SPECIFIED PARAMETERS; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF

THE STATE OF TEXAS §
COUNTIES OF GALVESTON AND HARRIS §

WHEREAS, the City of League City, Texas (the “City”) has heretofore issued the obligations described in the attached Schedule I (the “Refunded Obligations Candidates”); and

WHEREAS, the City Council of the City (the “City Council”) desires to refunded the Refunded Obligation Candidates in order to achieve a present value savings in debt service; and

WHEREAS, it is intended that all or a portion of the Refunded Obligation Candidates shall be designated as Refunded Obligations (as hereinafter defined) in the Pricing Certificate (as hereinafter defined) and shall be refunded pursuant to this Ordinance and the Pricing Certificate; and

WHEREAS, Chapter 1207, Texas Government Code, as amended (“Chapter 1207”), authorizes the City to issue refunding bonds for the purpose of refunding the Refunded Obligations in advance of their maturities, and to accomplish such refunding by depositing directly with a paying agent for the Refunded Obligations (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds or securities, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

WHEREAS, the City Council desires to authorize the execution of an escrow agreement or a deposit agreement, if necessary, in order to provide for the deposit of proceeds of the refunding bonds and, to the extent specified pursuant hereto, other lawfully available funds of the City, to pay the redemption price of the Refunded Obligations when due; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Obligations shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the ordinances authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated and defeased; and

WHEREAS, the City Council hereby finds and determines that the refunding contemplated

in this Ordinance will benefit the City by providing a present value saving in the debt service payable by the City, and that such benefit is sufficient consideration for the refunding of the Refunded Obligations; and

WHEREAS, the City Council hereby finds and determines that it is necessary and in the best interest of the City that it authorize by this Ordinance the issuance and delivery of its refunding bonds at this time; and

WHEREAS, Section 1207.004, Texas Government Code, as amended, authorizes the City to issue general obligation improvement bonds in combination with refunding bonds; and

WHEREAS, the City Council hereby finds and determines that the manner in which the refunding of the Refunded Obligations is being executed does not make it practicable to make the determination required by Section 1207.008(a)(2), Texas Government Code, as amended; and

WHEREAS, City Council of the City called an election to be held on May 4, 2019 (the “Election”) for the purpose of obtaining approval of the resident, qualified voters of the City for the issuance of general obligation improvement bonds for (i) the purpose of providing funds for permanent public improvements, to wit: planning, designing, constructing, improving, reconstructing, renovating, repairing, replacing and expanding flood protection and storm drainage facilities and improvements, and erosion control, including the acquisition of land therefor, and (ii) the purpose of providing funds for permanent public improvements, to wit: designing, developing, constructing, improving, extending, and expanding streets, roadways, thoroughfares, sidewalks, bridges and mobility improvements including street lighting, right-of-way protection, and related storm drainage improvements; and

WHEREAS, at said Election, the voters authorized the amount of general obligation improvement bonds set forth below in the following schedule; and

May 4, 2019 Election	Purpose	Amount Voted
Proposition A	Flood protection and drainage improvements	\$73,000,000
Proposition B	Streets, roadways and mobility improvements	\$72,000,000

WHEREAS the City Council of the City (the “City Council”) does hereby determine that general obligation improvement bonds in the amount not to exceed \$20,000,000, including any premium charged against voted authority, should be issued as a portion and installment of the \$73,000,000 general obligation improvement bonds voted as Proposition A at the Election and as a portion and installment of the \$72,000,000 general obligation improvement bonds voted as Proposition B at the Election; and

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of such general obligation improvement bonds; and

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of such general obligation public improvement bonds; and

WHEREAS, the general obligation improvement bonds are authorized to be issued pursuant to Chapter 1331, Texas Government Code, as amended; and

WHEREAS, the City has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation, and therefore qualifies as an “Issuer” under Chapter 1371 of the Texas Government Code, as amended (“Chapter 1371”); and

WHEREAS, pursuant to Chapter 1207 and Chapter 1371, the City desires to delegate the authority to effect the sale of the Bonds (as hereinafter defined) to the Authorized Officer (as hereinafter defined); and

WHEREAS, the meeting at which this Ordinance is being considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code; now, therefore

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

ARTICLE I DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01 Definitions.

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

“Acts” means Chapter 1207, Chapter 1331 and Chapter 1371.

“Authorized Officer” means the “Mayor, the City Manager or the Director of Finance of the City who are authorized to act on behalf of the City in selling and delivering the Bonds, or such other officers as designated in writing.

“Bond” means any of the Bonds.

“Bonds” means the City’s bonds authorized to be issued by Section 3.01 of this Ordinance.

“Bond Counsel” means Bracewell LLP.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are

required or authorized by law or executive order to close.

“Chapter 1207” has the meaning assigned to such term in the recitals of this Ordinance.

“Chapter 1331” has the meaning assigned to such term in the recitals of this Ordinance.

