

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF GARLAND, TEXAS, TAX NOTE, SERIES 2024"; SPECIFYING THE TERMS AND FEATURES OF SAID NOTE; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID NOTE; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT, AND DELIVERY OF SAID NOTE, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE LETTER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Texas Government Code, Chapter 1431, as amended, the City Council of the City of Garland, Texas (the "City") is authorized and empowered to issue anticipation notes to pay contractual obligations to be incurred (i) for the construction of any public work; (ii) for the purchase of materials, supplies, equipment, machinery, buildings, lands and rights-of-way for the City's authorized needs and purposes; and (iii) for professional services rendered in relation to such projects and purposes and the financing thereof; and

WHEREAS, in accordance with the provisions of Texas Government Code, Chapter 1431, as amended, the City Council hereby finds and determines that an anticipation note should be issued and sold at this time to finance the costs of paying contractual obligations to be incurred for (i) constructing and improving streets within the City, including related traffic signalization, signage, sidewalks, streetscaping, landscaping and drainage improvements, the relocation of utilities affected by such street improvements and the acquisition of rights-of-way therefor; (ii) acquiring, constructing, renovating, improving and equipping municipal facilities; (iii) improving and equipping the Firewheel golf course; (iv) acquiring equipment for the streets and parks and recreation departments; (v) acquisition of firefighting equipment and (vi) professional services rendered in relation to such projects and purposes and the financing thereof (collectively, the "Projects"); now, therefore,

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

SECTION 1. Recitals - Authorization - Designation - Principal Amount - Purpose. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Note of the City shall be and is hereby authorized to be issued in the aggregate principal amount of \$45,750,000, to be designated and bear the title "CITY OF GARLAND, TEXAS, TAX NOTE, SERIES 2024," for the purpose of paying contractual obligations to be incurred for the Projects, in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1431 as amended.

The term "Note" as used in this Ordinance shall mean and include collectively the note initially issued and delivered pursuant to this Ordinance and any substitute note exchanged therefor, as well as any other substitute or replacement note issued pursuant hereto, and the term "Note" shall mean any such note.

SECTION 2. Fully Registered Obligation - Note Date - Denomination - Number - Stated Maturity - Interest Rate. The Note shall be issued as a fully registered obligation only, shall be dated the date of delivery (the "Note Date"), in the denomination and principal amount of \$45,750,000, numbered R-1, with any note issued in replacement thereof being in the denomination of the full principal amount of the series of which the Note is issued and numbered consecutively from R-2 upward, and shall become due and payable on November 15, 2025 (the "Stated Maturity").

The Note shall bear interest on the unpaid principal amount from the date of delivery to the initial purchaser (anticipated to be September 26, 2024) at the rate of 4.098% per annum. The amount of interest to be paid on the Note shall be computed on the basis of a 360-day year of twelve 30-day months and such interest shall be payable on February 15, 2025, May 15, 2025, August 15, 2025 and at maturity on November 15, 2025 or upon prior redemption.

The foregoing notwithstanding, upon the occurrence of a default in the payment of principal or interest on the Note, the Note thereafter will bear interest at the rate of 8.098% per annum (the "Default Rate") until the payment default has been cured by the City or the Note have been paid in full, whichever is the earlier to occur. Upon the cure of a payment default, the Note will cease bearing interest at the Default Rate and resume bearing interest at the regular interest rate.

SECTION 3. Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Note, due and payable by reason of maturity or otherwise, shall be payable only to the registered owner or holder of the Note (hereinafter called the "Holder") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holder.

The selection and appointment of JPMorgan Chase Bank, N.A. to serve as Paying Agent/Registrar for the Note is hereby approved and confirmed. Books and records relating to the registration, payment, transfer, and exchange of the Note (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary are authorized to execute and deliver such Agreement in connection with the delivery of the Note. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Note is paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Note. Upon any change in the Paying Agent/Registrar for the Note, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Note shall be payable at the Stated Maturity, only upon presentation and surrender of the Note to the Paying Agent/Registrar at its designated offices (provided that the Holder shall only be required to present the Note for payment on the Stated Maturity), initially in Dallas, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Note shall be paid to the Holder whose name appear in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by wire transfer to the wiring instructions of the Holder provided to the City or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Note shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where either the Paying Agent/Registrar or the Designated Payment/Transfer Office is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption. (a) Optional Redemption. The Note shall be subject to redemption prior to maturity, at the option of the City, in whole or in part, on February 15, 2025 and on any business day thereafter, at the redemption price of par plus accrued interest to the date of redemption.

(b) Exercise of Redemption Option. At least ten (10) days prior to a redemption date for the Note (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem the Note and the date of redemption therefor.

