

ORDINANCE NO. 2023-07-19-12

AN ORDINANCE AUTHORIZING AND ORDERING THE ISSUANCE OF CITY OF ROLLINGWOOD, TEXAS GENERAL OBLIGATION BONDS, SERIES 2023; PRESCRIBING THE TERMS AND FORM THEREOF; MAKING OTHER PROVISIONS REGARDING SUCH BONDS, INCLUDING USE OF THE PROCEEDS THEREOF, AND MATTERS INCIDENT THERETO

WHEREAS, the City of Rollingwood, Texas (the "City"), acting through its City Council, is authorized by the Constitution and laws of the State of Texas, particularly Chapter 1331, Texas Government Code, as amended, to issue bonds to construct or purchase permanent improvements inside the municipal boundaries, including public buildings, waterworks, or sewers;

WHEREAS, the issuance of the bonds herein authorized was approved by the voters of the City at an election held for such purpose on November 8, 2022 (the "Election"), which was duly called by the City Council, and which authorized the issuance of: (i) \$5,300,000 in bonds for making permanent public improvements as follows: constructing, acquiring, improving, renovating, expanding, developing and equipping waterworks system facilities and improvements, including fire flow improvements and acquiring lands and rights-of way for such purposes, and all matters incident or necessary thereto ("Proposition A"); and (ii) \$2,500,000 in bonds for making permanent public improvements, to wit: constructing, acquiring, improving, renovating, expanding, developing and equipping a combined City Hall and Public Safety Building and related infrastructure ("Proposition B");

WHEREAS, the City Council canvassed the returns of the Election and by Resolution declared the results to be in favor of the issuance of the Bonds;

WHEREAS, the City has not previously authorized, issued or delivered any obligations from the authorization provided by the Election;

WHEREAS, the City has now determined that it is necessary and advisable to authorize, issue and deliver the first installment of bonds authorized by Proposition A, including any premium charged against such voted authorization, in an aggregate principal amount of \$3,900,000, plus net premium of \$[_____];

WHEREAS, following the issuance of the Bonds, the City will have [\$_____]\$1,400,000 and \$2,500,000 in authorized but unissued bonds remaining from the authorization provided by the Election related to Proposition A and Proposition B, respectively;

WHEREAS, the City Council is of the opinion and hereby affirmatively finds that it is in the best interest of the City to issue the bonds in the amounts and for the purposes herein stated; and

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

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROLLINGWOOD:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1: Definitions. As used herein, the following terms shall have the meanings specified, unless the context clearly indicates otherwise:

“Act” shall mean Chapters 1331, Texas Government Code, as amended.

“Attorney General” shall mean the Attorney General of the State of Texas.

“Bond” or “Bonds” shall mean any or all of the City of Rollingwood, Texas General Obligation Bonds, Series 2023, authorized by this Ordinance.

“City” shall mean the City of Rollingwood, Texas and, where appropriate, its City Council.

“City Council” shall mean the governing body of the City.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“Construction Fund” shall mean the General Obligation Bonds, Series 2023 Construction Fund established by the City and described in Section 4.3 of this Ordinance.

“Debt Service Fund” shall mean the General Obligation Bonds, Series 2023 Debt Service Fund established by the City and described in Section 4.2 of this Ordinance.

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

“DTC Participant” shall mean 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.

“Election” shall mean the election held November 8, 2022 and described in the preambles of this Ordinance.

“Fiscal Year” shall mean the City’s then designated fiscal year, which currently is the twelve-month period beginning on the first day of October of a calendar year and ending on the last day of September of the next succeeding calendar year and each such period may be designated with the number of the calendar year in which such period ends.

“Interest Payment Date,” when used in connection with any Bond, shall mean February 1 and August 1 of each year, commencing February 1, 2024, until maturity or earlier redemption of such Bond.

“MSRB” means the Municipal Securities Rulemaking Board.

“Ordinance” shall mean this Ordinance and all amendments hereof and supplements hereto.

“Outstanding”, when used with reference to the Bonds, shall mean, as of a particular date, all Bonds theretofore and thereupon delivered pursuant to this Ordinance except: (a) any Bonds canceled by or on behalf of the City at or before such date; (b) any Bonds defeased pursuant to the defeasance provisions of this Ordinance or otherwise defeased as permitted by applicable law; and (c) any Bonds in lieu of or in substitution for which a replacement Bond shall have been delivered pursuant to this Ordinance.

“Paying Agent/Registrar” shall mean BOKF, NA, Dallas, Texas, and its successors in that capacity.

“Paying Agent/Registrar Agreement” shall mean the agreement between the City and the Paying Agent/Registrar as described more particularly in Section 5.1 hereof.

“Purchaser” means ~~_____~~ Robert W. Baird & Co., Inc.