“Chapter 1371” has the meaning assigned to such term in the recitals of this Ordinance.

“City” means the City of League City, Texas.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Dated Date” means October 15, 2019 or such other date as designated in the Pricing Certificate.

“Debt Service” means collectively, all amounts due and payable with respect to the Bonds representing the principal of the Bonds and the interest thereon, payable at the times and in the manner provided herein and in the Pricing Certificate and the payment of the costs associated therewith.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Order, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” means the escrow agent, if any, designated in the Pricing Certificate.

“Escrow Agreement” means the escrow agreement by and between the City and the Escrow Agent relating to the Refunded Obligations.

“Escrow Fund” means the fund or funds established by the Escrow Agreement to hold cash and securities for the payment of debt service on the Refunded Obligations.

“Escrow Securities” means (1) direct noncallable obligations of the United States,

including obligations that are unconditionally guaranteed by the United States; (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the Pricing Certificate, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of the Pricing Certificate, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year of the City as shall be set from time to time by the City Council.

“Initial Bond” means the Initial Bond authorized by Section 3.04(d) of this Ordinance.

“Initial Purchaser” means the initial purchaser of the Bonds designated in the Pricing Certificate.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 2.02 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the principal of the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year, commencing on February 15, 2020, or as may be modified in the Pricing Certificate.

“Maturity” means the date on which the principal of the Bonds becomes due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“MSRB” means the Municipal Securities Rulemaking Board.

“Ordinance” means this Ordinance.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or any successor thereto as provided in this Ordinance.

“Paying Agent Registrar Agreement” means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the City relating to the Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer in connection with the issuance of Bonds under this Ordinance.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Refunded Obligation Candidates” mean the obligations of the City described in Schedule I attached hereto.

“Refunded Obligations” mean those obligations of the City designated as such in the Pricing Certificate from the list of Refunded Obligation Candidates.

“Register” means the bond register specified in Section 3.06(a).

“Regulations” means the applicable, proposed, temporary or final Treasury Regulations promulgated under the Code, or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representations Letter” means the Blanket Letter of Representations between the City and DTC.

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

“SEC” means the United States Securities and Exchange Commission.

“Special Payment Date” means the date that is 15 days after the Special Record Date, as described in Section 3.03(e).

“Special Record Date” means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, as described in Section 3.03(e).

“State” means the State of Texas.

“Stated Maturity” means the respective stated maturity dates of the Bonds specified in the Pricing Certificate.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal, premium, if any, or interest, or money set aside for the payment of Bonds duly called for redemption prior to Stated Maturity and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

Section 1.02 Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03 Table of Contents, Titles and Headings.

The table of contents, titles and headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04 Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Ordinance.

(d) Article and section references shall mean references to articles and sections of this Ordinance unless otherwise designated.

ARTICLE II
SECURITY FOR THE BONDS; INTEREST AND SINKING FUND

Section 2.01 Tax Levy.

(a) Pursuant to the authority granted by the Constitution and the laws of the State, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any part of the principal of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on all taxable property within the City, at a rate sufficient, within the limit prescribed by law, to pay the Debt Service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent (2%) per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all taxable property appearing on the tax rolls of the City most recently approved in accordance with law, and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds and related fees and expenses when and as due and payable in accordance with their terms and this Ordinance.

(d) To pay Debt Service on the Bonds coming due prior to receipt of the taxes levied

to pay such Debt Service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such Debt Service, and such amount shall be used for no other purpose.

Section 2.02 Interest and Sinking Fund.

(a) The City hereby establishes a special fund or account to be designated the “City of League City, Texas, General Obligation Refunding and Improvement Bonds, Series 2019, Interest and Sinking Fund” (the “Interest and Sinking Fund”) said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

(b) Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01 Authorization.

The City’s Bonds to be designated “City of League City, Texas General Obligation Refunding and Improvement Bonds, Series 2019,” and having such series designations as may be designated in the Pricing Certificate or other such title or titles as may be designated in the Pricing Certificate, are hereby authorized to be issued, delivered are hereby authorized to be issued and delivered in accordance with the Constitution and the laws of the State, including particularly the Acts. The total principal amount principal amount of the bonds to be issued pursuant to Ordinance for (x) the purpose of providing funds for permanent public improvements, to wit: planning, designing, constructing, improving, reconstructing, renovating, repairing, replacing and expanding flood protection and storm drainage facilities and improvements, and erosion control, including the acquisition of land therefor, and for the purpose of providing funds for permanent public improvements, to wit: designing, developing, constructing, improving, extending, and expanding streets, roadways, thoroughfares, sidewalks, bridges and mobility improvements including street lighting, right-of-way protection, and related storm drainage improvements, and to pay the costs of issuing the Bonds shall not exceed \$20,000,000, and (y) to provide funds for the refunding of the Refunded Obligations and to pay the costs of issuing the Bonds shall not exceed \$19,425,000. The combined total principal amount of Bonds issued under this Ordinance for the purposes specified in subsection (x) and in subsection (y) shall not exceed \$39,425,000.