(c) Notice of Redemption. Not less than three (3) days prior to a redemption date for the Note, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, or by such other method as the Paying Agent/Registrar shall deem appropriate and effective, to the Holder of the Note to be redeemed in whole at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Note, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Note or portion of the Note to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, or such prerequisites are not satisfied, such notice shall be of no force and effect, the City shall not redeem the Note or such portion of the Note and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Note has not been redeemed.

All notices of redemption shall (i) specify the date of redemption for the Note, (ii) identify the portion of the Note to be redeemed, (iii) state the redemption price, (iv) state that the Note shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Note shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender of the Note. If the Note or a portion of the Note is subject by its terms to prior redemption and has been called for redemption and notice of redemption has been duly given as hereinabove provided, the Note or such portion of the Note shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of the Note or such portion at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

SECTION 5. Registration - Transfer - Exchange of Note - Predecessor Note. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of each Note issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. A Note may be transferred or exchanged for a Note of the same outstanding

principal amount by the Holder, in person or by his or her duly authorized agent, upon surrender of such Note to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his or her duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of a Note for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one new Note having the same Stated Maturity and of a like outstanding principal amount as the Note surrendered for transfer.

At the option of the Holder, a Note may be exchanged for another Note of the same outstanding principal amount and having the same Stated Maturity, and bearing the same rate of interest, upon surrender of the Note to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever a Note is surrendered for exchange, the Paying Agent/Registrar shall register and deliver a new Note to the Holder requesting the exchange.

A Note issued in any transfer or exchange of a Note shall be delivered to the Holder at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid, to the Holder, and, upon the registration and delivery thereof, the same shall be the valid obligation of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Note surrendered in such transfer or exchange.

All transfers or exchanges of a Note pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Notes cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Notes," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Note and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Notes" shall include any mutilated, lost, destroyed, or stolen Note for which a replacement Note has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 10 hereof and such new replacement Note shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Note.

SECTION 6. Execution - Registration. The Note shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Note shall be manual or facsimile. A Note bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Note Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Note to the initial purchaser(s) and with respect to Note delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note either a certificate of registration substantially in the form provided in Section 8.C, manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 8.D, manually executed by an authorized officer, employee, or representative of the Paying Agent/Registrar, and either such certificate duly signed upon a Note shall be conclusive evidence, and the only evidence, that the Note has been duly certified, registered, and delivered.

SECTION 7. Initial Note. The Note herein authorized shall be initially issued as a single fully registered note in the total principal amount referenced in Section 1 hereof, with the principal amount to become due and payable as provided in Section 2 hereof and numbered R-1 and, the initial Note shall be registered in the name of the initial purchaser or the designee thereof. The initial Note shall be submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser.

SECTION 8: Forms.

A. Forms Generally. The Note, the Registration Certificate of Paying Agent/Registrar, the form of Assignment to be printed on each Note, and the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Note initially issued and delivered pursuant to this Ordinance shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Note is purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Note as evidenced by their execution. Any portion of the text of the Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

A Note shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Note as evidenced by their execution thereof.

B. Form of Note.

REGISTERED
NO. R-[1]

REGISTERED
\$ _____

UNITED STATES OF AMERICA STATE OF TEXAS
CITY OF GARLAND, TEXAS
TAX NOTE
SERIES 2024

Note Date:

Stated Maturity:

Initial Delivery Date:

Registered Owner:

Principal Amount:

The City of Garland (hereinafter referred to as the "City"), a body corporate and political subdivision in the Counties of Dallas, Collin and Rockwall, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above (the "Registered Owner"), or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amount hereof from the initial date of delivery stated above

(unless this Note is transferred or assigned, then interest shall be paid from the date of such transfer or assignment, which date shall be clearly indicated on the Note) at the rate of 4.098% per annum. The amount of interest to be paid on this Note shall be computed on the basis of a 360-day year of twelve 30-day months and such interest shall be payable on February 15, 2025, May 15, 2025, August 15, 2025 and at maturity on November 15, 2025 or upon prior redemption. From and after the occurrence of a default in the payment of the principal or interest on this Note, the Note thereafter will bear interest at the Default Rate described in the Ordinance.

Principal of this Note is payable at its Stated Maturity or upon its prior redemption to the Registered Owner hereof, upon presentation and surrender, at the Dallas, Texas office (the "Designated Payment/Transfer Office") of JPMorgan Chase Bank, N.A. (the "Paying Agent/Registrar"), provided that the Holder shall only be required to present this Note for payment on the Stated Maturity. Interest is payable to the Registered Owner of this Note (or one or more Predecessor Notes, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by wire transfer to the wiring instructions of the Holder provided to the City or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. All payments of principal of, premium, if any, and interest on this Note shall be without exchange or collection charges to the Registered Owner hereof and in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on this Note shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where either the Paying Agent/Registrar or the Designated Payment/Transfer Office is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

The Note shall be subject to redemption prior to maturity, at the option of the City, in whole or in part, on February 15, 2025 and on any business day thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least ten (10) days prior to a redemption date for this Note (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem this Note and the date of redemption therefor.