“Record Date” shall mean the close of business on the fifteenth calendar day of the month immediately preceding the applicable Interest Payment Date.

“Register” shall mean the registration books for the Bonds kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts registered to, each Registered Owner of Bonds.

“Registered Owner” shall mean the person or entity in whose name any Bond is registered in the Register.

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

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

Section 1.2: Interpretations. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The 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. 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 the Bonds and the validity of the levy of ad valorem taxes to pay the principal of and interest on the Bonds.

Section 1.3: 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.

ARTICLE II

TERMS OF THE BONDS

Section 2.1: Amount, Purpose and Authorization. The Bonds shall be issued in fully registered form, without coupons, under and pursuant to the authority of the Act in the total authorized aggregate principal amount of ~~\$(_____)~~ \$3,885,000 for the purpose of providing all or part of the funds for the following purposes: (a) making permanent public improvements as follows: constructing, acquiring, improving, renovating, expanding, developing and equipping waterworks system facilities and improvements, including fire flow improvements and acquiring lands and rights-of way for such purposes, and all matters incident or necessary thereto, and (b) paying costs of issuing the Bonds.

Section 2.2: Designation, Date and Interest Payment Dates. The Bonds shall be designated as the “City of Rollingwood, Texas General Obligation Bonds, Series 2023,” and shall be dated August 1, 2023. The Bonds shall bear interest at the rates set forth in Section 2.3 below, from the later of the date of delivery or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on February 1 and August 1 of each year, commencing February 1, 2024, until maturity or earlier redemption.

If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Registered Owner as of the close of business on the day prior to mailing of such notice.

Section 2.3: Numbers, Denomination, Interest Rates and Maturities. The Bonds shall be initially issued bearing the numbers, in the principal amounts and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Ordinance. The Bonds shall mature on August 1 in each of the years and in the amounts set out in such schedule. Bonds delivered in transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

case at a redemption price equal to the principal amount of the Term Bonds or the portions thereof so called for redemption plus accrued interest to the date fixed for redemption:

Bonds Maturing August 1, 2012035	<u>Mandatory Redemption Dates</u> <u>(August 1)</u> <u>2034</u>	<u>Principal</u> <u>Amounts</u> <u>\$100,000</u>
	<u>2035(maturity)</u>	<u>105,000</u>
<u>Bonds Maturing August 1, 2037</u>	<u>Mandatory Redemption Dates</u> <u>(August 1)</u> <u>2036</u>	<u>Principal</u> <u>Amounts</u> <u>\$110,000</u>
	<u>2037(maturity)</u>	<u>120,000</u>
<u>Bonds Maturing August 1, 2039</u>	<u>Mandatory Redemption Dates</u> <u>(August 1)</u> <u>2038</u>	<u>Principal</u> <u>Amounts</u> <u>\$125,000</u>
	<u>2039(maturity)</u>	<u>130,000</u>
<u>Bonds Maturing August 1, 2041</u>	<u>Mandatory Redemption Dates</u> <u>(August 1)</u> <u>2040</u>	<u>Principal</u> <u>Amounts</u> <u>\$135,000</u>
	<u>2041(maturity)</u>	<u>140,000</u>
<u>Bonds Maturing August 1, 2043</u>	<u>Mandatory Redemption Dates</u> <u>(August 1)</u> <u>2042</u>	<u>Principal</u> <u>Amounts</u> <u>\$145,000</u>
	<u>2043(maturity)</u>	<u>150,000</u>
<u>Bonds Maturing August 1, 2045</u>	<u>Mandatory Redemption Dates</u> <u>(August 1)</u> <u>2044</u>	<u>Principal</u> <u>Amounts</u> <u>\$155,000</u>
	<u>2045(maturity)</u>	<u>165,000</u>
<u>Bonds Maturing August 1, 2047</u>	<u>Mandatory Redemption Dates</u> <u>(August 1)</u> <u>2046</u>	<u>Principal</u> <u>Amounts</u> <u>\$170,000</u>
	<u>2047(maturity)</u>	<u>175,000</u>
<u>Bonds Maturing August 1, 2049</u>	<u>Mandatory Redemption Dates</u> <u>(August 1)</u> <u>2048</u>	<u>Principal</u> <u>Amounts</u> <u>\$185,000</u>
	<u>2049(maturity)</u>	<u>190,000</u>

The particular Term Bonds to be redeemed shall be selected by the Registrar by lot or other customary random selection method. The principal amount of Term Bonds to be mandatorily

redeemed in each year shall be reduced by the principal amount of such Term Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been optionally redeemed and not previously credited to a mandatory sinking fund redemption.]