Section 3.02 Date, Denomination, Maturities and Interest.

(a) The Bonds shall be dated the Dated Date and shall be in fully registered form without coupons.

(b) The Bonds shall be in the aggregate principal amount designated in the Pricing Certificate, shall be in the denomination of \$5,000 principal amount or any integral multiple

thereof and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered I-1.

(c) The Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the Pricing Certificate.

(d) Interest shall accrue and be paid on each Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03 Medium, Method and Place of Payment.

(a) Debt Service on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on each Bond shall be paid by check dated as of the Interest Payment Date, and sent United States mail, first class, postage prepaid, by the Paying Agent/Registrar to each Owner, as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements.

(c) The principal of each Bond shall be paid to the Owner thereof at Maturity upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(d) If the date for the payment of Debt Service is not a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a Special Record Date will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the Special Payment Date of the past due interest shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter.

coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6, Texas Property Code.

Section 3.04 Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem and the City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

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

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the Initial Purchaser or its designee, executed by the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary, approved by the Attorney General of the State, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds to DTC in accordance with Section 3.09 hereof. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.05 Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the Owner as

the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof for the further purpose of making and receiving payment of the interest thereon (subject to the provision herein that interest on the Bonds is to be paid to the person in whose name the Bond is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06 Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a bond register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other evidence of transfer acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, any subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within 45 days prior to the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.07 Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of such cancelled Bonds in the manner required by the Securities Exchange Act of 1934, as amended.

Section 3.08 Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its

discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.09 Book-Entry-Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

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

(c) The Representation Letter previously executed and delivered by the City, and applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Bonds.

Section 3.10 Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the City determines that it is in the best interest of the City and of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.11 Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter of the City to DTC.

ARTICLE IV
REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01 Limitation on Redemption.

The Bonds shall be subject to redemption before Stated Maturity only as provided in this Article IV and in the Pricing Certificate.

Section 4.02 Optional Redemption.

(a) The City has reserved the right to redeem at its option the Bonds maturing on and after February 15, 2029, in whole or from time to time in part, before their respective scheduled maturity dates, on February 15, 2028, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, or as may be modified in the Pricing Certificate.

(b) The City, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption and of the principal amount of Certificates to be redeemed.

Section 4.03 Mandatory Sinking Fund Redemption.

(a) The Bonds designated as “Term Bonds” in the Pricing Certificate (“Term Bonds”), if any, are subject to scheduled mandatory redemption and will be redeemed by the City, in part, at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04 Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02 hereof, the City shall determine the maturities (or mandatory sinking fund payment with respect to Term Bonds, if any) and the principal amount thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or any other customary random selection method such Bonds for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.05 Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the

address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed and subject to Section 4.04 hereof, an identification of the Bonds or portions thereof to be redeemed.

(c) The City reserves the right to give notice of its election or direction to redeem Bonds under Section 4.02 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding and the rescission of such redemption shall not constitute an event of default.

(d) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06 Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.07 Effect of Redemption.

(a) When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption. If the City shall fail to make provision for

payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the City.

Section 4.08 Lapse of Payment.

Money set aside for the redemption of the Bonds and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V PAYING AGENT/REGISTRAR

Section 5.01 Appointment of Initial Paying Agent/Registrar.

(a) The City hereby appoints The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as its initial registrar and transfer agent (the "Paying Agent/Registrar") to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Bond to which payments with respect to the Bonds shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register 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.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all conversions, exchanges and replacements of such Bonds, as provided in the Ordinance.

(c) The City hereby approves and the Mayor or Mayor Pro Tem and the City Secretary are hereby authorized to execute and deliver a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the City and the Paying Agent/Registrar.

Section 5.02 Qualifications.

Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03 Maintaining Paying Agent/Registrar.

(a) At all times while any of the Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04 Termination.

The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated (i) 45 days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided that, no such termination shall be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.05 Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address thereof in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06 Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, and by executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed herein.

Section 5.07 Delivery of Records to Successor.

The Paying Agent/Registrar, promptly upon the appointment of a successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI
FORM OF THE BONDS

Section 6.01 Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State to accompany the Initial Bonds, the Certificate of the Paying Agent/Registrar, and the Assignment form which shall accompany, appear on or be attached or affixed to each of the Bonds, (i) shall be substantially in the form set forth in the form of the Pricing Certificate attached hereto as Exhibit A, with such appropriate insertions, omissions, substitutions, and other variations as may be necessary or desirable and not prohibited by this Ordinance and the

Pricing Certificate, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any legend, if any, relating to bond insurance for the Bonds or reproduction of an opinion of counsel) as, consistently herewith, may be determined by the Authorized Officer or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State may be typewritten and photocopied or otherwise reproduced.

