
**RESOLUTION OF THE ROUND ROCK TRANSPORTATION AND ECONOMIC
DEVELOPMENT CORPORATION**

AUTHORIZING THE ISSUANCE OF

**ROUND ROCK TRANSPORTATION AND ECONOMIC DEVELOPMENT
CORPORATION SENIOR LIEN SALES TAX REVENUE REFUNDING BOND, SERIES
2017; APPROVING DOCUMENTS RELATED TO THE SALE OF THE BOND AND
OTHER MATTERS RELATED THERETO**

ADOPTED JUNE 8, 2017

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TABLE OF CONTENTS

	<u>Page</u>
Section 1. AMOUNT AND PURPOSE OF THE BOND AND DEFINITIONS	2
Section 2. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BOND.	2
Section 3. INTEREST.	2
Section 4. CHARACTERISTICS OF THE BOND.....	2
Section 5. FORM OF BOND	5
Section 6. PLEDGE.....	5
Section 7. SPECIAL FUNDS.....	5
Section 8. REVENUE FUND.....	6
Section 9. FLOW OF FUNDS.	6
Section 10. DEBT SERVICE FUND.....	7
Section 11. [RESERVED]	7
Section 12. OPERATING FUND	7
Section 13. TRANSFER.....	7
Section 14. INVESTMENTS	8
Section 15. FUNDS SECURED	8
Section 16. PAYMENT	8
Section 17. DEFICIENCIES - EXCESS PLEDGED REVENUES.....	8

Section 18.	ADDITIONAL PARITY OBLIGATIONS.....	9
Section 19.	JUNIOR LIEN AND SUBORDINATE DEBT.....	9
Section 20.	GENERAL COVENANTS.....	10
Section 21.	DEFEASANCE OF BOND	11
Section 22.	DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BOND	12
Section 23.	CUSTODY, APPROVAL, AND REGISTRATION OF BOND; BOND COUNSEL'S OPINION	13
Section 24.	COVENANTS REGARDING TAX EXEMPTION	14
Section 25.	APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT.....	16
Section 26.	USE OF BOND PROCEEDS; PREPAYMENT OF LOAN OBLIGATIONS, SALE OF BOND; ESCROW AGREEMENT	16
Section 27.	EXECUTION OF DOCUMENTS.....	16
Section 28.	CONTINUING DISCLOSURE UNDERTAKING.....	16
Section 29.	REMEDIES IN THE EVENT OF DEFAULT.....	16
Section 30.	NO RECOURSE AGAINST OFFICIALS.	17
Section 31.	FURTHER ACTIONS.....	17
Section 32.	AMENDMENT OF RESOLUTION	17
Section 33.	PAYMENT OF ATTORNEY GENERAL FEES	20
Section 34.	INTERPRETATIONS.....	20
Section 35.	INCONSISTENT PROVISIONS	20
Section 36.	INTERESTED PARTIES.	20
Section 37.	INCORPORATION OF RECITALS.....	20
Section 38.	SEVERABILITY	21

Section 39. REPEALER.....	21
Section 40. EFFECTIVE DATE.....	22
Section 41. PREAMBLE.....	22
 Exhibit A – Definitions	
 Exhibit B - Form of Bond	
 Exhibit C – Notice of Prepayment	

THE STATE OF TEXAS

ROUND ROCK TRANSPORTATION AND ECONOMIC DEVELOPMENT CORPORATION

2007 State Infrastructure Bank Loan Agreement with remaining payments due on March 20 of each of the years 2018 through 2023, inclusive, aggregating

\$8,755,529.37 (the "2007 Loan Obligations" and together with the 2005 Loan Obligations, collectively the "Loan Obligations"); and

WHEREAS, the Board of Directors of the Issuer (the "Board") hereby finds and determines that the issuance of the Bond (as defined herein) in accordance with the Act to prepay the Loan Obligations is in the best interest of the Issuer and results in a present value savings of \$_____ (_____% of the refunded principal amount of the Loan Obligations) and a gross savings of \$_____; and

WHEREAS, the Bond is authorized to be issued as a Parity Obligation on parity with the outstanding Previously Issued Parity Obligations; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROUND ROCK TRANSPORTATION AND ECONOMIC DEVELOPMENT CORPORATION THAT:

Section 1. AMOUNT AND PURPOSE OF THE BOND AND DEFINITIONS. (a) The Bond of the Issuer entitled "ROUND ROCK TRANSPORTATION AND ECONOMIC DEVELOPMENT CORPORATION SENIOR LIEN SALES TAX REVENUE REFUNDING BOND, SERIES 2017" is hereby authorized to be issued and delivered in the aggregate principal amount of \$_____,000 for the purpose of (i) prepaying the Loan Obligations and (ii) paying the costs of issuing the Bond. For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires, the capitalized terms used in this Resolution have the meanings assigned to them in Exhibit "A".