(c) Bonds may be redeemed in part only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Bonds for redemption, each Bond shall be treated as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond by \$5,000. Upon presentation and surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with the provisions of this Ordinance, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

(d) Notice of any redemption, identifying the Bonds or portions thereof to be redeemed, shall be sent by United States mail, first class, postage prepaid, to the Registered Owners thereof at their addresses as shown on the Register at the close of business on the business day next preceding the date of mailing such notice, not less than thirty (30) days before the date fixed for such redemption. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Bonds called for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the purpose of being paid with the funds so provided for such payment.

(e) The City reserves the right to give notice of its election or direction to optionally redeem Bonds 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 of 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.

Section 2.5: Manner of Payment, Characteristics, Execution and Authentication. The Paying Agent/Registrar is hereby appointed the paying agent for the Bonds. The Bonds shall be payable, shall have the characteristics and shall be executed, sealed, registered and authenticated, all as provided and in the manner indicated in the FORM OF BONDS set forth in Article III of this Ordinance. If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of the Bonds or before the delivery of the Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

The approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Bond Counsel, may be printed on the Bonds over the certification of the City Secretary, which may be executed in facsimile. CUSIP numbers also may be printed on the Bonds, but errors or omissions in the printing of either the opinion or the numbers shall have no effect on the validity of the Bonds.

Section 2.6: Authentication. Except for the Bonds to be initially issued, which need not be authenticated by the Paying Agent/Registrar, only such Bonds as shall bear thereon a certificate of authentication, substantially in the form provided in Article III of this Ordinance, manually executed by an authorized representative of the Paying Agent/Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bond so authenticated was delivered by the Paying Agent/Registrar hereunder.

Section 2.7: Ownership. The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and interest thereon 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. All payments made to the person deemed to be the Registered Owner of any Bond in accordance with this Section shall be valid and effective and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 2.8: Registration, Transfer and Exchange. The Paying Agent/Registrar is hereby appointed the registrar for the Bonds. So long as any Bond remains Outstanding, the Paying Agent/Registrar shall keep the Register at its office in Dallas, Texas in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of the Bonds in accordance with the terms of this Ordinance.

Each Bond shall be transferable only upon the presentation and surrender thereof at the office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented and surrendered.

All Bonds shall be exchangeable upon the presentation and surrender thereof at the office of the Paying Agent/Registrar for a Bond or Bonds, maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section 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.

All Bonds issued in transfer or exchange shall be delivered to the Registered Owners thereof at the office of the Paying Agent/Registrar or sent by United States mail, first class, postage prepaid.

The City or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

The Paying Agent/Registrar shall not be required to transfer or exchange any Bond called for redemption in whole or in part during the forty-five (45) day period immediately prior to the date fixed for redemption; provided, however, that this restriction shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of a Bond called for redemption in part.

Section 2.9: Book-Entry Only System. The definitive Bonds shall be initially issued in the form of a separate single 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 2.11 hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. 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 in this Ordinance with respect to interest checks being mailed to the Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

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. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption or (c) the payment to any DTC Participant or any other person, other than a Bondholder as shown in the Register, of any amount with respect to principal of Bonds, premium, if any, or interest on the Bonds.

Except as provided in Section 2.10 of this Ordinance, 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 Bonds, for the purpose of giving notices of redemption 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 Bonds, premium, if any, 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 principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person

other than an owner shall receive a Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance.

Section 2.10: Payments and Notices to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, as 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 the 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.

Section 2.11: Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City or the Paying Agent/Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (b) notify DTC of the availability through DTC of Bonds and transfer one or more separate 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 Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 2.12: Replacement Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond, of the same maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Registered Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar and the City.

If any Bond is lost, apparently destroyed or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and ordinances of the City, and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute, and the Paying Agent/Registrar shall authenticate and deliver, a replacement Bond of the same maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding, provided that the Registered Owner thereof shall have:

- (a) furnished to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (b) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the City to save and hold them harmless;

(c) paid 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 may be imposed; and

(d) met any other reasonable requirements of the City and the Paying Agent/Registrar.

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.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Paying Agent/Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section 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 2.13: Cancellation. All Bonds paid or redeemed in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment or redemption. The Paying Agent/Registrar shall periodically furnish the City with certificates of destruction of such Bonds.

ARTICLE III

FORM OF BONDS

The Bonds, including the Form of Comptroller's Registration Certificate, Form of Paying Agent/Registrar Authentication Certificate, Form of Statement of Insurance, if any, and Form of Assignment, shall be in substantially the form set forth in Exhibit A hereto, with such omissions, insertions and variations as may be necessary or desirable, and not prohibited by this Ordinance.