Section 6.02 Form of the Bonds.

The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as set forth in the form of Pricing Certificate attached hereto as Exhibit A.

Section 6.03 CUSIP Registration.

The City may secure identification numbers through the CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, or another entity that provides securities identification numbers for municipal securities, and may print such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds or any errors or omissions in the printing of such number shall be of no significance or effect in regard to the legality thereof and neither the City nor Bond Counsel to the City are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04 Legal Opinion.

The approving legal opinion of Bond Counsel may be attached to or printed on the reverse side of each Bond.

Section 6.05 Bond Insurance.

If bond insurance is obtained by the Initial Purchaser, the Bonds may bear an appropriate legend as provided by the insurer.

ARTICLE VII
SALE AND DELIVERY OF BONDS, DEPOSIT OF PROCEEDS, OFFICIAL STATEMENT

Section 7.01 Sale and Delivery of the Bonds.

(a) The Bonds shall be sold to the Initial Purchaser in accordance with the terms of this Order. As authorized by Chapter 1207 and Chapter 1371, the Authorized Officer is authorized to act on behalf of the City in selling and delivering the Bonds and in carrying out the other procedures specified in this Ordinance, including determining the price at which each of the Bonds will be sold, the number and designation of each series or subseries of Bonds to be issued, whether the Bonds will be issued as new money bonds, refunding bonds, or combination new money and refunding bonds, the form in which the Bonds shall be issued, the years and dates on which the Bonds will mature, the principal amount to mature in each of such years and the defeasance provisions for the Bonds, selecting the specific maturities or series of Refunded Obligations to be refunded by the Bonds from the list of Refunded Obligation Candidates attached hereto as Schedule I, the aggregate principal amount of Refunded Obligations, the aggregate principal amount of Bonds to be issued by the City, the rate of interest to be borne by each maturity of the Bonds, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption; selecting an escrow agent, if any, retaining a verification agent, if any, and determining all other matters relating to the issuance, sale and delivery of the Bonds and the refunding of the Refunded Obligations, all of which shall be specified in the Pricing Certificate, a form of which is attached hereto as Exhibit A, as may be amended by the Authorized Officer; subject to the following conditions:

- (i) the true interest cost for the Bonds shall not be greater than 3.250%;
- (ii) the present value savings in debt service resulting from the refunding of the Refunded Obligations shall be equal to at least \$1,500,000 of the principal amount of the Refunded Obligations, as shown by a table of calculations prepared by the City's financial advisor and attached to the Pricing Certificate; and
- (iii) the aggregate principal amount of the Bonds authorized to be issued for the purposes described in 3.01 for new money and refunding purposes shall not exceed the respective limits described in 3.01;
- (iv) the Pricing Certificate for the Bonds issued in whole or in part for new money purposes shall indicate the amount of authorized but unissued bonds that remain available to the City from the applicable voted authorization following the issuance of the Bonds approved in the Pricing Certificate;
- (v) the Pricing Certificate shall indicate the amount of refunding authority remaining after the issuance of the Bonds; and
- (vi) no Bond shall mature later than February 15, 2039.

(b) The Authorized Officer is authorized to, in conformity with this Ordinance, approve the terms, conditions and specifications for the sale of the Bonds in the Notice of Sale. The

Authorized Officer is further authorized to award the sale of the Bonds to the purchaser submitting a bid form conforming to the specification set forth in the Notice of Sale which produces the lowest true interest cost to the City. All officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Initial Bond shall initially be registered in the name of the Initial Purchaser, as applicable, or such other entity as may be specified in the Pricing Certificate.

(c) The authority granted to the Authorized Officer under Sections 7.01(a) and 7.01(c) shall expire at 11:59 p.m. on a date six months from the date of this Ordinance, unless otherwise extended by the City by separate action.

(d) The Authorized Officer and all other officers of the City are authorized to take such actions, to obtain such consents or approvals and to execute such documents, agreements, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds, pay the costs of issuance of the Bonds, and effectuate the terms and provisions of this Ordinance.

(e) The City hereby approves the preparation and distribution of a Preliminary Official Statement and a Notice of Sale for the use in the initial offering and sale of the Bonds, each in the form and with such addenda, supplements or amendments as may be approved by the Authorized Officer as evidenced by a certificate of the Authorized Officer. The City hereby authorizes the Authorized Officer to approve the form and content and the distribution of the Notice of Sale (if applicable) and the Preliminary Official Statement prepared for the use in the initial offering and sale of the Bonds and to deem the Preliminary Official Statement (with such addenda, supplements or amendments as may be approved by the Authorized Officer), final within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934. The City hereby authorizes the preparation of a final Official Statement reflecting the terms of the winning bid form and other relevant information. The use of such final Official Statement by the Initial Purchaser, as applicable (in the form and with which such appropriate variations as shall be approved by the Authorized Officer and the Representative or the Initial Purchaser, as applicable), is hereby approved and authorized, and if required, the proper officials of the City are authorized to sign such Official Statement. The proper officials of the City are authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

Section 7.02 Deposit of Proceeds.