Section 2. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BOND. The Bond shall initially be issued, sold, and delivered hereunder as one fully registered bond, without interest coupons, dated July 6, 2017, in the principal amount stated above and in the denomination of \$_____,000, numbered R-1, with bonds issued in replacement thereof being in a denomination of the full aggregate principal amount then outstanding and numbered consecutively from R-2 upward, payable to the registered owner thereof, or to the registered assignee or assignees of the Bond or any portion or portions thereof (in each case, the "Registered Owner"), and the Bond shall mature and be payable in annual installments as set forth in the FORM OF BOND set forth in this Resolution. The term "Bond" as used in this Resolution shall mean and include collectively the bond initially issued and delivered pursuant to this Resolution and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto.

Section 3. INTEREST. The Bond shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the date of initial delivery to the date of maturity at the respective rates for each outstanding principal installment as set forth in the FORM OF BOND

contained in this Resolution. Such interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this Resolution.

Section 4. CHARACTERISTICS OF THE BOND. (a) The Issuer shall keep or cause to be kept at _____, _____, Texas (the "Paying Agent/Registrar") the Registration Books, and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bond shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bond shall be made within three business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Bond shall be paid as provided in the FORM OF BOND set forth in Exhibit "B" of this Resolution. Registration of assignments, transfers and exchanges of Bond shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in Exhibit "B" of this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in (e) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or Outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel a paid Bond and a Bond surrendered for transfer and exchange. No additional orders, or resolutions need be passed or adopted by the Board of Directors of the Issuer or any other body or person so as to accomplish the foregoing transfer and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein. Pursuant to Chapter 1201, Texas Government Code, and particularly Subchapter D and Section 1201.067 thereof, the duty of transfer and exchange of a Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond which initially was issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bond, all as provided in this Resolution. The

Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bond.

(c) The Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bond to be payable only to the Registered Owners thereof, (ii) may be transferred and assigned, (iii) may be exchanged for other Bond, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) the principal of and interest on the Bond shall be payable, and (vii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bond, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in Exhibit "B" of this Resolution. The initial Bond is not required to be, and shall not be, authenticated by the Paying Agent/ Registrar, but on each substitute Bond issued in exchange for any Bond issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) The Issuer covenants with the Registered Owners of the Bond that at all times while the Bond is Outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Bond under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon written notice to the Paying Agent/Registrar in accordance with the Paying Agent/Registrar Agreement, to be effective at such time which will not disrupt or delay payment on the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bond, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bond, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Resolution, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on the Bond. In lieu of the executed Certificate of Paying Agent/Registrar described above, the initial Bond delivered on the closing date shall have attached thereto the

Comptroller's Registration Certificate substantially in the form provided in this Resolution, 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 initial 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 Issuer, and has been registered by the Comptroller.

(f) On the closing date, the initial Bond No. R-1 representing the entire principal amount of the Bond, payable to the Purchaser, executed by manual or facsimile signatures of the President and Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to the Purchaser or its designee. The Bond shall not be issued in the Depository Trust Company book-entry-only system of registration.

Section 5. FORM OF BOND. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the initial Bond, shall be, respectively, substantially as set forth in Exhibit "B" attached hereto.

Section 6. PLEDGE. (a) The Bond and any interest payable thereon, together with the Previously Issued Parity Obligations and any Additional Parity Obligations which may be issued in accordance herewith and any interest payable thereon, are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues, which lien on and pledge is prior in right and claim to the lien and pledge on the Pledged Revenues securing the payment of the outstanding Junior Lien Obligations and any outstanding Subordinate Lien Obligations; and the Pledged Revenues are further pledged to the establishment and maintenance of the Debt Service Fund for the Bond as hereinafter provided. The Bond is and will be secured by and payable only from the Pledged Revenues and amounts on deposit in the Debt Service Fund created in this Resolution, and not from amounts on deposit in any other Funds or accounts of the Issuer, and are not secured by or payable from a mortgage or deed of trust on any real, personal or mixed properties.