ARTICLE IV

SECURITY FOR THE BONDS

Section 4.1: Pledge and Levy of Taxes. (a) To provide for the payment of principal of and interest on the Bonds, there is hereby levied, within the limits prescribed by law, for the current year and each succeeding year thereafter, while the Bonds or any part of the principal thereof and the interest thereon remain outstanding and unpaid, an ad valorem tax upon all taxable property within the City sufficient to pay the interest on the Bonds and to create and provide a sinking fund of not less than 2% of the principal amount of the Bonds or not less than the principal payable out of such tax, whichever is greater, with full allowance being made for tax delinquencies and the

costs of tax collection, and such taxes, when collected, shall be applied to the payment of principal of and interest on the Bonds by deposit to the Debt Service Fund and to no other purpose.

(b) The City hereby declares its purpose and intent to provide and levy a tax legally sufficient to pay the principal of and interest on the Bonds, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax. As long as any Bonds remain outstanding, all moneys on deposit in, or credited to, the Debt Service Fund shall be secured by a pledge of security, as provided by law for cities in the State of Texas.

(c) To the extent necessary, the City hereby appropriates from current funds on hand and legally available therefor, funds sufficient to pay the interest on the Bonds prior to the levy of a tax in respect of the Bonds.

Section 4.2: Debt Service Fund. The General Obligation Bonds, Series 2023 Debt Service Fund (the “Debt Service Fund”) is hereby created as a special fund solely for the benefit of the Bonds. The City shall establish and maintain such fund at an official City depository and shall keep such fund separate and apart from all other funds and accounts of the City. Any amount on deposit in the Debt Service Fund shall be maintained by the City in trust for the Registered Owners of the Bonds. Such amount, plus any other amounts deposited by the City into such fund and any and all investment earnings on amounts on deposit in such fund, shall be used only to pay the principal of, premium, if any, and interest on the Bonds.

Section 4.3: Construction Fund. The General Obligation Bonds, Series 2023 Construction Fund (the “Construction Fund”) is hereby created as a special fund of the City. Money on deposit in the Construction Fund shall be used only for the purposes set forth in Section 2.1 of this Ordinance. Money on deposit in the Construction Fund may, at the option of the City, be invested as permitted by Texas law, provided that all such deposits and investments shall be made in such manner that the money required to be expended from the Construction Fund will be available at the proper time or times.

All interest and income derived from such deposits and investments shall remain in the Construction Fund, except that, to the extent required by law, such interest and income may be applied to make such payments to the United States of America as shall be required to assure that interest on the Bonds is exempt from federal income taxation. Upon the completion of the purposes set forth in Section 2.1 of this Ordinance, any surplus funds on deposit in the Construction Fund shall be transferred into the Debt Service Fund.

Section 4.4: Further Proceedings. After the Bonds to be initially issued have been executed, it shall be the duty of the Mayor to deliver the Bonds to be initially issued and all pertinent records and proceedings to the Attorney General for examination and approval. After the Bonds to be initially issued shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Upon registration of the Bonds to be initially issued, the Comptroller (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller’s registration certificate prescribed herein to be affixed or attached to the Bonds to be initially issued, and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

ARTICLE V

CONCERNING THE PAYING AGENT/REGISTRAR

Section 5.1: Acceptance. BOKF, NA, Dallas, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Bonds pursuant to the terms and provisions of the Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar. The Paying Agent/Registrar Agreement shall be substantially in the form presented herewith, the terms and provisions of which are hereby approved, and the Mayor is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest thereto and affix the City's seal. Such initial Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, and in consideration of the payment of any fees pursuant to the terms of any contract between the Paying Agent/Registrar and the City and/or the deposits of money pursuant to this Ordinance, shall be deemed to accept and agree to abide by the terms of this Ordinance.

Section 5.2: Trust Funds. All money transferred to the Paying Agent/Registrar in its capacity as Paying Agent/Registrar for the Bonds under this Ordinance (except any sums representing Paying Agent/Registrar's fees) shall be held in trust for the benefit of the City, shall be the property of the City and shall be disbursed in accordance with this Ordinance.

Section 5.3: Bonds Presented. Subject to the provisions of Section 5.4, all matured Bonds presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the City. Such Bonds shall be canceled as provided herein.

Section 5.4: Unclaimed Funds Held by the Paying Agent/Registrar. Funds held by the Paying Agent/Registrar that represent principal of and interest on the Bonds remaining unclaimed by the Registered Owner thereof after the expiration of three years from the date such funds have become due and payable (a) shall be reported and disposed of by the Paying Agent/Registrar in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent such provisions are applicable to such funds, or (b) to the extent such provisions do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City.

The Paying Agent/Registrar shall have no liability to the Registered Owners of the Bonds by virtue of actions taken in compliance with this Section.