Not less than three (3) days prior to a redemption date for this Note, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to the Holder of this Note in whole at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for this Note, (ii) identify the portion of this Note to be redeemed, (iii) state the redemption price, (iv) state that this Note shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for this Note shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender of this Note. If this Note has been called for redemption and notice of redemption has been duly given as hereinabove provided, this Note shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of this Note

at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

With respect to any optional redemption of this Note, unless moneys sufficient to pay the principal of and premium, if any, and interest on this Note to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem this Note and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that this Note has not been redeemed.

This Note is issued in the aggregate principal amount of \$45,750,000 for the purpose of paying contractual obligations to be incurred for (i) constructing and improving streets within the City, including related traffic signalization, signage, sidewalks, streetscaping, landscaping and drainage improvements, the relocation of utilities affected by such street improvements and the acquisition of rights-of-way therefor; (ii) acquiring, constructing, renovating, improving and equipping municipal facilities; (iii) improving and equipping the Firewheel golf course; (iv) acquiring equipment for the streets and parks and recreation departments; (v) acquisition of firefighting equipment and (vi) professional services rendered in relation to such projects and purposes and the financing thereof, under and in strict conformity with the Constitution and laws of the State of Texas and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

This Note is payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar and to all of the provisions of which the Registered Owner or Holder of this Note by the acceptance hereof hereby assents, for definitions of terms; the provisions relating to an adjustment in interest rate; the description of and the nature and extent of the tax levied for the payment of this Note; the terms and conditions relating to the transfer or exchange of this Note; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owner or Holder; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Note may be discharged at or prior to its Stated Maturity, and deemed to be no longer outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Note, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Registered Owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, a new fully registered Note of the same Stated Maturity, having the same outstanding principal amount, and bearing the same rate of interest, will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Note as the owner entitled to payment of principal hereof at its Stated Maturity, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new

record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of this Note is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of this Note to render the same a lawful and valid obligation of the City have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that this Note does not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on this Note by the levy of a tax as aforesated. In case any provision in this Note shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Note and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Note to be duly executed under the official seal of the City as of the Note Date.

CITY OF GARLAND, TEXAS

Mayor

COUNTERSIGNED:

City Secretary

(SEAL)

C. Form of Registration Certificate of Comptroller of Public Accounts to appear on initial Note only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

I HEREBY CERTIFY THAT this Note has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly 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)

D. Form of Certificate of Paying Agent/Registrar to appear on the Note.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Note has been duly issued and registered under the provisions of the within-mentioned Ordinance; the note of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in Dallas, Texas is the "Designated Payment/Transfer Office" for this Note.

JPMorgan Chase Bank, N.A.
Dallas, Texas
as Paying Agent/Registrar

Registration Date: _____ By: _____
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

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

_____ (Social Security or other identifying number: _____) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____

attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____
Signature guaranteed: _____

NOTICE: The signature on this assignment must correspond with the name of the Holder as it appears on the face of the within Note in every particular.

SECTION 9. Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Note, being (i) the interest on the Note and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Note shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on the Note while outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed, and collected for and on account of the Note shall be kept and maintained by the City at all times while the Note is outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Note shall be deposited to the credit of a "Special 2024 Note Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Note.

The Mayor, City Manager, Finance Director and City Secretary, individually or jointly, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Note, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Note as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Note.

The City has sufficient current funds available and such funds are hereby appropriated to make the payments to become due on the Note on February 15, 2025, May 15, 2025, August 15, 2025 and November 15, 2025, and the Mayor, Mayor Pro Tem, City Manager, Finance Director and City Secretary of the City, individually or jointly, are hereby authorized and directed to transfer and deposit in the Interest and Sinking Fund such amount of current funds which will be sufficient to pay the amounts to become due on the Note on February 15, 2025, May 15, 2025, August 15, 2025 and November 15, 2025.

SECTION 10. Mutilated, Destroyed, Lost and Stolen Note. In case a Note shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Note of like form and tenor, and in the same outstanding principal amount and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Note, or in lieu of and in substitution for such destroyed, lost, or stolen Note, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Note, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with

the preparation, execution, and delivery of a replacement Note shall be borne by the Holder of the Note mutilated, or destroyed, lost, or stolen.

Every replacement Note issued pursuant to this Section shall be a valid and binding obligation and shall be entitled to all the benefits of this Ordinance; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Note.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Notes.