(b) Chapter 1208, Government Code, applies to the issuance of the Bond and the pledge of Pledged Revenues granted by the Issuer under this Resolution, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bond is outstanding and unpaid such that the pledge of Pledged Revenues granted by the Issuer under this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owners of the Bond the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 7. SPECIAL FUNDS. (a) The below listed currently existing special Funds are hereby confirmed and shall be maintained on the books of the Issuer, so long as the Bond is outstanding and unpaid:

(i) *Round Rock Transportation and Economic Development Corporation Revenue Fund*, hereinafter called the "Revenue Fund."

(ii) *Round Rock Transportation and Economic Development Corporation Debt Service Fund*, hereinafter called the "Debt Service Fund."

(iii) *Round Rock Transportation and Economic Development Corporation Operating Fund*, hereinafter called the "Operating Fund."

(b) Though all of such funds may be subaccounts of the City's Funds held by the Depository, and, as such, not held in separate bank accounts, such treatment shall not constitute a commingling of the monies in such Funds or of such Funds and the Issuer shall keep full and complete records indicating the monies and investments credited to each of such Funds.

Section 8. REVENUE FUND. All Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt as provided in the Transfer Agreement.

Section 9. FLOW OF FUNDS. All Pledged Revenues deposited and credited to the Revenue Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

FIRST: To the payment of the amounts required to be deposited in the Debt Service Fund for the payment of debt service on the Parity Obligations as the same becomes due and payable;

SECOND: On a pro rata basis, to (i) each debt service reserve fund created by the resolutions authorizing the Previously Issued Parity Obligations and by any Additional Parity Obligation Resolution, which contains less than the amount to be accumulated and/or maintained therein, as provided in the applicable resolution establishing such fund, and (ii) make any Reserve Fund Obligation Payment;

THIRD: To the payment of the amounts required to be deposited in the debt service fund for the payment of Junior Lien Obligations as the same becomes due and payable;

FOURTH: On a pro rata basis, to each debt service reserve fund created by a resolution authorizing the issuance of Junior Lien Obligations which contains less than the amount to be accumulated and/or maintained therein as provided in the resolution authorizing the issuance of such Junior Lien Obligations;

FIFTH: To the payment of amounts required to be deposited in any other fund or account required by the resolutions authorizing the Previously Issued Obligations or by any Additional Parity Obligations Resolution;

SIXTH: To any fund or account held at any place or places, or to any payee, required by any other resolution of the Board which authorizes the issuance of Subordinate Lien Obligations; and

SEVENTH: To the payment of the amounts required for any lawful purpose.

Any Pledged Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, shall be transferred to the Operating Fund and may be appropriated and used for any other lawful purpose now or hereafter permitted by law.

Section 10. DEBT SERVICE FUND. The Debt Service Fund is for the sole purpose of paying the principal of and interest on the Parity Obligations Outstanding at any time, as the same come due (including principal coming due as a result of any mandatory redemption of the Parity Obligations). The Issuer covenants that there shall be deposited into the Debt Service Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred per cent (100%) of the interest on and the principal of the Parity Obligations then falling due and payable, and such deposits to pay principal and accrued interest on the Parity Obligations shall be made in substantially equal monthly installments on or before the 10th day of each month, beginning on or before the 10th day of the month next following the delivery of the Parity Obligations to the initial purchasers thereof; provided, however, that in any Fiscal Year the Issuer may elect to fund the Debt Service Fund on an accelerated basis and at any time when amounts on deposit in the Debt Service Fund are sufficient to make payment of all principal and interest coming due on the Outstanding Parity Obligations within the next twelve months, such deposits of Pledged Revenues to the Debt Service Fund may be discontinued, until there is once again an amount less than the principal and interest coming due on the Outstanding Parity Obligations within the next twelve months, at which time such deposits shall be resumed.

The required deposits to the Debt Service Fund for the payment of principal of and interest on the Parity Obligations shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Debt Service Fund and in each debt service reserve fund (excluding any Reserve Fund Obligations) for Parity Obligations is equal to the amount required to fully pay and discharge all Parity Obligations (principal and interest) then Outstanding or (ii) the Parity Obligations are no longer Outstanding.