Proceeds from the sale of the Bonds, together with other funds of the City, if any, shall, promptly upon receipt by the City, be applied as set out in the Pricing Certificate. Any proceeds remaining after the accomplishment of such purposes, including interest earnings on the investment of such proceeds, shall be deposited to the Interest and Sinking Fund.

Section 7.03 Control and Delivery of Bonds.

(a) The Mayor is hereby authorized to have control of the Initial Bonds and all necessary records and proceedings pertaining thereto pending investigation, examination, and

approval of the Attorney General of the State, registration by the Comptroller of Public Accounts of the State and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts of the State, delivery of the Bonds shall be made to the Initial Purchaser under and subject to the general supervision and direction of the Authorized Officer, against receipt by the City of all amounts due to the City under the terms of sale.

(c) All officers of the City are authorized to execute such documents, certificates and receipts and to make such elections with respect to the tax-exempt status of the Bonds, as they may deem necessary to consummate the delivery of the Bonds.

ARTICLE VIII REPRESENTATIONS AND COVENANTS

Section 8.01 Payment of the Bonds.

On or before each date on which principal, premium, if any, or interest is due on the Bonds, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such principal, premium, if any, or interest when due.

Section 8.02 Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been or will be duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

ARTICLE IX PROVISIONS CONCERNING FEDERAL INCOME TAX MATTERS

Section 9.01 General Tax Covenants.

The City intends that the interest on the Bonds be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Code. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of Section 103 and 141 through 150 of the Code. In particular, the City covenants and agrees to comply with each requirement of this Article IX; provided, however, that the City will not be required to comply with any particular requirement

of this Article IX if the City has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that (i) such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes or (ii) compliance with some other requirement specified in the Counsel’s Opinion will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement will constitute compliance with the corresponding requirement specified in this Article IX.

Section 9.02 No Private Use or Payment and No Private Loan Financing.

The City covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate the use of property financed or refinanced, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Moreover, the City will certify, through an authorized officer, employee or agent that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Refunded Bonds have not been and the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “private activity bonds” within the meaning of section 141 of the Code.

Section 9.03 No Federal Guarantee.

The City covenants and agrees not to take any action, or knowingly omit to take any action, and City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

Section 9.04 No Hedge Bonds.

The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code. Moreover, the City will certify, through an authorized officer, employee or agent that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Refunded Bonds have not been used in a manner that would cause the Refunded Bonds or the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

Section 9.05 No-Arbitrage.

The City covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code. Moreover, the City will certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the proceeds of the Refunded Bonds have not been and proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code.

Section 9.06 Arbitrage Rebate.

If the City does not qualify for an exception to the requirements of section 148(f) of the Code relating to the required rebate to the United States, the City will take all steps necessary to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys that do not represent gross proceeds of any bonds of the City, (ii) determine at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

Section 9.07 Information Reporting.

The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code.

Section 9.08 Record Retention.

The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Refunded Obligations and the Bonds until three years after the last Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

Section 9.09 Registration.

The Bonds will be issued in registered form.

Section 9.10 Deliberate Actions.

The City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to fail to meet any requirement of section 141 of the Code after the issue date of the Bonds unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, the City takes such remedial action and the City receives a Counsel's Opinion that such remedial action cures any failure to meet the requirements of section 141 of the Code.

Section 9.11 Continuing Obligation.

Notwithstanding any other provision of this Order, the City's obligations under the covenants and provisions of this Article IX will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE X
DISCHARGE

Section 10.01 Discharge.

The Bonds may be refunded, discharged or defeased in any manner now or hereafter permitted by applicable law.

ARTICLE XI
CONTINUING DISCLOSURE UNDERTAKING

Section 11.01 Annual Reports.

(a) The City shall provide annually to the MSRB, (i) within six (6) months after the end of each Fiscal Year of the City ending in or after 2019, financial information and operating data with respect to the City of the general type included in the Official Statement, being the information described in the Pricing Certificate, and including financial statements of the City if audited financial statements of the City are then available, and (ii) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded Fiscal Year, or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

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

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document, including an official statement or other offering document, if it is available from the MSRB, that theretofore has been provided to the MSRB or filed with the SEC.

Section 11.02 Event Notices.

(a) The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of the holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement

or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note to paragraphs (15) and (16): For purposes of the events identified in paragraphs (15) and (16) of this section and in the definition of Financial Obligation in Section 1.01, the City intends the words used in such paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018 (the “2018 Release”) and any further written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

(b) The City shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the City to provide required annual financial information and notices of material events in accordance with Section 11.01. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 11.03 Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any bond calls and any defeasances that cause the City to be no longer an “obligated person”.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided

in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. The provisions of this Article may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.01 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 11.04 Amendments to the Rule.

