

CITY OF BAY CITY, TEXAS

DISCLOSURE PROCEDURES

Updated as of this 28th day of April, 2020.

We hereby acknowledge that these Disclosure Procedures were approved by the City Council of the City of Bay City, Texas on this 28th day of April, 2020.

By: _____
Mayor

ATTEST:

By: _____
City Secretary

CITY OF BAY CITY, TEXAS

DISCLOSURE PROCEDURES

GENERAL

These Disclosure Procedures (the “Procedures”) are for the purpose of maintaining and evidencing the City’s internal procedures for ensuring compliance with federal and state securities laws, preparing and reviewing its disclosures in connection with the issuance of debt obligations, and complying with its continuing disclosure obligations, if any, entered into in connection with the issuance of such debt obligations. In furtherance of such purposes the City has adopted these Procedures with respect to the following:

- Identifying who is responsible for certain actions in connection with the City’s disclosure obligations;
- Providing the process by which disclosures by the City are drafted and reviewed; and
- Providing a process for helping to ensure compliance with filings required in connection with the City’s continuing disclosure undertakings.

It is the intention of the City to modify or amend these Procedures in the future in order to comply with any legal or regulatory requirements to the extent they may apply to the City and its obligations.

GENERAL OVERSIGHT

The City acknowledges that as the issuer of debt obligations, it is responsible for compliance with federal and state securities laws applicable to such obligations as well as its continuing disclosure undertakings entered into in connection therewith. The City Manager and his or her designee, the Finance Director of the City (the “Finance Director”), have general oversight responsibilities for compliance with these Procedures.

These Procedures will be used in connection with the reviewing the form and content of the City’s disclosure materials prepared, issued or distributed in connection with the City’s disclosure obligations relating to its debt obligations, including, private placement memoranda, preliminary and final official statements and any supplements thereto, audited financial statements of Comprehensive Annual Financial Reports (each referred to herein as the “Audited Financial Statements”) and other filings made with the Municipal Securities Rulemaking Board (the “MSRB”) or ratings agencies as well as financial information or operating data posted on the City’s website.

PREPARATION OF OFFERING DOCUMENTS AND RATINGS AGENCY PRESENTATIONS

The following process will be used in connection with the reviewing the form and content of the City’s offering documents, including private placement memoranda and preliminary and final official statements and any supplements thereto and ratings agency presentations.

- Unless the City has contracted with another party to provide such services, the City's Financial Advisor, with the assistance of City staff, will prepare the offering document or ratings agency presentations for review by the City and working group for the proposed financing.
- The Finance Director will seek review by and comments from appropriate members of the City staff of the City financial information or operating data described in offering documents or ratings agency presentations prior to the dissemination of such materials.
- The City Attorney will consult with City staff and any other consultants regarding disclosures contained in the offering documents or ratings agency presentations related to litigation, ongoing investigations and other general legal matters addressed in the course of his or her representation prior to the dissemination of such materials.
- The Finance Director and members of City staff with responsibility for the City financial information or operating data described in such documents will be available to respond to diligence questions prior to the dissemination of such materials.
- The City's Bond Counsel will review and comment on disclosures related to the ordinance authorizing the debt obligations, the description of the continuing disclosure undertaking, and federal income tax considerations prior to the dissemination of such materials.
- With respect to the offering documents, City Council will either approve a substantially final form of the offering document and/or delegate the approval of the offering document to the City Manager or Finance Director or another City officer or employee delegated such authority by official action of the City Council prior to the dissemination of such materials.

COMPLIANCE WITH CONTINUING DISCLOSURE UNDERTAKINGS

In the connection with the issuance of debt obligations, the City has entered into (and in the future may enter into) certain continuing disclosure undertakings for the benefit of the holders and beneficial owners of the such debt obligations in accordance with Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"). The City is required to observe these agreements for so long as it remains obligated to advance funds to pay the debt obligations, subject to amendment to or repeal of such undertakings. Under such undertakings, the City is obligated to provide certain financial information and operating data annually, and timely notice of specified material events, to the MSRB via the Electronic Municipal Market Access ("EMMA") System.

- **Updating Its Continuing Disclosure Undertakings**
 - The City, with the assistance of the Financial Advisor (if requested by the City), will review its outstanding continuing disclosure undertakings in connection with each financing and identify any failures to comply with such undertakings. Any material failures to comply with such undertakings in the five years preceding the

financing must be described in the final official statement. The City will review its disclosure regarding any such failures with Bond Counsel.