Section 5.5: Paying Agent/Registrar May Own Bonds. The Paying Agent/Registrar in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent/Registrar.

Section 5.6: Successor Paying Agents/Registrars. The City covenants that at all times while any Bonds are Outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Bonds. The City reserves the right to change the Paying Agent/Registrar for the Bonds on not less than sixty (60) days' written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than 60 days

prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Registered Owner, by United States mail, first class, postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

ARTICLE VI

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF BONDS

Section 6.1: Sale of Bonds; Insurance (if any). The Bonds are hereby sold and shall be delivered to the Purchaser at a price of ~~\$(_____)~~ \$4,026,336.15 (which is the par amount of the Bonds plus a net premium on the Bonds of ~~\$(_____)~~ \$197,332.45 less ~~an underwriting a purchaser's~~ discount of ~~\$(_____)~~ \$55,996.30), in accordance with the terms of the Bid Form presented to and hereby approved by the City Council, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City and produced the lowest net effective interest rate. The Mayor and other appropriate officials 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. A municipal bond insurance policy will not be obtained for the Bonds.

Section 6.2: Approval, Registration and Delivery. The Mayor is hereby authorized to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Mayor and other officers and employees of the City are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Bonds and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the initial Bonds by the Comptroller. Upon registration of the Bonds, the Comptroller (or the Comptroller's certificates clerk or an assistant certificates clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificates prescribed herein to be attached or affixed to each Bond initially delivered and the seal of the Comptroller shall be impressed or printed or lithographed thereon.

Section 6.3: Offering Documents; Ratings. The City hereby approves the form and contents of the Notice of Sale and Preliminary Official Statement and the final Official Statement, dated as of the date hereof, relating to the Bonds, and any addenda, supplement or amendment thereto, and ratifies and approves the distribution of such Notice of Sale and Preliminary Official Statement and Official Statement in the offer and sale of the Bonds and in the reoffering of the Bonds by the Purchaser, with such changes therein or additions thereto as the officials executing same may deem advisable, such determination to be conclusively evidenced by their execution thereof. The Mayor is hereby authorized and directed to execute, and the City Secretary is hereby authorized and directed to attest, the final Official Statement. It is further hereby officially found, determined and declared that the statements and representations contained in the Notice of Sale and Preliminary Official Statement and final Official Statement are true and correct in all material

respects, to the best knowledge and belief of the City Council, and that, as of the date thereof, the Preliminary Official Statement was an official statement of the City with respect to the Bonds that was deemed “final” by an authorized official of the City except for the omission of no more than the information permitted by subsection (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

Further, the City Council hereby ratifies, authorizes and approves the actions of the Mayor, the City’s financial advisor and other consultants in seeking ratings on the Bonds, and such actions are hereby ratified and confirmed.

Section 6.4: Application of Proceeds of Bonds; Appropriation. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

- (1) Accrued interest, if any, shall be deposited into the Debt Service Fund created in Section 4.2 of this Ordinance;
- (2) A portion of the proceeds shall be applied to pay expenses arising in connection with the issuance of the Bonds;
- (3) The remaining proceeds shall be deposited into the Construction Fund created in Section 4.3 of this Ordinance.

Section 6.5: Tax Exemption. The City intends that the interest on the Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and all applicable temporary, proposed and final regulations (the “Regulations”) and procedures promulgated thereunder and applicable to the Bonds. For this purpose, the City covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the City shall comply with each of the following covenants:

- (a) The City will use all of the proceeds of the Bonds to (i) provide funds for the purposes described in Section 2.1 hereof, which will be owned and operated by the City and (ii) to pay the costs of issuing the Bonds.
- (b) The City will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Bonds to constitute “private activity bonds” within the meaning of Section 141(a) of the Code
- (c) Principal of and interest on the Bonds will be paid solely from ad valorem taxes collected by the City and investment earnings on such collections,

(d) Based on all of the facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered, the City reasonably expects that the proceeds of the Bonds (to the extent any of such proceeds remain unexpended) will not be used in a manner that would cause the Bonds or any portion thereof to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(e) At all times while the Bonds are outstanding, the City will identify and properly account for all amounts constituting gross proceeds of the Bonds in accordance with the Regulations. The City will monitor the yield on the investments of the proceeds of the Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds. To the extent necessary to prevent the Bonds from constituting “arbitrage bonds,” the City will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Bonds to be less than the yield that is materially higher than the yield on the Bonds.

(f) The City will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.

(g) The City represents that not more than fifty percent (50%) of the proceeds of the Bonds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the City reasonably expects that at least eighty-five percent (85%) of the spendable proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within the three-year period beginning on the date of issue of the Bonds.