Section 11. [RESERVED]

Section 12. OPERATING FUND. Amounts on deposit in the Operating Fund may be (i) applied to pay or redeem any Parity Obligations at the option of the Issuer, or (ii) applied for any other lawful purpose of the Issuer.

Section 13. TRANSFER. (a) Pursuant to the provisions of the Transfer Agreement, which is hereby reconfirmed and approved, the City has agreed to do any and all things necessary to accomplish the transfer of the Sales Tax collected for the benefit of the Issuer to the Revenue Fund on a monthly basis. The Transfer Agreement shall govern matters with respect to the collection

of the Sales Taxes from the Comptroller, credits and refunds due and owing to the Comptroller, and other matters with respect to the collection and transfer of the Sales Tax.

(b) The President and the Secretary of the Board are hereby ordered to do any and all things necessary to accomplish the transfer of money to the Funds established hereby in ample time to pay the principal of and interest on the Bond.

Section 14. INVESTMENTS. Money in any Fund established by this Resolution may, at the option of the Board, be invested in Permitted Investments; provided that all such investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Investment earnings realized on investments attributable to the Debt Service Fund shall be retained therein and shall constitute a credit against the amount of money that is required to be on deposit therein for each payment of principal or interest. Investment earnings realized on investments attributable to the Operating Fund shall be retained therein. Such investments shall be valued in terms of current market value as of the last day of each Fiscal Year. Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

Section 15. FUNDS SECURED. Money in all Funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the City.

Section 16. PAYMENT. While any of the Parity Obligations are outstanding, the Issuer shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Debt Service Fund, and, if necessary, in any applicable reserve funds for Parity Obligations, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Obligations as shall become due on each interest or principal payment date, or date of redemption of the Parity Obligations; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Obligations not later than the business day next preceding the date such payment is due on the Parity Obligations. The Paying Agent/Registrar shall destroy all paid Parity Obligations and furnish the Issuer with an appropriate certificate of cancellation or destruction.

Section 17. DEFICIENCIES - EXCESS PLEDGED REVENUES. (a) If on any occasion there shall not be sufficient Pledged Revenues (after making all payments pertaining to all Parity Obligations) to make the required deposits and credits to the Debt Service Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such deposits and credits shall be in addition to the amounts otherwise required to be deposited and credited to the Debt Service Fund.

(b) Subject to making the deposits and credits required by this Resolution, the resolutions authorizing the issuance of the Previously Issued Parity Obligations and any Additional Parity Obligations Resolution, and the payments and credits required by the provisions of the resolutions

authorizing the issuance of Junior Lien Obligations or Subordinate Lien Obligations hereafter issued by the Issuer, the excess Pledged Revenues may be used for any lawful purpose.

Section 18. ADDITIONAL PARITY OBLIGATIONS. The Issuer shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue and deliver Additional Parity Obligations, in accordance with law, in any amounts, for any lawful purpose including the refunding of any Parity Obligations and Subordinate Lien Obligations or other obligations of the Issuer. Such Additional Parity Obligations, if and when authorized, issued and delivered in accordance with this Resolution, shall be secured by and made payable equally and ratably on a parity with all other Outstanding Parity Obligations, from the lien on and pledge of the Pledged Revenues herein granted. No installment, series or issue of Additional Parity Obligations shall be issued or delivered unless:

(a) The President of the Issuer (or other officer of the Issuer then having the primary responsibility for the financial affairs of the Issuer) shall have executed a certificate stating that, to the best of his or her knowledge and belief, the Issuer is not then in default as to any covenant, obligation or agreement contained in this Resolution, the resolutions authorizing the issuance of the Previously Issued Parity Obligations or any Additional Parity Obligations Resolution.

(b) The Issuer has secured from a certified public accountant a certificate or opinion to the effect that, according to the books and records of the Issuer, the Pledged Revenues received by the Issuer for either (i) the last completed Fiscal Year next preceding the adoption of the Additional Parity Obligations Resolution or (ii) any twelve (12) consecutive months out of the previous eighteen (18) months next preceding the adoption of the Additional Parity Obligations Resolution equal to not less than 1.40 times the Maximum Annual Debt Service Requirements for all Parity Obligations then Outstanding after giving effect to the issuance of the Additional Parity Obligations then being issued and 1.0 times the average annual debt service requirements (computed in the same manner as for Parity Obligations) of any Reserve Fund Obligation Payments, Junior Lien Obligations, Parity Obligations and Subordinate Lien Obligations to be outstanding after the issuance of the then proposed Additional Parity Obligations.