In the event the Authorized Officer, in consultation with Bond Counsel and the City's financial advisor, determines that it is necessary or desirable to amend the provisions of this Article XI in order to facilitate compliance with amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes in the Pricing Certificate for the Bonds, and

such amendments are hereby authorized and shall be deemed effective as set forth in the Pricing Certificate.

ARTICLE XII APPROVAL OF ESCROW AGREEMENT AND RELATED PROVISIONS

Section 12.01 Subscription for Securities.

The Authorized Officer is authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Escrow Securities required by and referenced in the Escrow Agreement, if any, as may be necessary for the Escrow Fund and the application for the acquisition of the Escrow Securities is hereby approved and ratified.

Section 12.02 Approval of Escrow Agreement; Deposit with Paying Agent for Refunded Obligations.

The Authorized Officer is hereby authorized to execute and deliver, or cause the execution and delivery by the Mayor or Mayor Pro Tem and the City Secretary of the City, an Escrow Agreement, having such terms and provisions as are approved by the Authorized Officer as evidenced by his execution thereof or the execution thereof by other appropriate City officials. Alternatively, the Authorized Officer may elect to deposit directly with the paying agent for the Refunded Obligations the proceeds of the Bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations and is hereby authorized to execute and deliver a deposit agreement in connection with such deposits if necessary in connection with such deposits.

Section 12.03 Redemption and Defeasance of Refunded Obligations.

Following the deposit to the Escrow Fund or with the paying agent/registrar for the Refunded Obligations, the Refunded Obligations shall be payable solely from and secured by the cash and securities on deposit in the Escrow Fund or such other fund held by the paying agent/registrar for the Refunded Obligations for the purpose of refunding the Refunded Obligations and shall cease to be payable from ad valorem taxes. The Refunded Obligations are hereby called for redemption prior to maturity on the dates and at the redemption prices set forth in the Pricing Certificate. The City Clerk is hereby authorized and directed to cause to be delivered to the paying agent/registrar for the Refunded Obligations a certified copy of this Ordinance and a copy of the Pricing Certificate calling the Refunded Obligations for redemption. The delivery of this Ordinance and the Pricing Certificate to the paying agent/registrar for the Refunded Obligations shall constitute the giving of notice of redemption to the paying agent/registrar for the Refunded Obligations, and such paying agent/registrar is hereby authorized and directed to give notice of redemption to the owners and to the insurers of the Refunded Obligations, if applicable, in accordance with the requirements of the respective ordinances authorizing the issuance thereof.

ARTICLE XIII
MISCELLANEOUS

Section 13.01 Changes to Ordinance.

The City Attorney or Bond Counsel is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of the State.

Section 13.02 Related Matters.

To satisfy in a timely manner all of the City's obligations under this Ordinance, the Mayor, the City Manager, the Director of Finance, the City Secretary and all other appropriate officers and agents of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Ordinance.

Section 13.03 Individuals Not Liable.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Bonds, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 13.04 Severability and Savings.

If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 13.05 Repealer.

All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 13.06 Force and Effect.

This Ordinance shall be in full force and effect from and after its final passage, and it is so ordained.

[Signature Page Follows]

PASSED AND APPROVED this 8th day of October, 2019.

Pat Hallisey, Mayor
City of League City, Texas

ATTEST:

Diana Stapp, City Secretary
City of League City, Texas

[SEAL]

APPROVED AS TO FORM:

Nghiem V. Doan, City Attorney
City of League City, Texas

Signature Page to City of League City, Texas Ordinance No. _____

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATION CANDIDATES

The Authorized Officer may select the specific maturities and the series of obligations constituting the Refunded Obligations from the following series of the City's outstanding obligations:

Combination Tax and Revenue Certificates of Obligation, Series 2011

Waterworks and Sewer System Revenue Bonds, Series 2011

EXHIBIT A

FORM OF PRICING CERTIFICATE

PRICING CERTIFICATE

Re: City of League City, Texas General Obligation Refunding and Improvement Bonds, Series 2019 (the “Bonds”)

I, the undersigned [Mayor/City Manager/Director of Finance] of the City of League City, Texas (the “City”), do hereby make and execute this Pricing Certificate pursuant to an ordinance adopted by the City Council of the City on October 8, 2019 (the “Ordinance”) authorizing the issuance of the referenced Bonds. Capitalized terms used in this Pricing Certificate shall have the meanings given such terms in the Ordinance.

A. Pursuant to the delegation contained in Section 7.01 of the Ordinance, the sale of the Bonds is hereby awarded to _____ (the “Initial Purchaser”) as the bidder submitting a bid form conforming to the specification set forth in the Notice of Sale which produces the lowest true interest cost to the City. The terms of the sale are hereby determined to be in the City’s best interests. The approved bid form is attached hereto as Exhibit A.

