**RESOLUTION NO. 2026-08-19-13**

**A RESOLUTION OF THE CITY OF ROLLINGWOOD, TEXAS AUTHORIZING THE DEFEASANCE AND REDEMPTION OF A PORTION OF THE OUTSTANDING CITY OF ROLLINGWOOD, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2023; APPROVING AND AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City of Rollingwood, Texas (the "City"), acting through the City Council of the City (the "City Council"), previously adopted Ordinance No. 2023-07-19-12, on July 19, 2023 (the "Ordinance") authorizing the issuance and sale of general obligation bonds designated as "City of Rollingwood, Texas General Obligation Bonds, Series 2023," dated August 1, 2023, in the original principal amount of $3,885,000 (the "Bonds"); and

**WHEREAS**, a portion of the Bonds are subject to redemption at the option of the City, in whole or in part, on August 1, 2032, or any date thereafter, at par plus accrued interest to the date fixed for redemption; and

**WHEREAS**, the Ordinance provides the notice requirements to effectuate the redemption of the eligible outstanding Bonds; and

**WHEREAS**, it is in the best interest of the City and the residents of the City to redeem a portion of the Bonds as herein provided in order to reduce the payment of interest thereon and to reduce the City's aggregate debt service requirements and legal debt outstanding;

**IT IS, THEREFORE, RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF ROLLINGWOOD, TEXAS THAT:**

Section 1. Definitions. Capitalized terms used in this Resolution have the same meaning assigned to such terms in the Ordinance, except as otherwise indicated in this Resolution.

Section 2. Redemption of Defeased Obligations.

(a) A portion of the Bonds, maturing on the dates and in the principal amounts set forth in **Exhibit A** hereto (the "Defeased Obligations"), are hereby called for redemption, and shall be redeemed on the date set forth in **Exhibit A** hereto (the "Redemption Date"). The City Council's election to exercise the City's right to redeem the Defeased Obligations and direction to provide notice of redemption is irrevocable upon the City's transfer of lawfully available funds pursuant to subsection (b) of this section.

(b) To effectuate the defeasance and redemption of the Defeased Obligations, at the direction of the Mayor, City Administrator, or Finance Director of the City (each, an "Authorized Representative"), the City shall transfer lawfully available funds in the amount sufficient to discharge the Defeased Obligations (the "Defeasance Deposit") to BOKF, NA, as the escrow agent for the Bonds (the "Escrow Agent").

(c) Notice of defeasance and redemption of the Defeased Obligations shall be provided in accordance with the Ordinance.

Section 3. Escrow Agreement. The Escrow Agreement (the "Escrow Agreement"), by and between the City and the Escrow Agent and relating to the Defeased Obligations, in substantially the form attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Resolution for all purposes, is hereby approved as to form and content, and such Escrow Agreement, together with such changes or revisions as may be necessary to accomplish the defeasance of the Defeased Obligations or benefit the City, is hereby authorized to be executed by an Authorized Representative, for and on behalf of the City and as the act and deed of the City Council; and such Escrow Agreement as executed by said officials shall be deemed approved by the City Council and constitute the Escrow Agreement herein approved.

Furthermore, each Authorized Representative, the City's Municipal Advisor, and Bond Counsel, in cooperation with the Escrow Agent, are hereby authorized and directed to make the necessary arrangements for the deposit of cash and/or the purchase of any securities referenced in the Escrow Agreement and the delivery thereof to the Escrow Agent upon delivery to the Escrow Agent of the Defeasance Deposit described in Section 2 of this Resolution which shall be deposited to the credit of the special escrow fund established and maintained by the Escrow Agent for such purpose (the "Escrow Fund"), including the execution of subscription forms or agreements, if any, for the purchase of eligible securities for investment of amounts deposited to the Escrow Fund; all as contemplated and provided by the provisions of Chapter 1207, as amended, Texas Government Code, this Resolution, and the Escrow Agreement.