(c) The Issuer may create and establish a debt service reserve fund pursuant to the provisions of any Additional Parity Obligations Resolution for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Parity Obligations.

(d) No Additional Parity Obligations may be issued without any Bond Insurer's prior written consent if any Reserve Fund Obligation Payments are past due and owing to any Bond Insurer and any Bond Insurer is not in default under the payment provisions of the Reserve Fund Obligation.

Section 19. JUNIOR LIEN AND SUBORDINATE DEBT. Except as may be limited by resolution, the Issuer shall have the right to issue or create Junior Lien Obligations and Subordinate Lien Obligations payable from or secured by a lien on all or any part of the Pledged Revenues for any lawful purpose without complying with the provisions of Section 18 hereof, provided the pledge and the lien securing such debt is subordinate to the pledge and lien established, made and created in Section 6 of this Resolution with respect to the Pledged Revenues to the payment and security of the Parity Obligations.

Section 20. GENERAL COVENANTS. The Issuer further covenants and agrees that in accordance with and to the extent required or permitted by law:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in every Bond; it will promptly pay or cause to be paid the principal of and interest on every Bond on the dates and in the places and manner prescribed in this Resolution and the Bond; and it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Funds created hereby; and any registered owner of the Bond may require the Issuer, its officials and employees to carry out, respect or enforce the covenants and obligations of this Resolution, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its officials and employees, or by the appointment of a receiver in equity.

(b) It is a duly created and existing industrial development corporation, and is duly authorized under the laws of the State of Texas, including the Act, to create and issue the Bond; that all action on its part for the creation and issuance of the Bond has been duly and effectively taken, and that the Bond in the hands of the registered owners thereof are and will be valid and legally binding special obligations of the Issuer in accordance with their terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion.

(c) (i) The Issuer hereby confirms the earlier levy by the City of the Sales Tax at the rate voted at the Election, and the Issuer hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time.

(ii) For so long as any Bond is Outstanding, the Issuer covenants, agrees and warrants to take and pursue all action permissible under applicable law to cause the Sales Tax, at said rate or at a higher rate if permitted by applicable law, to be levied and collected continuously, in the manner and to the maximum extent permitted by applicable law, and to cause no reduction, abatement or exemption in the Sales Tax or rate of tax below the rate stated, confirmed and ordered in subsection (i) of this Section to be ordered or permitted so long as the Bond shall remain Outstanding.

(iii) If the City shall be authorized hereafter by applicable law to apply, impose and levy the Sales Tax on any taxable items or transactions that are not subject to the Sales Tax on the date of the adoption hereof, the Issuer, to the extent it legally may do so, hereby covenants and agrees to use its best efforts to cause the City to take such action as may be required by applicable law to subject such taxable items or transactions to the Sales Tax.

(iv) The Issuer agrees to take and pursue all action permissible under applicable law to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by the Act, at the earliest and most frequent times permitted by applicable law.

(v) The Issuer agrees and covenants at all times to use its best efforts to cause the City to comply with the Transfer Agreement.

(d) It will keep proper books of record and account in which full, true and correct entries will be made of all dealings, activities and transactions relating to the Pledged Revenues and the Funds created pursuant to this Resolution, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bondholders.

(e) It will maintain its corporate existence during the time that the Bond is Outstanding hereunder.

(f) It will provide its audited financial statements to the Purchaser within 180 days of each fiscal year end.

Section 21. DEFEASANCE OF BOND. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until the Defeased Bond shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities and thereafter the Issuer will have no further responsibility

with respect to amounts available to such Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bond, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by law) to receive payment when due on the Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bond shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the Board also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the Issuer.

(c) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bond and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bond and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until the Defeased Bond shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bond the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) Notwithstanding anything elsewhere in this Resolution, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of the Bond and such Bond shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the Issuer retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of this Resolution, the Issuer may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Section 22. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BOND. (a) In the event the Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the

same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for replacement of a damaged, mutilated, lost, stolen, or destroyed Bond shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any Bond duly issued under this Resolution.