(h) The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, if any, be rebated to the federal government. Specifically, the City will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the City allocable to other obligations of the City or moneys which do not represent gross proceeds of any obligations of the City and retain such records for at least six years after the day on which the last outstanding Bond is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the City will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such

error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

(i) The City will not directly or 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 such arrangement had been at arm's length and had the yield on the Bonds not been relevant to either party.

(j) The City will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as the Secretary may prescribe.

(k) The City will not issue or use the Bonds as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the City to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(l) Proper officers of the City charged with the responsibility for issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Bonds and stating whether there are facts, estimates or circumstances that would materially change the City's expectations. On or after the date of issuance of the Bonds, the City will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Bond holders and any subsequent Bond holder, and may be relied upon by the Bond holders and any subsequent Bond holder and bond counsel to the City.

In complying with the foregoing covenants, the City may rely upon an unqualified opinion issued to the City by nationally recognized bond counsel that any action by the City or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds to be includable in gross income for federal income tax purposes under existing law.

Notwithstanding any other provision of this Ordinance, the City's representations and obligations under the covenants and provisions of this Section 6.5 shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion of interest on the Bonds from the gross income of the owners for federal income tax purposes.

Section 6.6: Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (a) that during the

calendar year in which the Bonds are issued, the City (including any subordinate entities) has not designated nor will designate obligations that when aggregated with the Bonds, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; and (b) that the City reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Bonds are issued, by the City (or any subordinate entities) will not exceed \$10,000,000.

Section 6.7: Related Matters. In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, the Mayor, City Secretary and all other appropriate officers, agents, representatives and employees of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance.

ARTICLE VII

CONTINUING DISCLOSURE UNDERTAKING

Section 7.1: Annual Reports. The City shall provide annually to the MSRB, in an electronic format prescribed by the MSRB, (i) within six (6) months after the end of each fiscal year, quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in Appendix A under Tables numbered ~~(1) through (1)-3,~~ 5-7 and 11 and (ii) within twelve (12) months after the end of each fiscal year, audited financial statements of the City. Any financial statements so to be provided shall be (a) prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state or federal law or regulation and (b) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

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

The financial information and operating data to be provided pursuant to this Article may be set forth in full in one or more documents or may be included by specific reference to documents (i) available to the public on the MSRB's internet web site or (ii) filed with the SEC.

Section 7.2: Event Notice. The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) business days after the occurrence of the event), 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 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;
- (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 a successor trustee or change in the name of the trustee, if material;
- (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such 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 any such financial obligation of the City, any of which reflect financial difficulties.

For the purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding Under States Bankruptcy Code or 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 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.

For the purposes of the above described event notices (15) and (16), the term “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance this Article by the time required by this Article.

Section 7.3: Identifying Information. All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

Section 7.4: Limitations, Disclaimers and Amendments. 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.

The provisions of this Article are for the sole benefit of the Holders 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, principal 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 expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS 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.

No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under the Order for purposes of any other provision of this Order.

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 law.

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, legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this 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 (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the Holders and beneficial owners of the Bonds. 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 7.1 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. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

ARTICLE VIII

MISCELLANEOUS

Section 8.1: Defeasance. The Bonds may be discharged, defeased, redeemed or refunded in any manner now or hereafter permitted by law.

Section 8.2: Application of Chapter 1208, Government Code. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the City under Section 4.1 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the City under Section 4.1 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 8.3: Ordinance a Contract - Amendments. This Ordinance shall constitute a contract with the Registered Owners from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Registered Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Registered Owners who own in the aggregate a majority of the principal amount of the Bonds then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Registered Owners of Outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Registered Owners for consent to any such amendment, addition, or rescission.

Section 8.4: Legal Holidays. In any case where the date interest accrues and becomes payable on the Bonds or principal of the Bonds matures or the date fixed for redemption of any Bonds or a Record Date shall be in the City a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date, or the Record Date shall not occur on such date, but payment may be made or the Record Date shall occur on the next succeeding day which is not in the City a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close with the same force and effect as if (i) made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment or (ii) the Record Date had occurred on the fifteenth day of that calendar month.

Section 8.5: No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Bonds or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Bonds.

Section 8.6: Further Proceedings. The Mayor, City Secretary and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance.

Section 8.7: Severability. 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 8.8: Power to Revise Form of Documents. Notwithstanding any other provision of this Ordinance, the Mayor is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Ordinance and in the form of the documents attached hereto as exhibits as, in the judgment of the Mayor, and in the opinion of Bond Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, or as may be required for approval of the Bonds by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and

conditions of the Bonds or such documents shall be subject to the prior approval of the City Council.

Section 8.9: Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at City Hall for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 8.10: Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 8.11: Effective Date. This Ordinance shall be in force and effect from and after its passage on the date shown below.

