
ORDINANCE No. 24-014

AUTHORIZING THE ISSUANCE OF

\$100,765,000

CITY OF GREENVILLE, TEXAS

WATERWORKS AND SEWER SYSTEM NEW LIEN REVENUE BONDS, SERIES 2024

Adopted: April 23, 2024

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AN ORDINANCE OF THE CITY OF GREENVILLE, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF CITY OF GREENVILLE, TEXAS, WATERWORKS AND SEWER SYSTEM NEW LIEN REVENUE BONDS, SERIES 2024, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$100,765,000; AWARDING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING THE OFFICIAL STATEMENT; AND ENACTING PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City of Greenville, Texas (the "City") has previously issued its waterworks and sewer system revenue bonds (hereinafter defined as the "Previously Issued First Lien Bonds"), payable from a first lien on and pledge of the Net Revenues (as defined in the Previously Issued First Lien Bond Ordinance) of the City's Waterworks and Sewer System (the "System"); and

WHEREAS, the City has reserved the right and option under the Previously Issued First Lien Bond Ordinance to issue New Lien Bonds (as defined herein) that are junior and subordinate in right or lien to the Previously Issued First Lien Bonds; and

WHEREAS, the City Council of the City (the "City Council") has determined to issue its City of Greenville, Texas Waterworks and Sewer System New Lien Revenue Bonds, Series 2024, in the aggregate principal amount of \$100,765,000 payable from and secured by a lien on and pledge of the Net Revenues of the System, such lien and pledge being in all things junior and subordinate to the lien on and pledge of the Net Revenues made for the security and payment of the Previously Issued First Lien Bonds; and

WHEREAS, the City has further determined to not issue any additional bonds on a parity with the Previously Issued First Lien Bonds under the Previously Issued First Lien Bond Ordinance; and

WHEREAS, the City Council has determined that improvements and extensions of the System should be made; and

WHEREAS, the revenue improvement bonds hereinafter authorized are to be issued and delivered pursuant to Chapter 1502, Texas Government Code, as amended ("Chapter 1502"), and in accordance with the general laws of the State of Texas; and

WHEREAS, the City Council hereby finds and determines that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of its bonds at this time, and

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

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREENVILLE, TEXAS, THAT:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.01 Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance, the following terms shall have the meanings specified below:

“Additional New Lien Bonds” means the additional parity revenue bonds permitted to be issued by Section 8.01 of this Ordinance.

“Bondholder” or “Holder” or “Owner” means the person who is the registered owner of a Bond or Bonds.

“Bonds” means the bonds authorized to be issued by Section 3.01 of this Ordinance.

“Business Day” means any day other than a Saturday, Sunday or legal holiday or other day on which banking institutions in the State of Texas are generally authorized or obligated by law or executive order to close.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereinafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code, and (d) the regulations promulgated under the provisions described in (b) and (c).

“Debt Service” means, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts required to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear, or would have borne, interest at a rate equal to the greater of: (i) the actual rate in effect on the date of calculation, (ii) the average variable rate for the 12 months preceding the date of calculation if the outstanding obligations were subject to a variable rate during such 12 month period or (iii) (1) if interest on the indebtedness is excludable from gross income under the Code, the most recently reported Index rate as of the date of computation, plus 50 basis points; provided, however, that the yield of the Index shall be the maturity of the Index with a constant maturity most nearly equal to the period from the maturity date of the Bonds, or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities, plus 50 basis points; and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in this Ordinance, the Designated Payment/Transfer Office as designated

in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

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

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“EMMA” means the Electronic Municipal Market Access System.

“Event of Default” means any Event of Default as defined in Section 11.01 of this Ordinance.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Funds” means any of the funds and accounts established or confirmed in this Ordinance or the ordinances authorizing the issuance of the Previously Issued First Lien Bonds.

“Gross Revenues” means all of the revenues of every nature received through the operation of the System.

“Index” means the Municipal Market Data index, BVAL AAA Municipal Curves or any other comparable index provided by EMMA if the foregoing indexes do not exist as of the date of computation.

“Initial Bond” means the initial Bond specified in Section 3.04(d) hereof.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year, commencing on February 15, 2025.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Revenues” means the Gross Revenues of the System less the Operation and Maintenance Expenses.

“New Lien Bonds” means collectively, the Bonds and any Additional New Lien Bonds issued pursuant to Section 8.01 hereof.

“New Lien Interest and Sinking Fund” means the City of Greenville, Texas, Waterworks and Sewer System New Lien Bond Interest and Sinking Fund as described in Section 7.01 of this Ordinance.

“New Lien Reserve Fund” means the City of Greenville, Texas, Waterworks and Sewer System New Lien Revenue Bond Reserve Fund as described in Section 7.06 of this Ordinance.

“New Lien Reserve Fund Participants” shall mean with respect to New Lien Bonds, any series of New Lien Bonds designated by an ordinance authorizing the issuance of such New Lien Bonds as “Debt Service Reserve Fund Participants” and secured by a lien on the New Lien Reserve Fund Participant Account of the New Lien Reserve Fund.

“New Lien Reserve Fund Surety Bond” means any surety bond or insurance policy having a rating in one of the three highest generic rating categories by a Rating Agency issued to the City for the benefit of the Owners of the New Lien Bonds to satisfy any part of the New Lien Reserve Fund Requirement, if any, for such series of New Lien Bonds as provided in Section 7.06 of this Ordinance.

“New Lien Reserve Fund Requirement” means the amount, if any, specified in any ordinance authorizing New Lien Bonds as the New Lien Reserve Fund Requirement or, if not so specified, \$0. The Bonds do not have a New Lien Reserve Fund Requirement.

“Operation and Maintenance Expenses” means the expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions as, in the judgment of the City Council, reasonably and fairly exercised, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or might be necessary to meet some physical accident or condition that would otherwise impair the Bonds, the Previously Issued First Lien Bonds, and any Additional New Lien Bonds shall be included as Operation and Maintenance Expenses.

“Paying Agent/Registrar” means initially UMB Bank, N.A., or any successor thereto as provided in this Ordinance.

“Previously Issued First Lien Bonds” shall mean the bonds of the following issues of the City to be outstanding upon the issuance of the Bonds authorized:

- (a) Waterworks and Sewer System Revenue Bonds, Series 2007; and
- (b) Waterworks and Sewer System Revenue Bonds, Series 2009.

“Previously Issued First Lien Bonds Interest and Sinking Fund” means the “City of Greenville, Texas, Waterworks and Sewer System Bond Retirement Fund” created and confirmed in the Previously Issued First Lien Bond Ordinance.

“Previously Issued First Lien Bond Ordinance” means, collectively, the ordinances authorizing the Previously Issued First Lien Bonds.

“Previously Issued First Lien Bonds Reserve Fund” means the “City of Greenville, Texas, Waterworks and Sewer System Revenue Bonds Reserve Fund” created and confirmed in the Previously Issued First Lien Bond Ordinance.

“Purchaser” means Truist Securities.

“Rating Agency” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, Moody’s Investors Service, Inc. or Fitch Ratings Inc., or if such entities are no longer in existence, by a comparable service.

“Record Date” means the close of business on the last Business Day of the month next preceding the interest payment date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

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

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

“Surplus Revenues” means those Net Revenues that are in excess of the amounts required to establish and maintain the funds as provided in this Ordinance.

“System” means the City’s existing waterworks and sewer system, including all present and future additions, extensions, replacements, and improvements thereto.

“System Fund” means the City of Greenville, Texas, Waterworks and Sewer System Fund as described in Section 7.03 of this Ordinance.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of Debt Service on the Bonds as the same come due and payable and remaining unclaimed by the Owners of such Bonds after the applicable payment or redemption date.

Section 1.02 Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03 Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04 Interpretation.

Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

Any action required to be taken on a date which is not a Business Day shall be done on the next succeeding Business Day and have the same effect as if done on the date so required.

This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01 Security for the Bonds.

The Bonds and any Additional New Lien Bonds are and shall be equally and ratably secured by and payable from an irrevocable lien on and pledge of the Net Revenues, such lien on and pledge, however, being in all things junior and subordinate to the lien on and pledge of the Net Revenues made for the security and payment of the Previously Issued First Lien Bonds and to the deposits required by the Previously Issued First Lien Bond Ordinance to be made to the various funds and accounts as security for the Previously Issued First Lien Bonds. At such time as all of the Previously Issued First Lien Bonds are no longer outstanding, the Bonds and any Additional New Lien Bonds shall be equally and ratably secured from an irrevocable first lien on and pledge of the Net Revenues. For the additional benefit of the owners of the New Lien Bonds that are not New Lien Reserve Fund Participants, the City may create one or more additional separate accounts within the New Lien Reserve Fund and grant a lien on such accounts for the benefit of the Owners of such series of such New Lien Bonds. Except with respect to the New Lien Reserve Fund Participant Account or the other separate accounts of the New Lien Reserve Fund described in this Section or applicable ordinance, all New Lien Bonds shall be in all respects on a parity with and of equal dignity with one another.

Section 2.02 Limited Obligations.

The Bonds, together with the Previously Issued First Lien Bonds and any Additional New Lien Bonds, are special obligations of the City, payable solely from the Net Revenues, and do not constitute a prohibited indebtedness of the City. None of the Bonds, the Previously Issued First Lien Bonds or any Additional New Lien Bonds shall ever be payable out of funds raised or to be raised by taxation.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01 Authorization.

The City’s revenue bonds to be designated the “City of Greenville, Texas, Waterworks and Sewer System New Lien Revenue Bonds, Series 2024” are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas including particularly Chapter 1502 and Article VI, Section 59 of the Charter of the City. The Bonds shall be issued in one series, in the aggregate principal amount of: \$100,765,000 for the purposes of (i) improving and extending the System; and (ii) paying the costs of issuing the Bonds.

Section 3.02 Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated the date of their delivery to the Purchaser thereof (the “Date of Delivery”). The Bonds shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be numbered separately from one upward or such other designation acceptable to the City and Paying Agent/Registrar.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$ 485,000	5.000%	2037	\$ 2,785,000	5.000%
2026	1,605,000	5.000%	2038	2,930,000	5.000%
2027	1,690,000	5.000%	2039	3,080,000	5.000%
2028	1,775,000	5.000%	2040	3,235,000	5.000%
2029	1,865,000	5.000%	2041	3,400,000	5.000%
2030	1,965,000	5.000%	2042	3,575,000	5.000%
2031	2,065,000	5.000%	2043	3,760,000	5.000%
2032	2,170,000	5.000%	2044	3,955,000	5.000%
2033	2,280,000	5.000%	***	***	***
2034	2,395,000	5.000%	2049	22,570,000	4.250%
2035	2,520,000	5.000%	***	***	***
2036	2,650,000	5.000%	2054	28,010,000	4.375%

(c) Interest on each Bond shall accrue and be paid on each Bond respectively until its maturity or prior redemption from the later of the Closing Date or the most recent Interest Payment Date to which interest has been paid or provided for at the per annum rates of interest, for each respective Maturity. Such interest shall be payable semiannually on each Interest Payment Date commencing February 15, 2025. Interest on the Bonds shall be calculated on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 3.03 Medium, Method, Place of Payment and Unclaimed Payments.

(a) The Debt Service on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register on the Record Date.

(c) Interest shall be paid by check or draft (dated as of the interest payment date) and sent by the Paying Agent/Registrar to the person entitled to such payment, first class United States mail, postage prepaid, to the address of such person as it appears in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of Debt Service on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(f) Unclaimed payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the unclaimed payments pertain. Subject to Title 6 of the Texas Property Code, unclaimed payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section 3.04 Control, Execution and Initial Registration.

(a) The Bonds shall be executed on behalf of the City by the Mayor or City Manager and the City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of

said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same officer of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Bonds initially delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent which Certificate shall be evidence that the bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date a single Bond (the "Initial Bond") in a denomination equal to the aggregate principal amount of the Bonds will be registered in the name of and delivered to the initial purchaser of the Bonds. Upon payment for the Bonds, the Paying Agent/Registrar shall cancel the Initial Bond and deliver one Bond for each maturity, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee for DTC, to DTC on behalf of the initial purchaser.

Section 3.05 Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (except interest shall be paid to the person in whose name such Bond is registered on the Record Date), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06 Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) Registration of any Bond may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Bond. To the extent possible the Paying Agent/Registrar will issue such new Bond or Bonds in not more than three business days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds will be required to be delivered by the Paying Agent/Registrar to the registered owner of the Bond or Bonds in not more than three business days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each bond issued in exchange for any Bond or portion thereof assigned or transferred shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such substitute Bond is delivered.

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration of the Bonds and the subsequent exchange of the Bonds pursuant to the provisions of Section 3.04(d) hereof. Thereafter, the Owner of any Bond requesting any exchange shall be required to pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such bond or portion thereof, except the exchange of an assigned and transferred Bond or portion thereof or the exchange of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, in both of which events such fees and charges will be paid by the City. However, the Paying

Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. In addition, the City hereby covenants with the Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the Debt Service on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Bonds as provided herein to the extent such fees and charges are payable hereunder by the City.

(f) Neither the City nor the Paying Agent/Registrar shall be required (i) to issue, transfer, or exchange any Bond during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds hereunder and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within 30 calendar days of the transfer or exchange date.

Section 3.07 Cancellation and Authentication.

(a) All Bonds paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be canceled upon the making of proper records regarding such payment, redemption, exchange or replacement.

(b) Each substitute Bond issued in exchange for or replacement of (pursuant to the provisions of Section 3.09 hereof) any Bond or Bonds issued under this Ordinance shall have printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such bond, manually sign and date such Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, the duty of exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Bonds shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which originally were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Bonds issued in exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the

principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BOND set forth in this Ordinance.

Section 3.08 Temporary Bonds.

(a) Pending the preparation of definitive Bonds, the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance. The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Holder.

Section 3.09 Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Holder of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City, to save each of them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/ Registrar, in its discretion, without the necessity of issuing a replacement Bond, may pay such Bond on the date on which such Bond becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10 Book Entry Only System.

Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate bond for each of the maturities thereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds (except interest shall be paid to the person in whose name a Bond is registered on the Record Date), for the purpose of all matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and

discharge the City's obligations with respect to payment of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

Section 3.11 Successor Securities Depository; Transfer Outside Book Entry Only System.

In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12 Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01 Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article.

Section 4.02 Optional Redemption.

(a) The City reserves the option to redeem Bonds maturing on and after February 15, 2034, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on

February 15, 2033, or any date thereafter, at a price of par value thereof plus accrued interest to the date of redemption.

(b) The City, at least 45 days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.03 Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on February 15, 2049 and February 15, 2054 (collectively, the “Term Bonds”) are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the New Lien Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth below.

\$22,570,000 Term Bonds Maturing February 15, 2049

<u>Redemption Date</u>	<u>Redemption Amount</u>
2045	\$ 4,140,000
2046	4,320,000
2047	4,505,000
2048	4,700,000
2049*	4,905,000

*maturity

\$28,010,000 Term Bonds Maturing February 15, 2054

<u>Redemption Date</u>	<u>Redemption Amount</u>
2050	\$ 5,125,000
2051	5,350,000
2052	5,590,000
2053	5,840,000
2054*	6,105,000

*maturity

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the

mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04 Partial Redemption.

(a) If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed. If less than all of the Bonds of a maturity or maturities are to be redeemed, the City will direct the Paying Agent/Registrar to call such Bonds within such maturity or maturities by lot, or by such other method that results in a random selection.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of a Bond as though it were a single bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge, notwithstanding any provision of Section 3.06 to the contrary.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.05 Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Holder of each Bond (or portion thereof) to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06 Payment Upon Redemption.

(a) Before or on each redemption date, the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the New Lien Interest and Sinking Fund or otherwise received by the

Paying Agent/Registrar from the City sufficient to pay the principal of, premium, if any, and accrued interest on such Bonds.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar, on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, premium, if any, and accrued interest on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.07 Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 of this Ordinance, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the principal thereof or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion thereof shall continue to bear interest at the rate stated on the Bond until paid or until due provision is made for the payment of same.

Section 4.08 Lapse of Payment.

Money set aside for the redemption of Bonds and remaining unclaimed by the Holders of such Bonds shall be subject to the provisions of Section 3.03(e) hereof.

Section 4.09 Conditional Notice of Redemption.

The City reserves the right, in the case of an optional redemption pursuant to Section 4.02 herein, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01 Appointment of Initial Paying Agent/Registrar.

UMB Bank, N.A., or its successor, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02 Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, 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 and registrar for the Bonds.

Section 5.03 Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor or City Manager is hereby authorized and directed to execute, and the City Secretary to attest, an agreement (the "Paying Agent/Registrar Agreement"), in the form presented at this meeting, with the Paying Agent/Registrar specifying the duties of the City and the Paying Agent/Registrar.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04 Termination.

The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided that, no such termination shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.05 Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06 Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07 Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01 Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the initially delivered Bonds, the Certificate of the Paying Agent/Registrar and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) 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 any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The Bonds (except temporary Bonds authorized by this Ordinance) shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

Section 6.02 Form of the Bonds.

The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the initially delivered Bonds, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds shall be as follows:

(a) Form of Bond

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas
County of Hunt
CITY OF GREENVILLE, TEXAS
WATERWORKS AND SEWER SYSTEM NEW LIEN REVENUE BOND
SERIES 2024

INTEREST RATE: MATURITY DATE: CLOSING DATE: CUSIP NUMBER:
_____ % February 15, _____ May 23, 2024 _____

The City of Greenville (the "City"), in the County of Hunt, State of Texas, for value received, hereby promises to pay to

_____ or registered assigns, but solely from the sources and in the manner hereinafter provided, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been duly called for prior redemption as provided herein and payment of the principal hereof, premium, if any, and accrued but unpaid interest thereon shall have been paid or provided for, and to pay interest on such principal amount at the interest rate per annum specified above, payable semiannually on February 15 and August 15 of each year, commencing February 15, 2025, from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for to the earlier of maturity or prior redemption.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the designated office in Dallas, Texas, of UMB Bank, N.A., the initial Paying Agent/Registrar (the "Designated Payment/Transfer Office") or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

This Bond is dated May 23, 2024, one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$100,765,000 (herein referred to as the "Bonds"), issued pursuant to the authority provided by Chapter 1502, Texas Government Code, and a certain ordinance of the City (the "Ordinance"), for the purpose of (i) making certain improvements and extensions to the City's waterworks system and sewer system (the "System"); and (ii) paying the costs related to the issuance of the Bonds, all as described in the Ordinance.

The Bonds are secured by and payable solely from a pledge of and lien on the Net Revenues of the City's System, as provided in the Ordinance; provided, however, such pledge of and lien on the Net Revenues being in all things junior and subordinate to the pledge of and lien on the Net Revenues made for the security and payment of the Previously Issued First Lien Bonds and to deposits required by the Previously Issued First Lien Bond Ordinance. The Bonds constitute special obligations of the City payable solely from the sources and in the manner set forth herein and in the Ordinance and not from any other revenues, funds or assets of the City.

The City has reserved the right, subject to the restrictions stated in the Ordinance, to issue additional parity revenue bonds that may be secured in the same manner and on a parity with the Bonds.

The City has reserved the option to redeem the Bonds maturing on or after February 15, 2034, in whole or in part before their respective scheduled maturity dates, on February 15, 2033, or on any date thereafter, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

Bonds maturing on February 15, 2049 and February 15, 2054 (collectively, the "Term Bonds") are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the New Lien Interest and Sinking Fund for such Bonds, on the dates and in the respective principal amounts as set forth below:

\$22,570,000 Term Bonds Maturing February 15, 2049

<u>Redemption Date</u>	<u>Redemption Amount</u>
2045	\$ 4,140,000
2046	4,320,000
2047	4,505,000
2048	4,700,000
2049*	4,905,000

*maturity

\$28,010,000 Term Bonds Maturing February 15, 2054

<u>Redemption Date</u>	<u>Redemption Amount</u>
2050	\$5,125,000
2051	5,350,000
2052	5,590,000
2053	5,840,000
2054*	6,105,000

*maturity

At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in the Ordinance.

The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

The City reserves the right to give notice of its election or direction to redeem Bonds subject to optional redemption conditioned upon the occurrence of subsequent events. Such

notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain outstanding and the rescission of such redemption shall not constitute a default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute a default.

As provided in the Ordinance and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business 45 days before the day of the first mailing of a notice of redemption of Bonds hereunder and ending at the close of business on the date of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption where such redemption is scheduled to occur within 30 calendar days after the transfer or exchange date.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar, nor any such agent shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; and that the interest on and principal of this Bond and the series of which it is a part, are secured by and payable from the lien on and pledge of the Net Revenues of the City's System, as provided in the Ordinance.

The holders hereof shall never have the right to demand payment of this Bond out of any funds raised or to be raised by taxation.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

City Secretary, City of Greenville, Texas

Mayor, City of Greenville, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such Certificate on the initial Bond is fully executed.

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

I hereby certify that there is on file and of record in my office an opinion of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding special obligation of the City of Greenville, Texas, payable from the revenues pledged to its payment by and in the ordinance authorizing same and that said bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

It is hereby certified that this Bond has been issued under the provisions of the Ordinance described on this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or portion of a bond or bonds of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas as shown in the records kept by the undersigned.

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

Dated: _____

By: _____
Authorized Representative

(d) 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 Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(e) The Initial Bond shall be in the form set forth in subsections (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond the headings “INTEREST RATE” and “MATURITY DATE” shall be completed with the words “As Shown Below” and “CUSIP NUMBER” deleted;

(ii) in the first paragraph of the Bond, the words “on the Maturity Date specified above, the sum of _____ DOLLARS” shall be deleted and the following will be inserted: “on the fifteenth day of February in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
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(Information to be inserted from the Section 3.02)

(iii) the Initial Bond shall be numbered T-1.

Section 6.03 CUSIP Registration.

The City may secure identification numbers through the CUSIP Service Bureau managed on behalf of the American Bankers Association by S&P Global Market Intelligence, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04 Legal Opinion.

The approving legal opinion of Bracewell LLP may be printed on the back of or attached to each Bond over the certification of the City Secretary of the City which may be executed in facsimile.

Section 6.05 Bond Insurance.

Information pertaining to bond insurance, if any, may be printed on or attached to each Bond.

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS, INITIAL DEPOSITS AND APPLICATION OF MONEYS

Section 7.01 Creation of Funds.

In addition to the funds created by the Previously Issued First Lien Bond Ordinance authorizing the issuance of the Previously Issued First Lien Bonds, which funds and the requirements to make deposits thereto are hereby reaffirmed, the following special funds shall be established and maintained at the City’s depository bank so long as the Bonds or Additional New Lien Bonds are outstanding and unpaid; to wit:

(a) “City of Greenville, Texas, Waterworks and Sewer System Revenue Fund,” herein called the “System Fund;” and

(b) “City of Greenville, Texas, Waterworks and Sewer System New Lien Interest and Sinking Fund,” herein called the “New Lien Interest and Sinking Fund”; and

(c) “City of Greenville, Texas, Waterworks and Sewer System New Lien Reserve Fund,” herein called the “New Lien Reserve Fund.”

Section 7.02 Initial Deposits.

On the Closing Date, the City shall cause the proceeds from the sale of the Bonds to be deposited as follows:

(a) \$103,621,601.00 of the proceeds from the sale of the Bonds shall be deposited to the Construction Fund and shall be applied to the payment of the costs of the project described in Section 3.01(i) of the Ordinance.

(b) The remaining proceeds received on the Bonds shall be deposited to a special account of the City and used to pay the costs of issuing the Bonds. Any funds not needed to pay the costs of issuance will be deposited to the New Lien Interest and Sinking Fund.

(c) To the extent necessary to accomplish fully the purposes of this Ordinance, the City Manager is hereby authorized to reallocate the funds directed to be used for the purposes specified above.

Section 7.03 System Fund.

(a) All Gross Revenues, from day to day as collected, shall be deposited to the System Fund. The Operation and Maintenance Expenses shall be paid from the System Fund, upon approval of such payment by the City Council.

(b) The City shall transfer the Net Revenues from the System Fund to the Previously Issued First Lien Bonds Interest and Sinking Fund, the Previously Issued First Lien Bonds Reserve Fund, the New Lien Bonds Interest and Sinking Fund and the New Lien Bonds Reserve Fund at the times and in the amount provided by this Ordinance.

Section 7.04 Priority of Transfers to Funds.

(a) Until such time as Previously Issued First Lien Bonds are no longer outstanding and as provided in the Previously Issued First Lien Bond Ordinance authorizing the Previously Issued First Lien Bonds, all Gross Revenues, from day to day collected, shall be deposited to the “System Fund.” Moneys on deposit in the System Fund shall first be used to pay all Operation and Maintenance Expenses upon approval of such payment by the City Council. Net Revenues shall be transferred from the System Fund to the other Funds, in the order of priority, in the manner, and in the amounts set forth below:

(i) First: In satisfaction of the requirements of the Previously Issued First Lien Bonds Interest and Sinking Fund in accordance with the terms and conditions of the Previously Issued First Lien Bond Ordinance authorizing the Previously Issued First Lien Bonds;

(ii) Second: In satisfaction of the requirements of the Previously Issued First Lien Bonds Reserve Fund in accordance with the terms and conditions of the Previously Issued First Lien Bond Ordinance authorizing the Previously Issued First Lien Bonds;

(iii) Third: In satisfaction of the requirements of the New Lien Interest and Sinking Fund in accordance with the terms and conditions of Section 7.05 hereof; and

(iv) Fourth: In satisfaction of the requirements of the New Lien Reserve Fund in accordance with the terms and conditions of Section 7.06 hereof.

(b) At such time as there are no Previously Issued First Lien Bonds outstanding, all Gross Revenues, from day to day collected, shall be deposited to the System Fund. Moneys on deposit in the System Fund shall first be used to pay all Operation and Maintenance Expenses, upon approval of such payment by the City Council. Net Revenues shall be transferred from the System Fund to the other Funds, in the order of priority, in the manner, and in the amounts set forth below:

(i) First: In satisfaction of the requirements of the New Lien Interest and Sinking Fund in accordance with the terms and conditions of Section 7.05 hereof; and

(ii) Second: In satisfaction of the requirements of the New Lien Reserve Fund in accordance with the terms and conditions of Section 7.06 hereof.

Section 7.05 New Lien Interest and Sinking Fund.

(a) The New Lien Interest and Sinking Fund shall be used to pay Debt Service on the Bonds and any Additional New Lien Bonds as such become due and payable.

(b) The City shall make the following monthly deposits of Net Revenues to the credit of the New Lien Interest and Sinking Fund:

(i) such amounts in equal monthly installments, commencing on the 1st day of the month immediately succeeding the Closing Date, and on the 1st day of each month thereafter, as will be sufficient to pay the interest scheduled to come due on the Bonds on the next interest payment date, less any amounts already on deposit therein for such purpose derived from the proceeds of the Bonds or from any other lawfully available sources; and

(ii) such amounts, in equal monthly installments, commencing on the 1st day of the month immediately succeeding the Closing Date, and on the 1st day of each month thereafter, as will be sufficient to pay the next maturing principal of the Bonds.

(c) In addition to the foregoing requirements, the City shall make additional deposits into the New Lien Interest and Sinking Fund at the times and in the amounts specified in any ordinance authorizing the issuance of any Additional New Lien Bonds.

Section 7.06 New Lien Reserve Fund.

(a) The City hereby covenants and agrees to accumulate, and, when accumulated, to continuously maintain in the New Lien Reserve Fund an amount equal to at least the New Lien Reserve Fund Requirement, if any such requirement is designated in any ordinance authorizing New Lien Bonds.

(b) The City shall establish and maintain as hereinafter provided a balance in the New Lien Reserve Fund equal to the New Lien Reserve Fund Requirement for the New Lien Bonds that are secured thereby as established in any ordinance authorizing such New Lien Bonds. The City shall establish and maintain a balance in the New Lien Reserve Fund Participant Account of the New Lien Reserve Fund equal to the New Lien Reserve Fund Requirement for the New Lien Bonds that are secured thereby. In addition, within the New Lien Reserve Fund, subaccounts may be established pursuant to ordinances authorizing particular series of New Lien Bonds into which the applicable New Lien Reserve Fund Requirement for the particular series of New Lien Bonds that are not New Lien Reserve Fund Participants being issued under any ordinance authorizing New Lien Bonds may be deposited.

Any increase in the New Lien Reserve Fund Requirement resulting from the issuance of any Additional New Lien Bonds shall be specified in any ordinance authorizing the issuance of such Additional New Lien Bonds. The New Lien Reserve Fund Requirement shall, as provided in any ordinance authorizing such Additional New Lien Bonds, be satisfied by depositing to the credit of the New Lien Reserve Fund Participant Account (in the case of Additional New Lien Bonds that are New Lien Reserve Fund Participants) or such other designated accounts, as applicable, (in the case of Additional New Lien Bonds that are not New Lien Reserve Fund Participants) of the New Lien Reserve Fund (i) after making (a) required transfers from the Previously Issued First Lien Bonds Reserve Fund into the funds and accounts required under the Previously Issued First Lien Bond Ordinance, including the Previously Issued First Lien Bonds Interest and Sinking Fund, and required transfers from the System Fund into the Previously Issued First Lien Bonds Reserve Fund, in amounts sufficient to accumulate within twelve (12) months the Required Reserve Fund Amount (as defined in the Previously Issued First Lien Bond Ordinance) for the Previously Issued First Lien Bonds; and (b) required transfers from the System Fund into the New Lien Interest and Sinking Fund, transfers into the New Lien Reserve Fund from the System Fund, in approximately equal monthly installments made on or before the first day of each month following the month of delivery of such Additional New Lien Bonds, amounts sufficient to accumulate within sixty (60) months the New Lien Reserve Fund Requirement; (ii) proceeds of such Additional New Lien Bonds or other lawfully appropriated funds in not less than the amount which, together with investment earnings thereon as estimated by the City, will be sufficient to fully fund the New Lien Reserve Fund Requirement by no later than the end of the period of time for which the payment of interest on such New Lien Bonds has been provided out of proceeds of such Additional New Lien Bonds or investment earnings thereon as estimated by the City or from other lawfully available funds other than Net Revenues; or (iii) a New Lien Reserve Fund Surety Bond that is in an amount equal to the amount required

to be funded. Any downgrade of an issuer of a New Lien Reserve Fund Surety Bond shall have no effect on the value of such instrument for the purposes of meeting the New Lien Reserve Fund Requirement and the City shall have no obligation to supplement or replace such New Lien Reserve Fund Surety Bond or make additional cash contributions to the Previously Issued First Lien Bonds Reserve Fund as a result of such downgrade. The City further expressly reserves the right to substitute at any time a New Lien Reserve Fund Surety Bond for any funded amounts in the New Lien Reserve Fund and to apply the funds thereby released for any lawful purpose, including without limitation any purpose for which New Lien Bonds may be issued or in order to pay debt service on New Lien Bonds (and with respect to funds on deposit in the New Lien Reserve Fund that are proceeds of the New Lien Bonds, such released funds may only be used for any purpose for which New Lien Bonds may be issued or in order to pay debt service on the New Lien Bonds). The City also reserves the right to provide for the use of a New Lien Reserve Fund Surety Bond in relation to a series-specific debt service reserve requirement as may be required under any ordinance authorizing New Lien Bonds.

(c) In any month in which any account of the New Lien Reserve Fund contains less than the applicable New Lien Reserve Fund Requirement (or so much thereof as shall then be required to be therein if the City has elected to accumulate the New Lien Reserve Fund Requirement for any series of Additional New Lien Bonds as above provided), then on or before the last Business Day of such month, after making all required transfers to the New Lien Interest and Sinking Fund, there shall be transferred on a pro rata basis into the New Lien Reserve Fund Participant Account (in the case of New Lien Bonds that are New Lien Reserve Fund Participants) and such other designated accounts, as applicable, (in the case of New Lien Bonds that are not New Lien Reserve Fund Participants) of the New Lien Reserve Fund from the System Fund, such amounts as shall be required to permit the City to pay all New Lien Bonds under New Lien Reserve Fund Surety Bond allocable to the New Lien Reserve Fund Participant Account or such other designated accounts, as applicable, within a twelve (12) month period and such additional amounts as shall be sufficient to enable the City within a twelve (12) month period to reestablish in the New Lien Reserve Fund Participant Account or such other designated accounts within the New Lien Interest and Sinking Fund, as applicable, the New Lien Reserve Fund Requirement for the New Lien Bonds secured thereby; provided, however, that in the event that such monthly transfer requirements ever exceed one-twelfth (1/12th) of the maximum annual Debt Service scheduled to occur in any future Fiscal Year on all New Lien Bonds then outstanding, any remaining required transfers shall be accomplished pursuant to Section 7.07 below. After such amounts have been accumulated in the New Lien Reserve Fund Participant Account and such other designated accounts (as described above), and so long thereafter as such accounts contain the New Lien Reserve Fund Requirement, no further transfers shall be required to be made into the New Lien Reserve Fund Participant Account or such other designated accounts within the New Lien Reserve Fund, and any excess amounts in such accounts shall be transferred to the New Lien Interest and Sinking Fund or such other Funds as may be permitted by federal tax law. But if and whenever the balance in the New Lien Reserve Fund Participant Account or such other designated accounts is reduced below the applicable New Lien Reserve Fund Requirement, monthly transfers to such accounts shall be resumed and continued in such amounts as shall be required to restore the New Lien Reserve Fund Participant Account or such other designated accounts within the New Lien Reserve Fund, as applicable, to such amount within a twelve (12) month period.

(d) The New Lien Reserve Fund Participant Account shall be used to pay the Debt Service on the New Lien Bonds that are New Lien Reserve Fund Participants at any time when there is not sufficient money available in the System Fund for such purpose (with the requirement that all cash and investments on deposit in such account be depleted before drawing upon any New Lien Reserve Fund Surety Bond, unless provided otherwise in each of the New Lien Reserve Fund Surety Bonds allocable to the New Lien Reserve Fund Participant Account) and to repay amounts drawn under any New Lien Reserve Fund Surety Bond allocable to such New Lien Reserve Fund Participant Account for such purpose, together with interest thereon, in accordance with the terms of the City's reimbursement obligations incurred in connection with such New Lien Reserve Fund Surety Bond. The New Lien Reserve Fund Participant Account may also be used to make the final payments for the retirement or defeasance of all New Lien Bonds then outstanding that are secured thereby.

With respect to any series of New Lien Bonds that are not New Lien Reserve Fund Participants, any account created within the New Lien Reserve Fund for the benefit of such series of New Lien Bonds shall be used to pay the Debt Service on such series of New Lien Bonds at any time when there is not sufficient money available if the New Lien Interest and Sinking Fund for such purpose (with the requirement that all cash and investments on deposit in such account be depleted before drawing upon any New Lien Reserve Fund Surety Bond Security, unless provided otherwise in each of the New Lien Reserve Fund Surety Bond Security allocable to such account) and to repay amounts drawn under any New Lien Reserve Fund Surety Bond Security allocable to such account for such purpose, together with interest thereon, in accordance with the terms of the City's reimbursement obligations incurred in connection with such New Lien Reserve Fund Surety Bond Security. Any such account shall also be used to make the final payments for the retirement and defeasance of the series of New Lien Bonds then outstanding that are secured thereby.

(e) The City directs and requires the Paying Agent/Registrar for any series of New Lien Bonds to ascertain the necessity for claim or draw upon the applicable New Lien Reserve Fund Surety Bond, and to provide notice to the issuer thereof in accordance with its terms and to make such claims or draws thereon as may be necessary to provide for the timely payment of Debt Service on the New Lien Bonds to which it pertains.

(f) The Bonds are not New Lien Reserve Fund Participants, and the Bonds do not have a New Lien Reserve Fund Requirement.

Section 7.07 Deficiencies in Funds.

If in any month the City shall, for any reason, fail to deposit into any Fund hereinabove created or reaffirmed the full amounts required to be deposited therein, amounts equivalent to such deficiencies shall be set apart and deposited to those funds from the first available and unallocated revenues of the following month or months, and such deposits shall be in addition to the deposits otherwise required to be made to those funds during such month or months.

Section 7.08 Surplus Revenues.

Surplus Revenues may be used for the prior redemption of the Bonds, the Previously Issued First Lien Bonds or any Additional New Lien Bonds, or for any lawful purpose.

Section 7.09 Security of Funds.

All funds created or reaffirmed by this Ordinance shall be secured in the manner and to the fullest extent permitted by the laws of the State of Texas for the security of public funds, and such funds shall be used only for the purposes permitted in this Ordinance and the Previously Issued First Lien Bond Ordinance.

Section 7.10 Construction Fund.

(a) Moneys on deposit in the Construction Fund shall be used for the purposes of making permanent public improvements for which the Bonds were issued (as specified in Section 3.01(i) hereof) and paying the costs and expenses incurred in connection with the delivery of the Bonds.

(b) Moneys on deposit in the Construction Fund, at the option of the City, may be invested in any securities or obligations permitted under applicable law. Income derived from the investment of the money on deposit in the Construction Fund shall be retained therein, subject to Section 7.10 hereof.

Section 7.11 Excess Bond Proceeds.

Upon completion of the improvements financed with the Bonds, any amount (exclusive of that amount retained for the payment of costs of such improvements not then due and payable) that remains in the Construction Fund shall be, at the option of the City, (i) transferred to the New Lien Interest and Sinking Fund, segregated in a special escrow account and invested pursuant to Section 9.01 hereof, and used to redeem Bonds at the earliest date that the City has the option to redeem Bonds without premium or penalty; or (ii) used for the purpose of making permanent public improvements to the System for which additional bonds could be issued.

ARTICLE VIII

ADDITIONAL NEW LIEN BONDS

Section 8.01 Additional New Lien Bonds Generally.

(a) The City reserves the right at any time and from time to time, and in one or more series or issues, to issue additional revenue bonds (“Additional New Lien Bonds”) payable from the Net Revenues in the manner provided by law. Additional New Lien Bonds may mature on February 15 and August 15 in any of the years in which they are scheduled to mature.

(b) Additional New Lien Bonds, when issued, shall be payable from and equally secured by a lien on and pledge of the Net Revenues in the same manner and to the same extent as the Bonds and any Additional New Lien Bonds and shall in all respects be of equal dignity;

such lien and pledge being in all things junior and subordinate to the lien on and pledge of the Net Revenues made for the security of the Previously Issued First Lien Bonds; provided, however, that for the additional benefit of the Owners each series of Additional New Lien Bonds, the City may establish an account within the New Lien Reserve Fund and grant a lien on such account for the benefit of the Owners of such series of Additional New Lien Bonds.

Section 8.02 Conditions Precedent to Issuance of Additional New Lien Bonds.

(a) The City may issue Additional New Lien Bonds, if the following conditions have been met:

(i) The chief financial officer or the finance director of the City signs a certificate to the effect that, except for the issuance of refunding bonds to cure a default, no default exists in connection with any of the covenants or requirements of the ordinances authorizing the issuance of all then outstanding bonds payable from and secured by a lien on and pledge of the Net Revenues and that the interest and sinking funds and the reserve funds contains the amounts then required to be on deposit therein; and

(ii) either:

(A) the chief financial officer or the finance director of the City signs a certificate to the effect that, during either the next preceding Fiscal Year, or any twelve (12) consecutive calendar month period ending not more than ninety (90) days prior to the adoption of the ordinance authorizing the issuance of the then proposed Additional New Lien Bonds, the Net Revenues were at least equal to an aggregate of 125% of the average annual Debt Service requirements of all then outstanding Previously Issued First Lien Bonds and New Lien Bonds after giving effect to the Additional New Lien Bonds proposed for issuance; or

(B) in the event the certificate of the chief financial officer or the finance director of the City states that the Net Revenues for the period covered thereby were less than required above, the chief financial officer or the finance director of the City or a qualified consultant may set forth projections in a certificate which indicate that the estimated Net Revenues will be at least equal to least 125% of the average annual Debt Service requirements of all then outstanding Previously Issued First Lien Bonds and New Lien Bonds after giving effect to the Additional New Lien Bonds proposed for issuance, in the Fiscal Year immediately following the completion of the facilities being financed. For purposes of determining the "estimated Net Revenues" referenced in the preceding sentence, such certificate of the chief financial officer or the finance director of the City or a qualified consultant shall take into account (x) the audited results of operations of the System and the existing customers of the System for the most recently completed Fiscal Year, (y) the projected customers of the System for the Fiscal Year immediately following the completion of the facilities to be financed with proceeds of the proposed Additional New Lien Bonds, and (z)

any changes in the rates and charges of the System that have been approved by City Council prior to the date such certificate is executed.

Section 8.03 Additional New Lien Bonds Reserve Fund Requirement.

Whenever Additional New Lien Bonds are issued, the amount to be accumulated and maintained in the New Lien Reserve Fund, if any, shall be increased to an amount equal to the New Lien Reserve Fund Requirement for all New Lien Bonds to be outstanding after the issuance of the Additional New Lien Bonds. Such additional amount shall be so accumulated in equal monthly installments during a period not to exceed five years from the date of the Additional New Lien Bonds.

Section 8.04 Subordinate Lien Bonds.

The City reserves the right to issue, as authorized by law, bonds of inferior lien that are junior and subordinate in right and lien to the Bonds and any Additional New Lien Bonds.

Section 8.05 Refunding New Lien Bonds.

The City reserves the right to issue refunding bonds for the purpose of refunding outstanding Previously Issued First Lien Bonds or New Lien Bonds in principal amount, after giving effect to any premiums received on the sale thereof, sufficient to provide for the payment thereof. Refunding bonds shall not be subject to the provisions of Section 8.02 herein if they meet either of the following conditions: (i) the issuance of the refunding bonds would result in a net present value savings of Debt Service to the City; or (ii) the issuance of the refunding bonds would result in a reduction of the City's average annual Debt Service for all outstanding Previously Issued First Lien Bonds and New Lien Bonds.

Section 8.06 No Further Issuance of First Lien Bonds.

The City covenants not to issue any bonds superior in lien and pledge to the Bonds, including specifically additional bonds authorized under the Previously Issued First Lien Bond Ordinance.

ARTICLE IX

INVESTMENTS

Section 9.01 Investment of Funds.

Money in the New Lien Interest and Sinking Fund, the New Lien Reserve Fund and the System Fund, may, at the option of the City, be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner

(which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any such Fund will be available at the proper time or times. Such investments shall be valued each year in terms of current market value as of the last day of the City's fiscal year. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default.

ARTICLE X

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 10.01 Making and Collecting Rates and Charges.

The City covenants, reaffirms and agrees with the Holders of the Bonds, the Previously Issued First Lien Bonds and any Additional New Lien Bonds that:

(a) the City at all times will charge and collect for services rendered by the System rates sufficient to:

- (1) pay for all Operation and Maintenance Expenses;
- (2) establish and maintain the Funds required by the Previously Issued First Lien Bond Ordinance and this Ordinance;
- (3) produce Net Revenues each year in an amount reasonably estimated to be not less than the greater of (i) 1.25 times the average annual principal and interest requirements of the Previously Issued First Lien Bonds outstanding, or (ii) 1.25 times the annual principal and interest requirements of the Previously Issued First Lien Bonds scheduled to come due and mature in each year; and
- (4) produce Net Revenues each year that will equal at least 1.10 times the annual Debt Service on the Bonds and any Additional New Lien Bonds to pay promptly all of the Debt Service on all the Bonds and any Additional New Lien Bonds; and
- (5) pay all other outstanding indebtedness against said System as and when the same becomes due.

(b) if the System should become legally liable for any other obligations or indebtedness, the City shall fix, maintain, charge and collect additional rates and charges for services rendered by the System sufficient to establish and maintain funds for the payment thereof.

Section 10.02 Maintenance and Operation of System; Insurance.

(a) The City covenants, reaffirms and agrees to maintain the System in good condition and to operate the System in an efficient manner and at a reasonable cost.

(b) So long as any of the Bonds, the Previously Issued First Lien Bonds, or any Additional New Lien Bonds are outstanding, the City agrees to maintain, for the benefit of the Holder or Holders of such bonds, insurance on the System of a kind and in an amount that usually would be carried by private companies engaged in a similar type of business.

(c) Nothing in this Ordinance shall be construed as requiring the City to expend any funds that are derived from sources other than the operation of the System, but nothing herein shall be construed as preventing the City from doing so.

Section 10.03 Records and Accounts.

The City hereby covenants, reaffirms and agrees that it has installed and that, so long as any of the Bonds, or any interest thereon remain outstanding and unpaid, it will keep proper books of records and accounts (separate from all other records and accounts of the City) in which complete and correct entries shall be made of all transactions relating to the System.

Section 10.04 System Fiscal Year.

The System shall be operated on the basis of a fiscal year commencing October 1 in each year, continuing through and ending September 30 of the following year.

Section 10.05 Other Representations and Covenants.

(a) The City has the lawful power to pledge the Net Revenues and has lawfully exercised said power under the Constitution and laws of the State of Texas, including said power existing under Chapter 1502.

(b) The City covenants that the Bonds and any Additional New Lien Bonds, shall be ratably secured under the pledge of the Net Revenues in such manner that no one bond shall have preference over any other bond; provided, however, that such lien on and pledge of the Net Revenues is in all things junior and subordinate to the lien on and pledge of the Net Revenues made for the payment of the Previously Issued First Lien Bonds.

(c) The City covenants and represents that, other than for payment of the Bonds and the Previously Issued First Lien Bonds, the rents, revenues, and income of the System have not in any manner been pledged to the payment of any debts or obligation of the City or of the System.

(d) The City covenants that so long as any of the Bonds or the Previously Issued First Lien Bonds remain outstanding, the City will not sell or encumber the System or any substantial part thereof, and that, with the exception of any Additional New Lien Bonds, it will not encumber any revenue thereof unless such encumbrance is made junior and subordinate to the provisions of this Ordinance.

(e) The City covenants that no free service of the System will be allowed and that, should the City or any of its agencies or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City from sources other than the revenues and income of the System.

(f) To the extent that it legally may do so, the City covenants, reaffirms and agrees that, so long as any of the Bonds, the Previously Issued First Lien Bonds or any Additional New Lien Bonds or any interest thereon are outstanding, no franchise shall be granted for the installation or operation of any competing waterworks or sewer systems and that the City will prohibit the operation of any water or sewer system other than the System. The operation of any such system by anyone other than this City is hereby prohibited.

(g) The City represents that, under Chapter 1208.002, Texas Government Code, a security interest in property, other than real property, that is created by the City is valid and effective according to the terms of the security agreement and is perfected from the time the security agreement is entered into or adopted continuously through the termination of the security interest, without physical delivery or transfer of control of the property, filing of a document, or another act. The City covenants that, if Chapter 1208.002 is amended at any time while the Bonds are outstanding and unpaid, the City shall take all actions required in order to preserve for the registered owners of the Bonds a perfected security interest in the property in which such security interest is granted pursuant to Section 2.01 hereof.

Section 10.06 Federal Income Tax Matters.

(a) General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Bonds.

(b) No Private Activity Bonds. The City covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) No Federal Guarantee. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The City covenants not to take any action or omit to take action that, if taken or omitted, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage Bonds. The City covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such

proceeds of the Bonds so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, be rebated to the United States.

(g) Information Reporting. The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

(h) Record Retention. The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) Registration. If the Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Bonds will be issued in registered form.

(j) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

(l) Official Intent. For purposes of section 1.150-2(d) of the Regulations, to the extent that an official intent to reimburse has not previously been adopted by the City, this Ordinance serves as the City’s official declaration of intent to use proceeds of the Bonds to reimburse itself from proceeds of the Bonds issued in the maximum amount authorized by this Ordinance for certain expenditures paid in connection with the projects set forth herein. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date on which the project to which such expenditure relates is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.01 Default and Remedies.

(a) In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees that, in the event the City (i) defaults in the timely payment of Debt Service on any of the Bonds, (ii) fails to make any deposit required by Sections 7.05 and 7.06 of this Ordinance to be made to the New Lien Interest and Sinking Fund and the New Lien Reserve Fund, or (iii) defaults in the observance or performance of any other covenant, condition or obligation set forth in this Ordinance, any Owner shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City Council and all other officers of the City to observe and perform such covenant, condition or obligation; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) No delay or omission to exercise any right or power accruing upon any default under this Ordinance shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE XII

DISCHARGE

Section 12.01 Discharge.

The City agrees to discharge, defease, redeem or refund the Bonds only by irrevocably depositing, in trust, with the Paying Agent/Registrar or other legally authorized escrow agent: (1) lawful money of the United States of America sufficient to pay the Defeasance Requirements, (2) Defeasance Securities that mature in such amounts and at such times to provide, without reinvestment, money sufficient to pay the Defeasance Requirements, or (3) a combination of money and Defeasance Securities sufficient to pay the Defeasance Requirements.

“Defeasance Requirements” means the principal of, premium, if any, and all unpaid interest to the redemption date on the Bonds to be discharged, defeased, redeemed or refunded, as such principal or redemption price, premium, if any, and interest become due.

“Defeasance Securities” means (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; or (b) noncallable 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 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. The City has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to

reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

ARTICLE XIII

SALE AND DELIVERY OF BONDS

Section 13.01 Sale of Bonds, Official Statement.

(a) The Bonds having been duly advertised and offered for sale at competitive bid, are hereby officially sold and awarded to Truist Securities (the "Purchaser") for a purchase price equal to the principal amount thereof plus a cash premium of \$3,245,974.48 being the bid which produced the lowest true interest cost to the City. The Initial Bond shall be registered in the name of the Purchaser or its designee. The Purchaser also elected to purchase municipal bond insurance for the Bonds from Assured Guaranty Municipal Corp. and to pay the premium for such policy in the amount of \$147,102.00.

(b) The form and substance of the Preliminary Official Statement for the Bonds and any addenda, supplement or amendment thereto (the "Preliminary Official Statement") and the final Official Statement (the "Official Statement") presented to and considered at this meeting, are hereby in all respects approved and adopted, and the Preliminary Official Statement is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, by the City Council. The use and distribution of the Preliminary Official Statement in the public offering of the Bonds by the Purchaser is hereby authorized. The City Manager, Finance Director, the Mayor and the City Secretary of the City are hereby authorized and directed to use and distribute or authorize the use and distribution of the final Official Statement and any addenda, supplement or amendment thereto (the "Official Statement") and to execute the same and deliver appropriate numbers of executed copies thereof to the Purchaser of the Bonds. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the City Manager, the Finance Director, the Mayor of the City and the Purchaser, may be used by the Purchaser in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting.

(c) All officers of the City are authorized to take such actions, to obtain such consents or approvals and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds, to pay the costs of issuance of the Bonds, and to effectuate the terms and provisions of this Ordinance. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed \$9,500).

(d) The obligation of the Purchaser to accept delivery of the Bonds is subject to the Purchaser being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the City, which opinion shall be dated and delivered the Closing Date. The Mayor and the City Manager are each hereby authorized and directed to execute a bond counsel engagement letter with Bracewell LLP, setting forth such firm's duties as Bond Counsel for the City, and such engagement letter and the terms thereof in the form presented at this meeting is hereby approved and accepted.

Section 13.02 Control and Delivery of Bonds.

(a) The Mayor of the City is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts of the State of Texas, delivery of the Bonds shall be made to the Purchaser under and subject to the general supervision and direction of the Mayor, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor or City Secretary is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem and the Assistant City Secretary, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor and City Secretary, respectively.

ARTICLE XIV

CONTINUING DISCLOSURE UNDERTAKING

Section 14.01 Annual Reports.

(a) The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information of the type included in Tables 1-9 thereof, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City within 12 months after the end of each fiscal year, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Generally Accepted Accounting Principles or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements

within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

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

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 14.02 Notice of Certain Events.

(a) The City shall notify the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;

(xv) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (A) any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets of business of the City, and (B) the City intends the words used in the immediately preceding clauses (xv) and (xvi) in this Section and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

(b) The City shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the City to provide required annual financial information and notices of material events in accordance with Sections 14.01 and 14.02. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 14.03 Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Article XII that causes Bonds no longer to be outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it

has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 14.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

ARTICLE XV

AMENDMENTS

Section 15.01 Amendments.

This Ordinance shall constitute a contract with the Owners, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains outstanding except as

permitted in this Section. The City may, without consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of the Owners of the Bonds holding a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition, or rescission.

ARTICLE XVI

MISCELLANEOUS

Section 16.01 Changes to Ordinance. The Mayor or City Manager, in consultation with Bond Counsel, are hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 16.02 Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Ordinance.

Section 16.03 No Personal Liability. No recourse shall be had for payment of the Debt Service on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

ARTICLE XVII

EFFECTIVE IMMEDIATELY

Section 17.01 Effective Immediately.

Notwithstanding the provisions of the City Charter, this Ordinance shall become effective immediately upon its adoption at this meeting pursuant to Section 1201.028, Texas Government Code.

PASSED AND APPROVED this ____ day of _____, 2024.

Mayor
City of Greenville, Texas

ATTEST:

City Secretary
City of Greenville, Texas

APPROVED AS TO FORM:

City Attorney
City of Greenville, Texas