Section 4. Notice of Redemption. An Authorized Representative is authorized and directed to instruct the paying agent/registrar for the Defeased Obligations to provide notice of the defeasance and redemption of the Defeased Obligations, as provided and required by the Ordinance.

Section 5. Verification Agent. An Authorized Representative is authorized to engage a recognized firm of certified or independent public accountants or other qualified finance professionals (the "Verification Agent") to verify the sufficiency of the Defeasance Deposit to accomplish the defeasance of the Defeased Obligations, to the extent such appointment is necessary or appropriate and in the event of the establishment of a net defeasance escrow fund; provided, however, that in the event of a gross defeasance of the Defeased Obligations, the sufficiency of the Defeasance Deposit to accomplish such defeasance may be certified to the City by the City's Municipal Advisor or another qualified financial institution in lieu of verification by the Verification Agent.

Section 6. Further Actions Authorized; Power to Revise Form of Documents. The Authorized Representatives and all other appropriate officers, agents and representatives of the City are hereby authorized and directed to take all other actions determined to be reasonably necessary to effectuate the defeasance and redemption of the Defeased Obligations, including, without limitation, (i) execution and delivery of all instructions, notices, certificates, consents, receipts and other instruments as may be reasonably necessary to effect the redemption of the Defeased Obligations in accordance with this Resolution and the Ordinance, (ii) approving and effecting the disbursement, transfer and application of funds of the City consistent with the provisions of this Resolution and the Escrow Agreement and (iii) approving payment of expenses incurred in connection therewith, including the fees and disbursements of the City's legal counsel and consultants.

Notwithstanding any other provision of this Resolution to the contrary, the Authorized Representatives are each hereby authorized to make or approve such revisions, additions, deletions and variations to this Resolution and in the form of the documents attached hereto as exhibits as, in the judgment of each such official or officer and in the opinion of the City's legal counsel, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 7. Recitals Incorporated. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City.

Section 8. Repealer. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 9. Choice of Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 10. Severability. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 11. Open Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 12. Headings. The titles and headings of the sections are 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 and provisions hereof.

Section 13. Effective Date. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

[*Signature page follows.*]

**PASSED, APPROVED AND DULY RESOLVED** by the City Council of Rollingwood on this the 19th day of August 2026.

____________________________________
Gavin Massingill, Mayor

**ATTEST:**

_________________________________
Erin Penney, City Secretary

## EXHIBIT A TO RESOLUTION NO. 2026-08-19-13

## CALLABLE BONDS

**City of Rollingwood, Texas, General Obligation Bonds, Series 2023, dated August 1, 2023:**

**Defeased Obligations**[1]

| Original CUSIP No.* | Refunded CUSIP No.* | Unrefunded CUSIP No.* | Stated Maturity | Outstanding Principal Amount | Amount Called for Redemption | Interest Rate |
|---|---|---|---|---|---|---|
| 775706EC4 | | | 08/1/2049 | $375,000 | $275,000 | 4.125% |

Redemption Date for Obligations: August 1, 2032

[1] The Defeased Obligations consist of the City's General Obligation Bonds, Series 2023, 2049 Term Bond as follows: $190,000 of the term bond stated to mature in 2049 and $85,000 of the 2048 mandatory sinking fund redemption. If the total Amount Called for Redemption requires modification, the foregoing Amount Called for Redemption identified for redemption shall be revised at the direction of the Mayor, City Administrator, and Finance Director of the City.

* The CUSIP number is included solely for the convenience of the Bond holders. None of the City, Bond Counsel, or the Paying Agent/Registrar shall be responsible for the selection or the use of the CUSIP number, nor is any representation made as to its correctness on the Bonds or as indicated in any redemption notice.

## EXHIBIT B TO RESOLUTION NO. 2026-08-19-13

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Escrow Agreement"), dated for convenience as of August 19, 2026, but effective on the Escrow Funding Date described herein, is made and entered into by and between City of Rollingwood, Texas, a political subdivision of the State of Texas in Travis County, Texas (the "City"), acting by and through the Mayor, Mayor Pro Tem and City Administrator of the City and BOKF, N.A., as Escrow Agent (together with any successor or assign in such capacity, the "Escrow Agent").