B. The Bonds shall be designated as the “City of League City, Texas, General Obligation Refunding and Improvement Bonds, Series 2019” and shall be issued in the aggregate principal amount of \$_____.

C. The Closing Date for the Bonds is scheduled for _____.

D. The sale of the Bonds at the purchase price stated below is hereby approved, subject to the terms of the Notice of Sale.

PRINCIPAL AMOUNT
BID PREMIUM _____
PURCHASE PRICE

E. The Bonds shall mature on February 15 in the years and in the principal amounts and bear interest from the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided at the per annum rates shown in the following schedule:

<u>Stated</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Stated</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
20__	\$_____	_____%	_____	\$_____	_____%
20__	_____	_____	_____	_____	_____
20__	_____	_____	_____	_____	_____

F. The Refunded Obligation Candidates to be refunded with a portion of the proceeds of the Bonds are set forth in Exhibit B hereto. The Refunded Obligations are hereby called for redemption on redemption dates specified in Exhibit B. The Refunded Obligations shall be redeemed at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date therefor.

G. As shown in the savings schedule attached hereto as Exhibit C, the refunding of the Refunded Obligations results in a net present value debt service savings of \$_____, which is approximately _____% of the principal amount of the Refunded Obligations.

H. The Bonds are subject to optional [and mandatory] redemption as set forth in form of Bond attached as Exhibit D hereto.

I. The following schedule shows the amount of voted authorization outstanding after the issuance of the Bonds:

May 4, 2019 Election	Amount Voted	Amount Charged Against Voted Authorization	Authorized but Unissued Balance
Proposition A	\$73,000,000	\$_____ ⁽¹⁾	\$_____
Proposition B	\$72,000,000	\$_____ ⁽²⁾	\$_____

⁽¹⁾ Includes \$_____ in premium counted against voted authorization.

⁽²⁾ Includes \$_____ in premium counted against voted authorization.

J. Following the issuance of the Bonds, \$_____ in refunding bond authority remains under Section 3.01(y) of this Ordinance.

K. The undersigned does hereby find, certify and represent that the foregoing terms of the Bonds satisfy the parameters contained in Sections 3.01 and 7.01 of the Ordinance.

L. The proceeds of the Bonds shall be applied as follows (the sale of the Bonds generated premium in the amount of \$_____, of which \$_____ is allocated to the new money portion of the Bonds and \$_____ is allocated to the refunding portion of the Bonds):

i. The amount of \$_____, consisting of \$_____ principal amount of the Bonds, plus premium received from the sale of the Bonds in the amount of \$_____ [and available funds of the City in the amount of \$_____], shall be used for the refunding of the Refunded Obligations;

ii. The amount of \$_____, consisting of \$_____ principal amount of Bonds plus premium received from the sale of the Bonds in the amount of \$_____, shall be used for the purpose of providing funds for permanent public improvements, to wit: planning, designing, constructing, improving, reconstructing,

renovating, repairing, replacing and expanding flood protection and storm drainage facilities and improvements, and erosion control, including the acquisition of land therefor;

iii. The amount of \$_____, consisting of \$_____ principal amount of Bonds plus premium received from the sale of the Bonds in the amount of \$_____, shall be used for the purpose of providing funds for permanent public improvements, to wit: designing, developing, constructing, improving, extending, and expanding streets, roadways, thoroughfares, sidewalks, bridges and mobility improvements including street lighting, right-of-way protection, and related storm drainage improvements;

iv. Premium received from the sale of the Bonds in the amount of \$_____ (of which \$_____ is allocated to the new money portion of the Bonds and \$_____ is allocated to the refunding portion of the Bonds) shall be used to pay the costs of issuing the Bonds; [and]

v. [Capitalized interest from premium received from the sale of the Bonds in the amount of \$_____ shall be deposited to the Interest and Sinking Fund for the Bonds and applied to the payment of interest on the Bonds during construction and for up to one year thereafter; and]

vi. Any amounts remaining following the payment of the costs of issuing the Bonds shall be deposited into the Interest and Sinking Fund designated for the Bonds.

M. [_____ is hereby designated as the Escrow Agent for the Bonds.]

N. [_____ is hereby designated as Verification Agent for the Bonds.]

[Signature Page Follows]

Executed this _____, 2019.

Authorized Officer
City of League City, Texas

EXHIBIT A

WINNING BID FORM

[Attached]

EXHIBIT B

SCHEDULE OF REFUNDED OBLIGATIONS

EXHIBIT C

SCHEDULE OF SAVINGS

EXHIBIT D

FORM OF BOND

(a) Form of Bond.