- **Annual Filing Requirements**

- The City's annual filing requirements in connection with its current continuing disclosure undertakings are outlined in Exhibit A. It is the City's intention to update Exhibit A each year upon the adoption of the City's annual budget or in connection with the issuance of a series of obligations.

- **Audited Financial Statements or Comprehensive Annual Financial Statements**

- The Finance Director will make arrangements with the City's outside auditors to schedule the preparation and presentation to the City of the City's annual Audited Financial Statements in time to allow the City to meet its continuing disclosure obligations described in Exhibit A.
- If the City's annual Audited Financial Statements are not available in sufficient time to meet its obligations described in Exhibit A, the Finance Director, or his or her designee, will arrange for the filing of unaudited financial statements by the time period specified in Exhibit A, if such filing is required, and will file an event notice stating that the audited financial statements are not yet available and will not be filed by the deadline. The event notice should indicate the approximate timeframe for when the audited financial statements will be provided.
- If the City does not file audited or unaudited financial statements by the time period specified in Exhibit A, the Finance Director, or his or her designee, will file a notice of failure to provide required annual financial information, if required by the applicable continuing disclosure undertakings.
- The Finance Director will seek review by and comments from appropriate City staff of City's annual Audited Financial Statements prior to the dissemination of such materials.

- **Annual Reports of Required Financial Information and Operating Data**

- For so long as the City is required to annually file schedules containing agreed upon financial information and operating data in connection with its continuing disclosure undertakings, the Finance Director, or his or her designee, will arrange for the schedules to be prepared on an annual basis in time to allow the City to meet its obligations as described in Exhibit A. The schedules currently required to be filed as part of the City's annual reports, if any, are described in Exhibit A. The schedules containing the required financial information and operating data may be incorporated into the City's Audited Financial Statements.

- The Finance Director will seek review by and comments from appropriate City staff regarding the City's schedules containing the required financial information and operating data prior to the dissemination of such materials.

➤ **Responsible Party**

- The Finance Director is responsible for posting the annual filings to EMMA by March 31 of each year (subject to any change in the City's fiscal year), unless a longer period is allowed under each of the City's outstanding undertakings described in Exhibit A. The City must comply with each undertaking; later undertakings do not supersede older undertakings unless the older undertakings are formally amended. The Finance Director may engage the City's Financial Advisor to facilitate the annual filings.
- Information on setting up email reminders for filings is available on the MSRB website at <http://www.msrb.org/msrb1/pdfs/Financial-Disclosure-Email-Reminders-Instructions.pdf>.
- Additional information on filing notices through the EMMA system is available on the MSRB website as part of its education center at <http://www.msrb.org/EducationCenter.aspx>.

• **Event Notices**

- The City is also obligated to provide, in a timely manner not in excess of ten business days after the occurrence of the event, notices of certain events to the MSRB through EMMA. The events giving rise to such notices are described in Exhibit B.
- City staff responsible for reviewing the portions of the City's offering documents related to their areas of responsibility will have access to this policy by which they are instructed to notify the Finance Director if they become aware of an event requiring the filing of notice.
 - The Finance Director will seek the review by members of City staff with responsibility for the City financial information or operating data described in any such notices prior to the dissemination of such notices.
 - The Finance Director will work with the City's Financial Advisor to identify resources available to assist the City in identifying those events requiring notice filings.

➤ **Responsible Party**

- The Finance Director is responsible for posting the event filings to EMMA within a timely manner, not to exceed ten business days after the occurrence of the event.

• **Event Notices – Financial Obligations**

Beginning February 27, 2019, in connection with any primary offering subject to the Rule, the City will be required to include in continuing disclosure undertakings an agreement to file, not in excess of ten business days, an Event Notice for: (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. The terms used in events (15) and (16) shall have the meanings ascribed to them in 83 F.R. 44700 (Aug. 31, 2018).