WHEREAS, the City has heretofore issued certain Obligations (hereinafter defined as the "Obligations") and the governing body of the City has determined that it desires to defease and redeem a portion of the Obligations in advance of their stated maturities;

WHEREAS, the governing body of the City has adopted a resolution (the "Defeasance Resolution") authorizing the defeasance and redemption of certain of the Obligations identified herein in Exhibit C (the "Defeased Obligations");

WHEREAS, to provide for the payment of the Defeased Obligations, the City has provided for the transfer to the Escrow Agent pursuant to this Escrow Agreement of lawfully available funds for such purpose (the "Escrow Deposit"); and

WHEREAS, the governing body of the City has further determined to effectuate the defeasance of the Defeased Obligations pursuant to this Escrow Agreement, under which provision is made for the safekeeping, investment, reinvestment, administration, and disposition of the Escrow Deposit so as to provide firm banking and financial arrangements for the discharge and final payment of the Defeased Obligations pursuant to Sections 1207.033 and 1207.062, Texas Government Code;

NOW, THEREFORE, in consideration of the mutual undertakings, promises, and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and in order to secure the full and timely payment of the principal of and interest on the Defeased Obligations, the City and the Escrow Agent contract and agree as follows:

### ARTICLE I

### DEFINITIONS AND INTERPRETATIONS

Section 1.1 Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, the following terms shall have the respective meanings specified below for all purposes of this Escrow Agreement:

"City Council" shall mean the City Council of the City.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder and under the Internal Revenue Code of 1954.

“Defeasance Resolution” shall mean the City’s resolution adopted by the City Council on August 19, 2026, authorizing the defeasance and redemption of the Defeased Obligations.

“Defeasance Securities” means (1) direct, non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (2) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City Council adopts or approves the proceedings authorizing the issuance of the refunding Obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (3) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of approval of the proceedings authorizing the issuance of the refunding Obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

“Defeased Obligations” shall mean the outstanding Obligations of the City shown on Exhibit C hereto.

“City” shall mean the City of Rollingwood, Texas, and any successor to its duties and functions.

“Escrow Agent” shall mean BOKF, N.A., Dallas, Texas, in its capacity as escrow agent hereunder, and any successor or assign in such capacity.

“Escrow Agreement” shall mean this escrow agreement.

“Escrow Deposit” shall mean the initial deposit into the Escrow Fund, as more particularly described in Section 2.1.

“Escrow Funding Date” shall mean the date on which the City deposits with the Escrow Agent the Escrow Deposit described in Section 2.1.

“Escrow Fund” shall mean the fund created in Section 3.1 of this Escrow Agreement to be administered by the Escrow Agent pursuant to the provisions of this Escrow Agreement.

“Escrowed Securities” shall mean the Limited Yield Securities and the Open Market Securities.

“Government Obligations” means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Limited Yield Securities” shall mean the non-callable United States Treasury Obligations-State and Local Government Series to be initially purchased with proceeds of the Escrow Deposit, as more fully described in the Report, together with all reinvestments of the proceeds thereof as may be directed in Section 4.2 or permitted in Section 4.3(b).

"Obligations" shall mean the Series 2023 Bonds.

"Open Market Securities" shall mean Defeasance Securities, if any, to be purchased in the open market with cash and the proceeds of the Escrow Deposit, as more fully described in the Report, together with all reinvestments of the proceeds thereof as may be directed in Section 4.2 or permitted in Section 4.3(b), or cash or Obligations substituted therefor pursuant to Section 4.3(a).

"Ordinance" shall mean the City's ordinance authorizing the issuance, sale, and delivery of the Obligations.

"Paying Agent for the Defeased Obligations" shall mean BOKF, N.A.

"Report" shall mean the verification report prepared by the Verification Agent relating to the defeasance of the Defeased Obligations, a copy of which is attached hereto as Exhibit B, and any subsequent verification report required by Section 4.3.

