

ORDINANCE NO. 7441

AN ORDINANCE APPROVING AN EXTENSION TO STANDBY LETTER OF CREDIT AND AMENDMENT OF STANDBY LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT RELATING TO THE “CITY OF GARLAND, TEXAS, WATER AND SEWER SYSTEM COMMERCIAL PAPER NOTES, SERIES 2015”; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

WHEREAS, the City Council of the City of Garland, Texas (the “City”), on August 18, 2015 adopted Ordinance No. 6796 (the “Note Ordinance”) authorizing the “City of Garland, Texas, Water and Sewer System Commercial Paper Notes, Series 2015”, in the aggregate principal amount of not to exceed \$90,000,000 (collectively, the “Notes”) and in connection therewith executed a Standby Letter of Credit and Reimbursement Agreement dated as of September 1, 2015 (the “Reimbursement Agreement”) by and between the City and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the “Bank”);

WHEREAS, on May 15, 2018 the City adopted Ordinance No. 6989 approving an extension of the Stated Expiration Date of the Bank’s Letter of Credit No. LG/MIS/NY-085895 (the “Letter of Credit”) to September 30, 2023 and that certain Amended and Restated Fee Letter Agreement dated as of May 15, 2018 (the “Fee Letter Agreement”), by and between the City and the Bank, related to the Reimbursement Agreement and Letter of Credit;

WHEREAS, the City and the Bank have previously entered into that certain Side Letter Agreement dated February 24, 2023 (the “Side Letter Agreement”) modifying certain terms of the Reimbursement Agreement;

WHEREAS, the City has requested the Bank to extend the Stated Expiration Date of the Letter of Credit to September 30, 2028;

WHEREAS, the Bank and the City have agreed to extend the Stated Expiration Date of the Letter of Credit to September 30, 2028, and to enter into that certain First Amendment to Standby Letter of Credit and Reimbursement Agreement, a substantial copy of which is attached hereto as **Exhibit A** (the “First Amendment to Standby Letter of Credit and Reimbursement Agreement”) by and between the City and the Bank to ratify and confirm the terms of the Side Letter Agreement and amend certain terms of the Reimbursement Agreement; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551, as amended; Now, Therefore

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

SECTION 1. The recitals set forth in the preambles hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

SECTION 2. The City hereby approves the extension of the Stated Expiration Date of the Letter of Credit to September 30, 2028 and further approves the First Amendment to Standby Letter of Credit and Reimbursement Agreement in substantially the form attached hereto as Exhibit A, with such changes or

additions thereto as may be approved by the Mayor, the City Manager or the Finance Director of the City (upon advice of bond counsel to the City), as evidenced by their execution and delivery thereof, and the Mayor, the City Manager or the Finance Director of the City are each hereby authorized and directed, for and on behalf of the City, to execute the First Amendment to Standby Letter of Credit and Reimbursement Agreement, and such officers are hereby authorized to deliver the First Amendment to Standby Letter of Credit and Reimbursement Agreement to the Bank. Upon execution by the parties thereto and delivery thereof, the First Amendment to Standby Letter of Credit and Reimbursement Agreement shall be binding upon the City in accordance with the terms and provisions thereof.

SECTION 3. The Mayor, City Secretary, City Manager, Finance Director and all other officers of the City are each hereby authorized to take or cause to be taken such other actions and to execute and deliver such documents and certificates as necessary or appropriate to consummate the transactions authorized by this Ordinance, including without limitation, to obtain approval of the Attorney General of Texas, if required, to retain legal counsel in connection with the matters addressed herein, to obtain a rating or rating confirmation from bond rating agencies, payment of related fees, to provide such notices as may be required by the proceedings that authorized the issuance of the Notes, to execute and deliver any necessary amendments to the Fee Letter Agreement, the Dealer Agreement or the Issuing and Paying Agent Agreement for the Notes, and prepare, approve and distribute disclosure documents related to such transactions.

SECTION 4. It is officially found, determined and declared that the meeting at which this Ordinance 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 Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 5. This Ordinance shall be in force and effect from and after its passage on the date shown below.

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PASSED AND ADOPTED, this June 20, 2023.

CITY OF GARLAND, TEXAS

Mayor, Scott LeMay

ATTEST:

City Secretary, Eloyce René Dowl

EXHIBIT A

FIRST AMENDMENT TO STANDBY LETTER OF CREDIT AND
REIMBURSEMENT AGREEMENT