- The Finance Director is expected to have a complete understanding of new events (15) and (16) under the Rule. If the Finance Director has not received training on new events (15) and (16), the Finance Director should request training from Bond Counsel or other competent counsel.
- The Finance Director will, in consultation with Bond Counsel, be responsible for: (i) identifying existing material Financial Obligations; (ii) tracking new material Financial Obligations and amendments to new or existing Financial Obligations; and (iii) monitoring Financial Obligations for events which may reflect financial difficulties.
- To assist in monitoring compliance with new events (15) and (16), the Finance Director or his or her designee will create a list of the City's Financial Obligations (the "Financial Obligations Master List"), with the assistance of the Financial Advisor, Bond Counsel, and other outside consultants, as appropriate.
- The Financial Obligations Master List should at a minimum provide information similar in content to the recommended format that was provided by the Government Finance Officers Association in January 2019.¹
- The Finance Director will maintain and update the Financial Obligations Master List, and the City, may retain a Financial Advisor or other outside consultants, as may be necessary, to effectively maintain and continuously

¹ The GFOA recommendations are available at <http://www.gfoa.org/new-amendments-sec-rule-15c2-12-new-event-notices-related-material-financial-obligations-and-events>.

update such Master List as well as to make all filings required to be made by the City under the Continuing Disclosure Undertakings.

- The Finance Director or his or her designee shall review City agenda items in order to identify potential Financial Obligations (or a modification of an existing Financial Obligation) and shall follow up with the individual responsible for the agenda item to determine if the item rises to the level of disclosure. For purposes of this section, at a minimum, items to be considered by the Finance Director as a potential “Financial Obligation” shall include, but are not limited to:
 1. A debt obligation;
 2. A derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation;
 3. A guarantee of (1) or (2);
 4. A financing agreement, financing lease or energy savings performance contract where the City effectively borrows money at a rate of interest and pays back such borrowing over a number of years, such as for the purchase of vehicles and equipment;
 5. A line of credit, credit agreement or commercial paper program; and
 6. Any other instrument that contains “debt-like” features or terms.
- The Finance Director shall review all potential Financial Obligations for materiality, with the assistance of the Financial Advisor or Bond Counsel, as necessary, to determine whether filing is required. For purposes of this section, a determination as to the materiality of a potential Financial Obligation involves a determination as to whether a financial obligation or the terms of a financial obligation, if they affect security holders, would be important to the total mix of information made available to a reasonable investor when making an investment decision.

FINANCIAL AND OPERATING INFORMATION LISTED ON THE CITY’S WEBSITE

If the City is posting financial and operating information to the City’s website, the Finance Director will assign portions of such information to the members of City staff or consultants with responsibility for the City financial information or operating data described therein for review and comment prior to posting such materials unless such materials have previously been reviewed in accordance with these Procedures. Posting such information to the City’s website only is not sufficient to comply with the City’s undertakings described in Exhibit A; such information must also be posted to EMMA in accordance with the procedures above.

EXHIBIT A

ANNUAL FILING REQUIREMENTS UNDER CONTINUING DISCLOSURE UNDERTAKINGS²

- I. **Tax and Revenue Certificates of Obligation, Series 2010 (the “Series 2010 Certificates”)**: The final maturity date of the Series 2010 Certificates is September 1, 2030. Other than any event filings that may be required while the Series 2010 Certificates are outstanding, if the Series 2010 Certificates remain outstanding, the last filing required under the undertaking related to the Series 2010 Certificates is the audited financial statements and the annual report consisting of operating and financial information related to the fiscal year ending September 30, 2029, which will be due to the MSRB through the EMMA system not later than on March 31, 2030.

A. **Audited Financial Statements:**

1. The City agreed to provide audited financial statements, if the City commissions an audit and the audit is completed by the required time, within six months of the end of the fiscal year (currently by March 31 of each year) through the EMMA system.
2. If the audit is not complete within such time period, the City must provide the unaudited financial statements through the EMMA system. When audited financial statements become available, the City must provide the audited financial statements through the EMMA system.
3. If the City changes its fiscal year, it must post notice through the EMMA system of the change and of the date of the new fiscal year end prior to the date the City otherwise would be required to provide financial information and operating data to the MSRB.

B. **Annual Reports:**

In addition to the audited financial statements, the City is obligated to annually update financial information and operating data of the City of the general type included in the Official Statement for the Series 2010 Certificates under the following schedules (Excerpts from the Official Statement for the Series 2010 Certificates showing the listed schedules are attached hereto):

² The information in this Exhibit A is a summary of the City’s continuing disclosure undertakings. Reference is made to the ordinances authorizing the issuance of the City’s debt obligations and the offering documents for such obligations for complete information on the applicable requirements.