"Series 2023 Bonds" shall mean the City of Rollingwood, Texas General Obligation Bonds, Series 2023, dated August 1, 2023.

"Verification Agent" shall mean the recognized firm of certified public accountants appointed pursuant to the Defeasance Resolution.

Section 1.2 Interpretations.

The titles and headings of the articles and sections of this Escrow Agreement 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 the terms hereof. This Escrow Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the defeasance and redemption of the Defeased Obligations in accordance with applicable law.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned in the Defeasance Resolution.

## ARTICLE II

## DEPOSITS OF FUNDS AND ESCROWED SECURITIES

Section 2.1 Deposits to Escrow Fund.

On the Escrow Funding Date, the City shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the City in writing.

## ARTICLE III

## CREATION AND OPERATION OF ESCROW FUND

Section 3.1 Escrow Fund.

On the Escrow Funding Date the Escrow Agent will create in its books two special funds and irrevocable escrows to be known as "City of Rollingwood, Texas, General Obligation Bonds, Series 2023 Defeasance" (the "Escrow Fund"). On the Escrow Funding Date, the Escrow Deposit described in Section 2.1 will be deposited to the credit of the Escrow Fund. The Escrow Deposit and all proceeds therefrom shall be the property of the Escrow Fund and shall be applied only in strict conformity with the terms and conditions hereof. All Escrowed Securities, all proceeds therefrom and all cash balances from time to time on deposit in the Escrow Fund are hereby irrevocably pledged to the payment of the principal of, redemption premium, if any, and interest on the Defeased Obligations, which payment shall be made by timely transfers to the Paying Agent for the Defeased Obligations of such amounts at such times as are provided in Section 3.2. When the final transfers have been made to the Paying Agent for the Defeased Obligations for the payment of such principal of, redemption premium, if any, and interest on the Defeased Obligations, any balance then remaining in the Escrow Fund shall be transferred to the City, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2 Payment of Principal, Redemption Premium, if any, and Interest; Redemption of Certain Obligations.

(a) The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent for the Defeased Obligations from the cash balance from time to time on deposit in the Escrow Fund the amounts required to pay the principal of, redemption premium, if any, and interest on the Defeased Obligations in the amounts and at the times shown in the Report.

(b) Except for amounts transferred to the Paying Agent for the Defeased Obligations pursuant to Section 3.2(a) and to the City pursuant to Section 3.1 and Section 4.2, the Escrow Agent agrees that it shall never make any withdrawals from the Escrow Fund or assert any claims, liens, or charges against the Escrow Fund.

Section 3.3 Sufficiency of Escrow Fund.

The City represents (based upon the Report) that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent for the Defeased Obligations at the times and in the amounts required to pay the interest on the Defeased Obligations as such interest comes due and to pay the principal of, redemption premium, if any, and interest on the Defeased Obligations as the Defeased Obligations mature or are called for redemption, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent for the Defeased Obligations to make the payments set forth in Section 3.2, the City shall timely deposit into the Escrow Fund, from lawfully available funds, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly by the Escrow Agent to the City as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the City's failure to make additional deposits thereto.

Section 3.4 Trust Fund.

The Escrow Agent at all times shall hold the Escrow Fund, the Escrowed Securities, and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund always shall be maintained by the Escrow Agent for the benefit of the holders of the Defeased Obligations; and a special account evidencing such fact shall be maintained at all times on the books of the Escrow Agent. The holders of the Defeased Obligations shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as holders of the Defeased Obligations. The amounts received by the Escrow Agent under this Escrow Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right or title with respect thereto except as escrow agent under the terms hereof. The amounts received by the Escrow Agent hereunder shall not be subject to warrants, drafts, or checks drawn by the City or, except to the extent expressly herein provided, by the Paying Agent for the Defeased Obligations.

Section 3.5 Security for Cash Balances.

Cash balances from time to time on deposit in the Escrow Fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, shall be collateralized with securities or Obligations that are eligible under the laws of the State of Texas to secure and be pledged as collateral for trust accounts until the principal of and interest on the Defeased Obligations have been presented for payment and paid to the owners thereof.

## ARTICLE IV

## LIMITATION ON INVESTMENTS

Section 4.1 General.

Except as herein otherwise expressly provided, the Escrow Agent shall not have any power or duty to invest any money held hereunder, to make substitutions of the Escrowed Securities or to sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.2 Reinvestment of Proceeds of Escrowed Securities.

The Escrow Agent is hereby authorized and directed to reinvest proceeds of the Escrowed Securities which are attributable to amounts received as principal of or interest on the Escrowed Securities and which are not immediately needed to pay the Defeased Obligations in Government Obligations selected by the City, in the amounts, and maturing and bearing interest, all as set out in the Report. The City hereby designates and appoints the Escrow Agent as its agent and duly authorized representative for purposes of subscribing for and purchasing such Obligations, all of which shall constitute Escrowed Securities. Any income or increment earned from such reinvestment remaining after final payment of the Defeased Obligations shall be promptly transferred to the City as described in Section 3.1.

Section 4.3 Substitution of Securities.

(a) Concurrently with the delivery of the Escrow Deposit, the City may, upon compliance with the conditions stated in subsection (c) of this Section 4.3, at its option, substitute cash or non-interest bearing obligations of the United States Treasury (i.e., Treasury obligations which mature and are payable in a stated amount on the maturity date thereof and for which there are no payments other than the payment made on the maturity date) for non-interest bearing Open Market Securities listed in the Report, but only if such cash and/or substituted non-interest bearing direct obligations of the United States Treasury:

(i) are in an amount, and/or mature in an amount, which, together with any cash substituted for such obligations, is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report which such obligation is substituted, and

(ii) mature on or before the maturity date of the obligation listed in the Report for which such obligation is substituted.

The City may at any time substitute any Open Market Securities which, as permitted by the preceding sentence, were not deposited to the credit of the Escrow Fund, for the cash and/or obligations that were substituted concurrently with the delivery of the Escrow Deposit for such Open Market Securities.

(b) At the written request of the City, and upon compliance with the conditions hereinafter stated in subsection (c) of this Section 4.3, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of all or any portion of the Escrowed Securities and apply the proceeds therefrom to purchase Defeased Obligations or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America which do not permit the redemption thereof at the option of the obligor.

(c) Any such transaction described in subsections (a) and (b) of this Section 4.3 may be affected by the Escrow Agent only if (1) the Escrow Agent shall have received a written opinion from a recognized firm of certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount which will be sufficient, when added to the interest to accrue thereon, to provide for the payment of principal of, redemption premium, if any, and interest on the remaining Defeased Obligations as they become due, and (2) the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond counsel or tax counsel acceptable to the City and the

Escrow Agent to the effect that (a) such transaction will not cause any of the Defeased Obligations to be an “arbitrage bond” within the meaning of the Code and (b) that such transaction complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Defeased Obligations.

Section 4.4 Arbitrage.

The City hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Defeased Obligation to be an “arbitrage bond” within the meaning of the Code.

ARTICLE V

RECORDS AND REPORTS

Section 5.1 Records.

The Escrow Agent shall keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipt, disbursement, allocation, and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the City and the holders of the Defeased Obligations.

Section 5.2 Reports.

For the period beginning on the Escrow Funding Date and ending on December 31, 2026, and for each twelve (12) month period thereafter while this Agreement remains in effect, the Escrow Agent shall prepare and send to the City within thirty (30) days following the end of such period a written report summarizing all transactions relating to the Escrow Fund during such period, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund to the Paying Agent for the Defeased Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balances on deposit in the Escrow Fund as of the end of such period.

ARTICLE VI

CONCERNING THE ESCROW AGENT

Section 6.1 Representations of Escrow Agent.

Escrow Agent hereby represents that it is (a) either (i) a Paying Agent for the Defeased Obligations or (ii) a trust company or commercial bank that does not act as a depository for the City, and (b) that it has all necessary power and authority to enter into this Escrow Agreement and undertake the obligations and responsibilities imposed upon it herein and that it will carry out all of its obligations hereunder.