[signature page follows]

PASSED AND APPROVED on this July 19, 2023.

CITY OF ROLLINGWOOD, TEXAS

Mayor

ATTEST

City Secretary

Seal

Exhibit A – Form of Bond

S-1

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF ROLLINGWOOD, TEXAS
GENERAL OBLIGATION BONDS, SERIES 2023

NUMBER DENOMINATION
¹R- \$ _____
REGISTERED REGISTERED

²INTEREST RATE: DATED DATE: ²MATURITY DATE: ² CUSIP:
August 1, 2023 August 1, _____

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

³THE CITY OF ROLLINGWOOD, TEXAS, a municipal corporation of the State of Texas (the “City”), for value received, hereby promises to pay to the Registered Owner identified above or its registered assigns, on the maturity date specified above (or on earlier redemption as herein provided), upon presentation and surrender of this Bond at the office of BOKF, NA, Dallas, Texas or its successor (the “Paying Agent/Registrar”), the principal amount identified above (or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption) payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due to the United States of America, and to pay interest thereon at the rate shown above, calculated on a basis of a 360-day year composed of twelve 30-day months, from the later of the date of delivery or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable on February 1 and August 1 of each year, commencing February 1, 2024, until maturity or earlier redemption of this Bond, by check sent by United States mail, first class, postage prepaid, by the

¹ Initial Bond shall be numbered T-1.

² Omitted from Initial Bond.

³ The first sentence of the initial Bond shall read as follows:

THE CITY OF ROLLINGWOOD, TEXAS, a municipal corporation of the State of Texas (the “City”), for value received, hereby promises to pay to the Registered Owner identified above or its registered assigns, on August 1 of the year of maturity specified below (or on earlier redemption as herein provided), upon presentation and surrender of this Bond at the office of BOKF, NA, Dallas Texas, or its successor (the “Paying Agent/Registrar”), the principal amount identified set forth in the following schedule: [Insert information regarding years of maturity, principal amounts and interest rates from the Section 2.3 of the Bond Ordinance] (or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption) payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due to the United States of America, and to pay interest thereon at the rate shown above, calculated on a basis of a 360-day year composed of twelve 30-day months, from the later of the date of delivery or the most recent interest payment date to which interest has been paid or duly provided for.

Paying Agent/Registrar to the Registered Owner of record as of the close of business on the last day of the calendar month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. Any accrued interest payable at maturity or earlier redemption shall be paid upon presentation and surrender of this Bond at the office of the Paying Agent/Registrar.

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS (the "Bonds") in the aggregate principal amount of ~~\$()~~\$3,885,000 issued pursuant to an ordinance adopted by the City Council of the City on July 19, 2023 (the "Ordinance") for the purpose of providing funds for public improvements in the City, including: (a) making permanent public improvements as follows: constructing, acquiring, improving, renovating, expanding, developing and equipping waterworks system facilities and improvements, including fire flow improvements and acquiring lands and rights-of way for such purposes, and all matters incident or necessary thereto, and (b) paying costs of issuing the Bonds.

⁴THIS BOND SHALL NOT BE VALID OR OBLIGATORY for any purpose or be entitled to any benefit under the Ordinance unless this Bond is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE CITY RESERVES THE RIGHT, at its option, to redeem, prior to their maturity, Bonds maturing on and after August 1, 2033, in whole or in part, on August 1, 2032, or any date thereafter, at par plus accrued interest to the date fixed for redemption. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed.

~~THE BONDS MATURING IN THE YEAR 20~~THE BONDS MATURING IN THE YEARS 2035, 2037, 2039, 2041, 2043, 2045, 2047 and 2049 (the "Term Bonds") are subject to mandatory sinking fund redemption in the following amounts (subject to reduction as hereinafter provided), on the following dates, in each case at a redemption price equal to the principal amount of the Term Bonds or the portions thereof so called for redemption plus accrued interest to the date fixed for redemption:

	<u>Mandatory Redemption Dates</u> <u>(August 1)</u>	<u>Principal</u> <u>Amounts</u>
<u>Bonds Maturing August 1, 202035</u>	<u>2034</u>	<u>\$100,000</u>
	<u>2035(maturity)</u>	<u>105,000</u>
	<u>Mandatory Redemption Dates</u> <u>(August 1)</u>	<u>Principal</u> <u>Amounts</u>
<u>Bonds Maturing August 1, 2037</u>	<u>2036</u>	<u>\$110,000</u>
	<u>2037(maturity)</u>	<u>120,000</u>

⁴ In the Initial Bond, this paragraph shall read:
THIS BOND SHALL NOT BE VALID OR OBLIGATORY for any purpose or be entitled to any benefit under the Ordinance unless this Bond is registered by the Comptroller of Public Accounts of the State of Texas by due execution of the registration certificate endorsed hereon.