Schedule 1: Outstanding Debt	Schedule 9: Tax Rate Distribution
Schedule 2: Self-Supporting Debt	Schedule 10: Estimated Overlapping Taxes
Schedule 3: Debt Service	Schedule 11: Principal Taxpayers
Schedule 4: Estimated Overlapping Debt	Schedule 12: Municipal Sales Tax History
Schedule 7: Historical Analysis of Tax Rate, Levy and Collection	Schedule 13: Historical Operations of the General Fund
Schedule 8: Taxable Assessed Valuation by Category	Schedule 14: Historical Operations of the Water and Sewer Fund
Schedule 8(a): Matagorda Appraisal District Certified Totals (shows value of exemptions and net taxable value)	

II. **Tax and Revenue Certificates of Obligation, Series 2012 (the “Series 2012 Certificates”)**: The final maturity date of the Series 2012 Certificates is September 1, 2027. Other than any event filings that may be required while the Series 2012 Certificates are outstanding, if the Series 2012 Certificates remain outstanding, the last filing required under the undertaking related to the Series 2012 Certificates is the audited financial statements and the annual report consisting of operating and financial information related to the fiscal year ending September 30, 2026, which will be due to the MSRB through the EMMA system not later than on March 31, 2027.

A. **Audited Financial Statements:**

1. The City agreed to provide audited financial statements, if the City commissions an audit and the audit is completed by the required time, within six months of the end of the fiscal year (currently by March 31 of each year) through the EMMA system.
2. If the audit is not complete within such time period, the City must provide the unaudited financial statements through the EMMA system. When audited financial statements become available, the City must provide the audited financial statements through the EMMA system.
3. If the City changes its fiscal year, it must post notice through the EMMA system of the change and of the date of the new fiscal year end prior to the date the City otherwise would be required to provide financial information and operating data to the MSRB.

B. **Annual Reports:**

In addition to the audited financial statements, the City is obligated to annually update financial information and operating data of the City of the general type included in the Official Statement for the Series 2012 Certificates under the following schedules (Excerpts from the Official Statement for the Series 2012 Certificates showing the listed schedules are attached hereto):

Schedule 1: Outstanding Debt	Schedule 8: Tax Rate Distribution
Schedule 2: Outstanding Revenue Obligations	Schedule 10: Municipal Sales Tax History
Schedule 3: Debt Service Requirements	Schedule 11: Historical Operations of the Debt Service Fund
Schedule 4: Financial Ratios	Schedule 12: Historical Operations of the General Fund
Schedule 6: Taxable Assessed Valuation	Schedule 13: Historical Operations of the Water and Sewer System
Schedule 7: Ten Largest Taxpayers	

III. **Tax Note, Series 2013 (the “Series 2013 Tax Note”):**

The Series 2013 Tax Note was a direct purchase and did not have a continuing disclosure undertaking associated with it. Please refer to the Ordinance and Purchase Letter for information regarding documents that must be provided to the Purchaser (Houston Community Bank, N.A.) on an annual basis.

IV. **General Obligation Refunding Bonds, Series 2013 (the “Series 2013 Bonds”):** The final maturity date of the Series 2013 Bonds is September 1, 2024. Other than any event filings that may be required while the Series 2013 Bonds are outstanding, if the Series 2013 Bonds remain outstanding, the last filing required under the undertaking related to the Series 2013 Bonds is the audited financial statements and the annual report consisting of operating and financial information related to the fiscal year ending September 30, 2023, which will be due to the MSRB through the EMMA system not later than on March 31, 2024.

A. **Audited Financial Statements:**

1. The City agreed to provide audited financial statements, if the City commissions an audit and the audit is completed by the required time, within six months of the end of the fiscal year (currently by March 31 of each year) through the EMMA system.
2. If the audit is not complete within such time period, the City must provide the unaudited financial statements through the EMMA system. When audited financial statements become available, the City must provide the audited financial statements through the EMMA system.
3. If the City changes its fiscal year, it must post notice through the EMMA system of the change and of the date of the new fiscal year end prior to the date the City otherwise would be required to provide financial information and operating data to the MSRB.