SECTION 11. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holder, the principal of, premium, if any, and interest on the Note, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holder shall thereupon cease, terminate, and be discharged and satisfied.

The Note or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full the Note or the principal amount thereof at the Stated Maturity, together with all interest due thereon, shall have been irrevocably deposited with and held by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm or nationally recognized verification agent to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on the Note, or the principal amount thereof, on and prior to the Stated Maturity thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Note to be treated as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Note, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Note and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Note shall, upon the request of the City, be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas, including Title 6 of the Texas Property Code, as amended.

The term "Government Securities," as used herein, shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease

obligations such as the Note under the then applicable laws of the State of Texas.

SECTION 12. Ordinance a Contract - Amendments. This Ordinance shall constitute a contract with the Holder from time to time, be binding on the City, and shall not be amended or repealed by the City so long as the Note remains outstanding except as permitted in this Section. The City may, without the consent of or notice to the Holder, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holder, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of the Holder, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of the Holder of the Note, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Note, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Note, or (2) change the requirement with respect to Holder consent to any such amendment, addition, or rescission.

SECTION 13. Covenants Regarding Tax-Exemption of Interest. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Note as an obligation described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Note or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Note, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Note or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Note (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Note being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Note being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Note, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Note, other than investment property acquired with:

(A) proceeds of the Note invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury ("Treasury Regulations"), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Note;

(7) to otherwise restrict the use of the proceeds of the Note or amounts treated as proceeds of the Note, as may be necessary, so that the Note does not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Note or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Note in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Note) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Note has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation any Holder. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Note. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Note, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Note under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Note, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Note under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, City Manager or Finance Director to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Note.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects on its books and records in accordance with the requirements of the Code. The City

recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Note, or (2) the date the Note is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Note. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Projects. The City covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Note. For purposes of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Note. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

SECTION 14. Sale of the Note - Purchase Letter. The offer of JPMorgan Chase Bank, N.A. and its successors and assigns (herein referred to as the "Purchaser") to purchase the Note for cash for the par value thereof in accordance with the Purchase Letter, dated the date of the final passage of this Ordinance, is hereby accepted, and the sale of the Note to said Purchaser is hereby approved and authorized and determined to be in the best interest of the City. The Mayor or Mayor Pro Tem is hereby authorized and directed to execute said Purchase Letter for and on behalf of the City and as the act and deed of this Council. The Note shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

There is no Official Statement or other offering document relating to the Note.

SECTION 15. Control and Custody of the Note. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, and shall take and have charge and control of the initial Note pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the initial purchasers.

Furthermore, the Mayor, City Manager, Finance Director and City Secretary, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Note, including certifications as to facts, estimates, circumstances and reasonable expectations pertaining to the use, expenditure and investment of the proceeds of the Note, as may be necessary for the approval of the Attorney General, the registration by the Comptroller of Public Accounts, and the delivery of the Note to the Purchaser, and, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the initial Note to the Purchaser.

SECTION 16. Proceeds of Sale. The proceeds of sale of the Note, excluding the amounts designated to pay the costs of issuance of the Note, shall be deposited in a construction fund maintained at a City depository bank. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in legally authorized investments, and any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the City Council. Any excess Note proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund or another fund created for the payment of the Note.

SECTION 17. Notices to Holder - Waiver. Wherever this Ordinance provides for notice to the Holder of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by the Holder shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 18. Cancellation. All Notes surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Note previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Notes held by the Paying Agent/Registrar shall be returned to the City.

SECTION 19. Legal Opinion. The Purchaser's obligation to accept delivery of the Note is subject to being furnished a final opinion of McCall, Parkhurst & Horton L.L.P., approving the Note as to its validity, said opinion to be dated and delivered as of the date of delivery and payment for the Note. An executed counterpart of said opinion is hereby authorized to be printed on or attached to the Note. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Note is hereby approved and confirmed, and the execution and delivery of an engagement letter between the City and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor (or in the absence of the Mayor, the Mayor Pro-Tem) of the City and the Mayor, the City Manager or the Finance Director of the City is hereby authorized to execute such engagement letter.

SECTION 20. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar, and the Holder, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar, and the Holder.

SECTION 21. Inconsistent Provisions. All ordinances, orders, or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 22. Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Finance Director and City Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Purchase Letter and the issuance of the Note. In addition, prior to the initial delivery of the Note, the Mayor, Mayor Pro Tem, City Manager, Finance Director or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Note by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 23. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 24. Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 25. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 26. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 27. Public Meeting. 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 28. Effective Date. This Ordinance shall take effect and be in force immediately from and after its passage in accordance with Texas Government Code, Section 1201.028, as amended, and it is so ordained.

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PASSED AND ADOPTED, this September 3, 2024.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary