

RESOLUTION APPROVING A RESOLUTION BY THE BOARD OF DIRECTORS OF THE BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. AUTHORIZING THE ISSUANCE OF "BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC. CITY OF ROUND ROCK, TEXAS CONTRACT REVENUE BONDS, (BRUSHY CREEK REGIONAL WATER TREATMENT AND DISTRIBUTION PROJECT)"; ESTABLISHING THE PROCEDURES FOR SELLING AND DELIVERING THE BONDS AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SUCH BONDS

WHEREAS, the City of Round Rock, Texas (the "City") is a participating and founding member of the Brushy Creek Regional Utility Authority, Inc. (the "BCRUA"); and

WHEREAS, the City has previously requested the BCRUA to issue a separate series of contract revenue bonds for the City in an amount not to exceed \$4,435,000 to finance the City's contribution to the construction and equipment of the Phase 1C of the BCRUA Project (as defined in the Master Contract) pursuant to the Master Contract; and

WHEREAS, a substantially final copy of the BCRUA's the resolution attached hereto as Exhibit "A" (the "Bond Resolution") authorizing issuance of bonds (the "Bonds") to finance Phase 1C of the BCRUA Project has been presented to the City Council; and

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"Private Placement Memorandum"), a substantially final copy of which is attached hereto as Exhibit "B" and has been presented to the City Council; and

WHEREAS, it is hereby further officially found and determined that public notice of the time, place, and purpose of this meeting was given, all as required by Texas Government Code, Chapter 551.

NOW, THEREFOR, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROUND ROCK, TEXAS:

SECTION 1. RECITALS. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. Capitalized terms used herein shall have the meaning assigned in the preamble hereof or the Master Contract, unless otherwise defined.

SECTION 2. BOND RESOLUTION. The Bond Resolution attached hereto as Exhibit "A" has been presented to the City Council for review and is hereby approved as to form and content by the City Council with such changes therein or additions thereto as the City Manager or an Assistant City Manager may deem advisable. The City hereby acknowledges that the payment of principal of and interest on the Bonds is payable, in whole or in part, from the Bond Payments (as defined in the Master Contract) to be made by the City to the BCRUA under and pursuant to the Master Contract. The Bond Resolution, including the Award Certificate executed thereunder, shall constitute a Bond Resolution under the Master Contract for all purposes.

SECTION 3. OFFERING DOCUMENT. The substantially final draft of the Private Placement Memorandum related to the issuance of the Bonds attached hereto as Exhibit "B" has been presented to the City Council for review and is hereby approved by the City Council with such changes therein or additions thereto as the City Manager or an Assistant City Manager may deem advisable.

SECTION 4. CONTINUING DISCLOSURE UNDERTAKING. In Article X of the Master Contract, the City has agreed to provide continuing disclosure of certain financial and operating data so long as the Bonds are outstanding in accordance with Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"). Due to subsequent amendments to the Rule since the execution of the Master Contract, the City hereby undertakes as follows in order to comply with the requirements of the Rule as currently in effect:

(a) Annual Reports. The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2017, financial statements of the City if audited financial statements of the City are then available, and (2) if not available by such time, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with generally accepted auditing standards by a certified public account or licensed public accountant or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation and (ii) audited, if the City commissions an audit of such financial 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.

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

(b) Event Notices. The City shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than 10 business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection.

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section 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 deposit made in accordance with Section 32 the Bond Resolution that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, 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 Section 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 Section or otherwise, except as expressly provided herein. The City makes no representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

The provisions of this Section 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 (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount 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 holders and beneficial owners of the Bonds. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (i) such provisions as so amended and (ii) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this subsection (a) of this Section 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.

(d) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to subsection (a) of 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) available to the public on the MSRB's Internet Web site or filed with the SEC.

SECTION 5. CERTIFICATES. The City Manager or an Assistant City Manager is authorized to sign an approval affidavit and approval certificate attached hereto as Exhibit "C" reflecting the final interest rates and terms of the Bonds. The Mayor, City Clerk, City Manager and Assistant City Manager are authorized to sign all certificates and are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Resolution and the issuance of the Bonds.

SECTION 6. CONSERVATION PLAN. The City will implement the Texas Water Development Board approved water conservation plan.

SECTION 7. IMMEDIATE EFFECT. This Resolution shall take effect immediately from and after its adoption in accordance with the law.

PASSED AND APPROVED this October 26, 2017.

CRAIG, MORGAN, Mayor
City of Round Rock, Texas

ATTEST:

SARA L. WHITE, City Clerk

EXHIBIT "A"
BOND RESOLUTION

EXHIBIT "B"

FORM OF PRIVATE PLACEMENT MEMORANDUM

EXHIBIT "C"

APPROVAL CERTIFICATE

The undersigned _____ of the City of Round Rock, Texas, pursuant to the resolution adopted by the City Council on October 26, 2017 (the "Approving Resolution") approving "A Resolution Approving a Resolution by the Board of Directors of the Brushy Creek Regional Utility Authority, Inc. Authorizing the Issuance of Brushy Creek Regional Utility Authority, Inc. City of Round Rock, Texas Contract Revenue Bonds, (Brushy Creek Regional Water Treatment and Distribution Project); Establishing the Procedures for Selling and Delivering the Bonds and Resolving Other Matters Incident and Relating to the Issuance, Payment, Security, Sale, and Delivery of Such Bonds" authorizing the issuance of obligations designated as "Brushy Creek Regional Utility Authority Inc., City of Round Rock, Texas Contract Revenue Bonds (Brushy Creek Regional Water Treatment and Distribution Project), Series 2017" (the "Bonds") do hereby approve the following terms of the Bonds:

- (i) the total principal amount of the Bonds of \$4,435,000;
- (ii) the purchase price for the Bonds is \$4,435,000;
- (iii) The dated date of the Bonds is November 16, 2017;
- (iv) the interest rates and maturity schedule for the Bonds are as set forth below:

Year of Stated Maturity (August 1)	Principal Amounts (\$)	Interest Rates (%)
2018	\$215,000	0.58%
2019	200,000	0.63
2020	200,000	0.70
2021	200,000	0.78
2022	200,000	0.90
2023	205,000	1.01
2024	205,000	1.10
2025	210,000	1.21
2026	210,000	1.29
2027	215,000	1.37
2028	215,000	1.51
2029	220,000	1.68
2030	225,000	1.83
2031	230,000	1.98
2032	235,000	2.06
2033	240,000	2.13
2034	245,000	2.18
2035	250,000	2.22

<u>Year of Stated Maturity (August 1)</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2036	\$255,000	2.26%
2037	260,000	2.29

- (v) the Bonds are subject to optional redemption as set forth below:

On August 1, 2027, or on any date thereafter, the Bonds of this series maturing on and after August 1, 2028 may be redeemed prior to their scheduled maturities in inverse order of maturity, at the option of the Brushy Creek Regional Utility Authority Inc., with funds derived from any available and lawful source, at par plus accrued interest to the date fixed for redemption as a whole, or in part, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar shall determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 of principal amount).

- (vi) Interest on the Bonds accrues from the date of delivery and interest is payable each February 1 and August 1, commencing February 1, 2018.

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EXECUTED AND DELIVERED this ____ day of _____, 2017.

Title: _____
City of Round Rock, Texas