B. Annual Reports:

In addition to the audited financial statements, the City is obligated to annually update financial information and operating data of the City of the general type included in the Official Statement for the Series 2013 Bonds under the following schedules (Excerpts from the Official Statement for the Series 2013 Bonds showing the listed schedules are attached hereto):

Schedule 1: Outstanding Debt	Schedule 8: Tax Rate Distribution
Schedule 2: Outstanding Revenue Obligations	Schedule 10: City Sales Tax Collections
Schedule 3: Debt Service Requirements	Schedule 11: Historical Operations of the Debt Service Fund
Schedule 4: Financial Ratios	Schedule 12: Historical Operations of the General Fund
Schedule 6: Taxable Assessed Valuation	Schedule 13: Historical Operations of the Water and Sewer System
Schedule 7: Ten Largest Taxpayers	

- V. **Tax and Revenue Certificates of Obligation, Series 2014 (the “Series 2014 Certificates”)**: The final maturity date of the Series 2014 Certificates is September 1, 2034. Other than any event filings that may be required while the Series 2014 Certificates are outstanding, if the Series 2014 Certificates remain outstanding, the last filing required under the undertaking related to the Series 2014 Certificates is the audited financial statements and the annual report consisting of operating and financial information related to the fiscal year ending September 30, 2033, which will be due to the MSRB through the EMMA system not later than on March 31, 2034.

A. Audited Financial Statements:

1. The City agreed to provide audited financial statements, if the City commissions an audit and the audit is completed by the required time, within six months of the end of the fiscal year (currently by March 31 of each year) through the EMMA system.
2. If the audit is not complete within such time period, the City must provide the unaudited financial statements through the EMMA system. When audited financial statements become available, the City must provide the audited financial statements through the EMMA system.
3. If the City changes its fiscal year, it must post notice through the EMMA system of the change and of the date of the new fiscal year end prior to the date the City otherwise would be required to provide financial information and operating data to the MSRB.

B. Annual Reports:

In addition to the audited financial statements, the City is obligated to annually update financial information and operating data of the City of the general type included in the Official Statement for the Series 2014 Certificates under the following schedules (Excerpts from the Official Statement for the Series 2014 Certificates showing the listed schedules are attached hereto):

Schedule 1: Outstanding Obligations	Schedule 7: Tax Rate Distribution
Schedule 2: Self-Supporting Debt	Schedule 8: Municipal Sales Tax History
Schedule 3: Debt Service Requirements	Schedule 9: Historical Operations of the Debt Service Fund
Schedule 4: Financial Ratios	Schedule 10: Historical Operations of the General Fund
Schedule 5: Taxable Assessed Valuation	Schedule 11: Historical Operations of the Water and Sewer System
Schedule 6: Ten Largest Taxpayers	

VI. **Tax and Revenue Certificates of Obligation, Series 2016 (the “Series 2016 Certificates”)**: The final maturity date of the Series 2016 Certificates is September 1, 2036. Other than any event filings that may be required while the Series 2016 Certificates are outstanding, if the Series 2016 Certificates remain outstanding, the last filing required under the undertaking related to the Series 2016 Certificates is the audited financial statements and the annual report consisting of operating and financial information related to the fiscal year ending September 30, 2035, which will be due to the MSRB through the EMMA system not later than on March 31, 2036.

A. Audited Financial Statements:

1. The City agreed to provide audited financial statements, if the City commissions an audit and the audit is completed by the required time, within six months of the end of the fiscal year (currently by March 31 of each year) through the EMMA system.
2. If the audit is not complete within 12 months after the fiscal year end, the City must provide the unaudited financial statements through the EMMA system within such 12-month period through the EMMA system and audited financial statements when they become available through the EMMA system.
3. If the City changes its fiscal year, it must post notice through the EMMA system of the change and of the date of the new fiscal year end prior to the date the City otherwise would be required to provide financial information and operating data to the MSRB.

B. Annual Reports:

In addition to the audited financial statements, the City is obligated to annually update financial information and operating data of the City of the general type included in the Official Statement for the Series 2016 Certificates under the following schedules (Excerpts from the Official Statement for the Series 2016 Certificates showing the listed schedules are attached hereto):

Schedule 1: Outstanding Obligations	Schedule 8: Largest Assessed Valuations
Schedule 2: Self-Supporting Debt	Schedule 9: Tax Rate Distribution
Schedule 3: Debt Service Requirements	Schedule 11: Municipal Sales Tax History
Schedule 4: Financial Ratios	Schedule 12: Historical Operations of the Debt Service Fund
Schedule 5: Tax Adequacy for Estimated Debt Service	Schedule 13: Historical Operations of the General Fund
Schedule 7: Historical Analysis of Ad Valorem Taxation	Schedule 14: Historical Operations of the Water and Sewer Fund

VII. **Tax Note, Series 2018 (the “Series 2018 Tax Note”):**

The Series 2018 Tax Note was a direct purchase and did not have a continuing disclosure undertaking associated with it. Please refer to the Ordinance and Purchase Letter for information regarding documents that must be provided to the Purchaser (ZB, N.A.) on an annual basis.