Section 6.2 Limitation on Liability.

The liability of the Escrow Agent to transfer funds to the Paying Agent for the Defeased Obligations for the payments of the principal of, redemption premium, if any, and interest on the Defeased Obligations shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligor of the Escrowed Securities to make timely payment thereon, except for its obligation to notify the City promptly of any such occurrence upon the Escrow Agent having actual knowledge of such occurrence.

The recitals herein and in the Defeasance Resolution shall be taken as the statements of the City and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the Defeasance Resolution or the Ordinance and in its capacity as Escrow Agent is not responsible for or bound by any of the provisions thereof. In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Escrow Agreement.

The Escrow Agent makes no representation as to the value, condition, or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the City thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall incur no liability or responsibility with respect to any of such matters.

It is the intention of the City and the Escrow Agent that the Escrow Agent shall never be required to risk, use, or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for the performance of any duties, except such duties as are specifically set forth in this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement. Nothing herein contained shall relieve the Escrow Agent from liability for its own negligent action, negligent failure to act, or willful misconduct, except that this sentence shall not be construed to limit the effect of the immediately preceding sentence. The Escrow Agent shall not incur any liability for any error of judgment made in good faith by a responsible officer thereof, unless it shall be proved that it was negligent in ascertaining the pertinent facts. The Escrow Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians, or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian, or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods; provided, however, that the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Unless it is specifically provided otherwise herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the City with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Escrow Agreement. If, however, the Escrow Agent is called upon by the terms of this Escrow Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in the event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the City or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, the City, among others, at any time.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in the exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Escrow Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; nor shall the Escrow Agent be answerable, except for its own neglect or willful misconduct, for any loss unless the same shall have been through its negligence or want of good faith.

In the absence of bad faith, the Escrow Agent may rely conclusively upon the truth, completeness, and accuracy of the statements, certificates, opinions, resolutions, and other documents conforming to the requirements of this Escrow Agreement and shall not be obligated to make any independent investigation with respect thereto.

To the full extent permitted by law, the City agrees to indemnify, defend, and hold the Escrow Agent and its officers, directors, agents, and employees harmless from and against any and all loss, damage, tax, liability, and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, including attorneys' fees and expenses of defending itself against any claim or liability in connection with its performance hereunder, except that the Escrow Agent shall not be indemnified for any loss, damage, tax, liability, or expense resulting from its own negligence or willful misconduct.

The Escrow Agent is authorized and directed to transfer funds relating to the closing in the manner disclosed in the closing memorandum prepared by the City's financial advisor or other agent which is delivered to the Escrow Agent by the City. The Escrow Agent may act on a facsimile or electronic mail transmission of the closing memorandum acknowledged in writing by the City or the City's financial advisor as the final closing memorandum. The Escrow Agent shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions.

Section 6.3 Compensation.

On the Escrow Funding Date, the City will pay the Escrow Agent for performing its services as Escrow Agent hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Escrow Agreement, the fees set out in Exhibit A. If the Escrow Agent is requested or required to perform any extraordinary services hereunder, the City hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services. It is expressly provided that the Escrow Agent shall look only to the City for the payment of such additional fees and reimbursement of such additional expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular, additional, or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses. The foregoing sentence shall survive the termination of this Escrow Agreement and the earlier removal or resignation of the Escrow Agent.

Section 6.4 Successor Escrow Agents.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason or if the Escrow Agent resigns or is removed in accordance with this Section, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the City, by appropriate action, shall promptly appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the City within 60 days of such vacancy or Escrow Agent's giving notice of resignation, a successor may be appointed by the holders of a majority in aggregate principal amount of the Defeased Obligations then outstanding by an instrument or instruments in writing filed with the City, signed by such holders or by their duly authorized attorneys or the Escrow Agent may petition a court of competent jurisdiction for the appointment of a successor Escrow Agent. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the holder of any Defeased

Obligation then outstanding may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be qualified to act in such capacity under Chapter 1207, Texas Government Code, as amended, and shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge, and deliver to the City and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers, and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers, and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee paid hereunder.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the escrow hereby created by giving not less than sixty (60) days' written notice to the City specifying the date when such resignation will take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Defeased Obligations or by the City as herein provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing delivered to the Escrow Agent and to the City and signed by the holders of a majority in aggregate principal amount of the Defeased Obligations then outstanding.

## ARTICLE VII

## MISCELLANEOUS

Section 7.1 Notices.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be made or given in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

To the Escrow Agent:

BOKF, N.A.
5956 Sherry Lane, Suite 900
Dallas, Texas 75225
Attention: Tony Hongnoi

To the City:

City Administrator
City of Rollingwood, Texas
403 Nixon Drive
Rollingwood, Texas 78746
Attention: City Administrator

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Either party hereto may change the address to which notices are to be delivered by giving to the other party not less than ten (10) days' prior written notice thereof.

Section 7.2 Termination of Responsibilities.

Upon the taking by the Escrow Agent of all the actions as described herein, the Escrow Agent shall have no further obligations or responsibilities hereunder to the City, the holders of the Defeased Obligations, or to any other person or persons in connection with this Escrow Agreement.

Section 7.3 Binding Agreement; Amendment.

This Escrow Agreement shall be binding upon the City and the Escrow Agent and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Defeased Obligations, the City, the Escrow Agent, and their respective successors and legal representatives. This Escrow Agreement shall not be subject to amendment without the written consent of the holders of all Defeased Obligations then outstanding.

Section 7.4 Severability.

If any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Escrow Agreement, but this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 7.5 Governing Law.

This Escrow Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 7.6 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 7.7 Time of Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

Section 7.8 Legislative Contracting Requirements.

The Escrow Agent makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Escrow Agent within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Escrow Agent and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

Section 7.9 Form 1295.

The Escrow Agent hereby represents and warrants that it is claiming an exemption from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof. The Escrow Agent hereby certifies that it meets the criteria for an exemption under Section 2252.908(c)(4) of the Texas Government Code with respect to the requirement that the Escrow Agent submit a disclosure of interested parties in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the Texas Ethics Commission. The Escrow Agent and the City understand and agree that neither the City nor its consultants are responsible for the determination of the applicability of such exception to the requirements of Section 2252.908 and neither the City nor its consultants have verified such information.

*[Execution Pages Follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF ROLLINGWOOD, TEXAS

By: ____________________________________________
Mayor

BOKF, N.A.

By: ______________________________
Name: ______________________________
Title: ______________________________

# EXHIBIT A

## FEE SCHEDULE

EXHIBIT B

REPORT

EXHIBIT C

## DEFEASED OBLIGATIONS

**City of Rollingwood, Texas, General Obligation Bonds, Series 2023, dated August 1, 2023:[1]**

| Original CUSIP No. * | Refunded CUSIP No.* | Unrefunded CUSIP No.* | Stated Maturity | Outstanding Principal Amount | Amount Called for Redemption | Interest Rate |
|---|---|---|---|---|---|---|
| 775706EC4 | | | 08/1/2049 | $375,000 | $275,000 | 4.125% |

Redemption Date for Obligations: August 1, 2032

[1] The Defeased Obligations consist of the City's General Obligation Bonds, Series 2023, 2049 Term Bond as follows: $190,000 of the term bond stated to mature in 2049 and $85,000 of the 2048 mandatory sinking fund redemption. If the total Amount Called for Redemption requires modification, the foregoing Amount Called for Redemption identified for redemption shall be revised at the direction of the Mayor, City Administrator, and Finance Director of the City.

* The CUSIP number is included solely for the convenience of the Bond holders. None of the City, Bond Counsel, or the Paying Agent/Registrar shall be responsible for the selection or the use of the CUSIP number, nor is any representation made as to its correctness on the Bonds or as indicated in any redemption notice.