<u>Bonds Maturing August 1, 2039</u>	<u>Mandatory Redemption Dates</u>	<u>Principal</u>
	<u>(August 1)</u>	<u>Amounts</u>
	2038	\$125,000
	2039(maturity)	130,000
<u>Bonds Maturing August 1, 2041</u>	<u>Mandatory Redemption Dates</u>	<u>Principal</u>
	<u>(August 1)</u>	<u>Amounts</u>
	2040	\$135,000
	2041(maturity)	140,000
<u>Bonds Maturing August 1, 2043</u>	<u>Mandatory Redemption Dates</u>	<u>Principal</u>
	<u>(August 1)</u>	<u>Amounts</u>
	2042	\$145,000
	2043(maturity)	150,000
<u>Bonds Maturing August 1, 2045</u>	<u>Mandatory Redemption Dates</u>	<u>Principal</u>
	<u>(August 1)</u>	<u>Amounts</u>
	2044	\$155,000
	2045(maturity)	165,000
<u>Bonds Maturing August 1, 2047</u>	<u>Mandatory Redemption Dates</u>	<u>Principal</u>
	<u>(August 1)</u>	<u>Amounts</u>
	2046	\$170,000
	2047(maturity)	175,000
<u>Bonds Maturing August 1, 2049</u>	<u>Mandatory Redemption Dates</u>	<u>Principal</u>
	<u>(August 1)</u>	<u>Amounts</u>
	2048	\$185,000
	2049(maturity)	190,000

The particular Term Bonds to be redeemed shall be selected by the Registrar by lot or other customary random selection method. The principal amount of Term Bonds to be mandatorily redeemed in each year shall be reduced by the principal amount of such Term Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been optionally redeemed and not previously credited to a mandatory sinking fund redemption.]

BONDS MAY BE REDEEMED IN PART only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Bonds for redemption, each Bond shall be treated as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond by \$5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with the provisions of the Ordinance, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

NOTICE OF ANY SUCH REDEMPTION, identifying the Bonds or portions thereof to be redeemed, shall be sent by United States mail, first class, postage prepaid, to the Registered Owners thereof at their addresses as shown on the books of registration at the close of business on the business day next preceding the date of mailing such notice, not less than thirty (30) days before the date fixed for such redemption. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Bonds called for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the purpose of being paid with the funds so provided for such payment.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or its authorized representative, subject to the terms and conditions of the Ordinance.

THIS BOND IS EXCHANGEABLE at the office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THE PAYING AGENT/REGISTRAR is not required to accept for transfer or exchange any Bond called for redemption, in whole or in part, during the forty-five (45) day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of an unredeemed portion of a Bond called for redemption in part.

THE CITY OR PAYING AGENT/REGISTRAR may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of a Bond. Any fee or charge of the Paying Agent/Registrar for a transfer or exchange shall be paid by the City.

THE REGISTERED OWNER of this Bond by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

IT IS HEREBY DECLARED AND REPRESENTED that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; that the Bonds do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied, within the limits prescribed by law, against all taxable property in the City and have been irrevocably pledged for such payment.

REFERENCE IS HEREBY MADE TO THE ORDINANCE, a copy of which is filed with the Paying Agent/Registrar, for the full provisions thereof, to all of which the Registered Owners of the Bonds assent by acceptance of the Bonds.

IN WITNESS WHEREOF, the City has caused its corporate seal to be impressed or placed in facsimile hereon and this Bond to be signed by the Mayor and countersigned by the City Secretary by their manual, lithographed or printed facsimile signatures.

CITY OF ROLLINGWOOD, TEXAS

Mayor

(SEAL)

COUNTERSIGNED:

City Secretary

* * *

FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE

The following form of Comptroller's Registration Certificate shall be attached or affixed to each of the Bonds initially delivered:

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
THE STATE OF TEXAS §

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 _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

* * *

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

The following form of authentication certificate shall be printed on the face of each of the Bonds other than those initially delivered:

AUTHENTICATION CERTIFICATE

This Bond is one of the Bonds described in and delivered pursuant to the within mentioned Ordinance; and, except for the Bonds initially delivered, this Bond has been issued in exchange for or replacement of a Bond, Bonds, or a portion of a Bond or Bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, NA
as Paying Agent/Registrar

By _____
Authorized Signature

Date of Authentication: _____

* * *

FORM OF ASSIGNMENT

The following form of assignment shall be printed on the back of each of the Bonds:

ASSIGNMENT

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

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

(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

DATED: _____

Signature Guaranteed: _____

Registered Owner

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond to the name of the Registered Owner as shown on the face of this bond in every particular, without any alteration, enlargement or change whatsoever.

* * *