VIII. **Tax and Revenue Certificates of Obligation, Series 2020 (the “Series 2020 Certificates”):** The final maturity date of the Series 2020 Certificates is September 1, 2045. Other than any event filings that may be required while the Series 2020 Certificates are outstanding, if the Series 2020 Certificates remain outstanding, the last filing required under the undertaking related to the Series 2020 Certificates is the audited financial statements and the annual report consisting of operating and financial information related to the fiscal year ending September 30, 2044, which will be due to the MSRB through the EMMA system not later than on March 31, 2045.

A. Audited Financial Statements:

1. The City agreed to provide audited financial statements, if the City commissions an audit and the audit is completed by the required time, within six months of the end of the fiscal year (currently by March 31 of each year) through the EMMA system.
2. If the audit is not complete within 12 months after the fiscal year end, the City must provide the unaudited financial statements through the EMMA system within such 12-month period through the EMMA system and

audited financial statements when they become available through the EMMA system.

3. If the City changes its fiscal year, it must post notice through the EMMA system of the change and of the date of the new fiscal year end prior to the date the City otherwise would be required to provide financial information and operating data to the MSRB.

B. Annual Reports:

In addition to the audited financial statements, the City is obligated to annually update financial information and operating data of the City of the general type included in the Official Statement for the Series 2020 Certificates under the following schedules (Excerpts from the Official Statement for the Series 2020 Certificates showing the listed schedules are attached hereto):

Schedule 1: Outstanding Obligations	Schedule 8: Largest Assessed Valuations
Schedule 2: Self-Supporting Debt	Schedule 9: Tax Rate Distribution
Schedule 3: Debt Service Requirements	Schedule 11: Municipal Sales Tax History
Schedule 4: Tax Adequacy for Estimated Debt Service	Schedule 12: Historical Operations of the Debt Service Fund
Schedule 6: Historical Analysis of Ad Valorem Taxation	Schedule 13: Historical Operations of the General Fund
Schedule 7: Historical Analysis of the Assessed Valuation by Category	Schedule 14: Historical Operations of the Water and Sewer Fund

EXHIBIT B
EVENT NOTICES³

I. Tax and Revenue Certificates of Obligation, Series 2010 (the “Series 2010 Certificates”):

The City will provide notice of any of the following events with respect to the Obligations, if such event is material to a decision to purchase or sell Obligations:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Obligations;
- (7) modifications to rights of holders of the Obligations;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Obligations; and
- (11) rating changes.⁴

In addition, 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 its undertakings.

³ The information in this Exhibit B is a summary of the City’s continuing disclosure undertakings addressing event filings. Reference is made to the ordinances authorizing the issuance of the City’s debt obligations and the offering documents for such obligations for complete information on the applicable requirements.

⁴ Ratings changes may include changes in the ratings of any bond insurers.

II. Tax and Revenue Certificates of Obligation, Series 2012 (the “Series 2012 Certificates”); General Obligation Refunding Bonds, Series 2013 (the “Series 2013 Bonds”) Tax and Revenue Certificates of Obligation, Series 2014 (the “Series 2014 Certificates”), and Tax and Revenue Certificates of Obligation, Series 2016 (the “Series 2016 Certificates”):

The City is required to provide 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 City’s Series 2012 Certificates, Series 2013 Bonds, Series 2014 Certificates, and Series 2016 Certificates:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, 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; and
- (14) Appointment of successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

In addition, 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 its undertakings.

II. Tax and Revenue Certificates of Obligation, Series 2020 (the “Series 2020 Certificates”):

The City is required to 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 Certificates:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, 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 Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of the holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;

- (11) Rating changes;⁵
- (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; and
- (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 1.1, 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 affected by the 2018 Release.

In addition, 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 its undertakings.

⁵ Ratings changes may include changes in the ratings of any bond insurers.