REGISTERED

No. _____

REGISTERED

\$ _____

United States of America
State of Texas
Counties of Galveston and Harris

CITY OF LEAGUE CITY, TEXAS
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NO.:</u>
_____ %	_____	_____	_____

The City of League City, Texas (the “City”), in the Counties of Galveston and Harris, State of Texas, for value received, hereby promises to pay to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the “Paying Agent/Registrar”), or such other location designated by the Paying Agent/Registrar (the “Designated Payment/Transfer Office”), of the Paying Agent/ Registrar or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that

such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the last business day of the month next preceding such interest payment date. In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the special payment date of the past due interest (the “Special Payment Date,” which date shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Bond is dated of October 15, 2019 and is one of a series of fully registered bonds specified in the title hereof, issued in the aggregate principal amount of \$____¹____, (herein referred to as the “Bonds”), issued pursuant to a certain ordinance adopted by the City Council of the City and a pricing certificate executed pursuant thereto (together, the “Ordinance”), for the purpose of providing funds for permanent public improvements, to wit: planning, designing, constructing, improving, reconstructing, renovating, repairing, replacing and expanding flood protection and storm drainage facilities and improvements, and erosion control, including the acquisition of land therefor; for the purpose of providing funds for permanent public improvements, to wit: designing, developing, constructing, improving, extending, and expanding streets, roadways, thoroughfares, sidewalks, bridges and mobility improvements including street lighting, right-of-way protection, and related storm drainage improvements; for the purpose of refunding certain outstanding obligations of the City; and to pay the costs of Issuing the Bonds.

The Bonds and the interest thereon are payable from the proceeds of a direct and continuing ad valorem tax levied, within the limits prescribed by law, against all taxable property in the City sufficient, together with certain available funds of the City on deposit in the interest and sinking fund for the Bonds, to provide for the payment of the principal of and interest on the Bonds, as described and provided in the Ordinance.

The City has reserved the option to redeem the Bonds maturing on and after February 15, 2029, in whole or, from time to time, in part before their respective scheduled maturity dates, on February 15, 2028, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be

¹ Insert from Pricing Certificate.

redeemed and shall direct the Paying Agent/Registrar to call by lot or other method that results in random selection the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

[Bonds maturing on _____ (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

<u>\$ Term Bonds Maturing</u>	
<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
_____	_____

The Paying Agent/Registrar will select for redemption by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.]²

Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

The City reserves the right to give notice of its election or direction to redeem Bonds pursuant to an optional redemption conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain outstanding and the rescission of such redemption shall not constitute an event of default. Further,

² Delete if Term Bonds are not issued.

in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

As provided in the Order, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that sufficient and proper provision for the levy and collection of taxes has been made, within the limits prescribed by law, which when collected shall be appropriated exclusively to the timely payment of the principal of and interest on the Bonds; and that the total indebtedness of the City, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be duly executed under its official seal in accordance with law.

City Secretary
City of League City, Texas

Mayor [Pro Tem]³
City of League City, Texas

[SEAL]

³ Delete if the Mayor executes the Bonds.

(b) Form of Certificate of Paying Agent/Registrar.

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Bonds referred to in the within mentioned Order. The series of Bonds of which this Bond is a part was originally issued as one Initial Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Paying Agent/Registrar

Date: _____

By: _____

(c) Form of Assignment

ASSIGNMENT

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

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

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(d) The Initial Bond shall be in the form set forth in paragraphs (a) and (d) of this Section, except that, in the event there is more than one maturity of Bonds:

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

(B) in the first paragraph the words "on the Maturity Date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on February 15 in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

(Information to be inserted from the Pricing Certificate); and

(C) the Initial Bond shall be numbered I-1.

(D) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond for each series of Bonds:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

[SEAL]

Comptroller of Public Accounts
of the State of Texas

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTIES OF GALVESTON AND HARRIS §

I, the undersigned officer of the City Council of League City, Texas, hereby certify as follows:

1. The City Council of League City, Texas convened in a regular meeting on the 8th day of Octoer, 2019, at the regular meeting place thereof within said City, and the roll was called of the duly constituted officers and members of said City, to wit:

Pat Hallisey	Mayor
Andy Mann	Council Member, Position 1
Hank Dugie	Council Member, Position 2
Larry Millican	Council Member, Position 3
Todd Kinsey	Mayor Pro Tem and Council Member, Position 4
Greg Gripon	Council Member, Position 5
Chad Tressler	Council Member, Position 6
Nick Long	Council Member, Position 7

and all of said persons were present, except the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO.

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF LEAGUE CITY, TEXAS GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2019; LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE ISSUANCE OF THE BONDS IN ACCORDANCE WITH SPECIFIED PARAMETERS; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; APPROVING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AND ENACTING OTHER PROVISIONS RELATING THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF

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

Member(s) of City Council shown present above voted "Aye".

Member(s) of City Council shown present above voted “No”.

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

SIGNED AND SEALED this 8th day of October, 2019.

City Secretary
City of League City, Texas

[SEAL]