(e) In accordance with Chapter 1201, Texas Government Code and particularly Subchapter D, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bond is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bond in the form and manner and with the effect, as provided in Section 4(d) of this Resolution, for a Bond issued in conversion and exchange for another Bond.

Section 23. CUSTODY, APPROVAL, AND REGISTRATION OF BOND; BOND COUNSEL'S OPINION. The President of the Board is hereby authorized to have control of the Bond issued hereunder and all necessary records and proceedings pertaining to each Bond pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of each Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on the Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each Bond. The approving legal opinion of the Issuer's Bond Counsel may, at the option of the Issuer,

be printed on each Bond or on any Bond issued and delivered in conversion of and exchange or replacement of the Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bond. In addition, the form of bond counsel's opinion relating thereto may be printed or attached to the Bond.

Section 24. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BOND. (a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bond as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to use all proceeds of the tax-exempt Bond for the payment of principal, interest and redemption premium, if any, on the Refunding Obligations;

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

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

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

(5) to refrain from taking any action which would otherwise result in the Bond being treated as "private activity bond" within the meaning of section 141(b) of the Code;

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

(7) to refrain from using any portion of the proceeds of the Bond, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire

investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bond, other than investment property acquired with --

(A) proceeds of the Bond invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less for current refundings and 30 days or less for advance refundings until such proceeds are needed for the purpose for which the Bond is issued,

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

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

(8) to otherwise restrict the use of the proceeds of the Bond or amounts treated as proceeds of the Bond, as may be necessary, so that the Bond does not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

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

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

(c) Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the Loan Obligations not expended prior to the date of issuance of the Bond. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bond, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bond under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional

requirements which are applicable to the Bond, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bond under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the President or Vice President of the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bond.

(e) Disposition of Project. The Issuer covenants that the property constituting the projects financed by the Loan Obligations will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bond. For purposes of this subsection, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this subsection, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 25. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT. The President or Vice President of the Board is hereby authorized to execute the Paying Agent/Registrar Agreement.

Section 26. USE OF BOND PROCEEDS; PREPAYMENT OF LOAN OBLIGATIONS; SALE OF BOND; ESCROW AGREEMENT. (a) The proceeds from the sale of the Bond, except for amounts necessary to pay the costs of issuance of the Bond, shall be used to prepay the Loan Obligations.

(b) The Bond is hereby sold and shall be delivered to the Purchaser for the purchase price of \$_____,000 representing the par amount of the Bond pursuant to the terms of the Investment Letter with the Purchaser, which the President or Vice President of the Issuer is hereby authorized to execute and deliver.

(c) There is attached to this Resolution as Exhibit "C", and made a part hereof for all purposes, a draft NOTICE OF PREPAYMENT for the Loan Obligations to be prepaid with the proceeds of the Bond. The Director of Finance shall take such actions as are necessary to cause the notice to be completed and given.

(d) Concurrently with the delivery of the Bond, proceeds of the Bond sufficient, together with other legally available funds of the Corporation, to provide for the full repayment of the Loan Obligations on their repayment date will be deposited with the BOKF, NA, Austin, Texas, acting as Escrow Agent under the Escrow Agreement with the Board. There are hereby appropriated such moneys of the Corporation, as are necessary to fund the escrow fund to be established by the Escrow Agreement on the date of delivery of the Bond with amounts sufficient to provide for the full repayment of the Loan Obligations on their repayment date. The repayment of the Loan

Obligations shall be effectuated pursuant to the terms and provisions of the Escrow Agreement with such any insertions, additions, deletions, and modifications as may be necessary to comply with all applicable laws and regulations relating to the repayment of the Loan Obligations and to carry out the other intents and purposes of this Resolution. The President or Vice President of the Board is hereby authorized to execute the Escrow Agreement.

Section 27. EXECUTION OF DOCUMENTS. The President, Vice President or Secretary of the Board are hereby authorized to execute, deliver, attest and affix the seal of the Issuer to all documents and instruments necessary and appropriate in connection with the issuance, sale and delivery of the Bond, including, without limitation, the Paying Agent/Registrar Agreement, the Escrow Agreement and the Investment Letter.

Section 28. NO CONTINUING DISCLOSURE UNDERTAKING. The sale of the Bond through a private placement to the Purchaser is exempt from the provisions of Rule 15c2-12 of the Securities and Exchange Commission, and consequently, the Issuer makes no undertaking with respect to such rule.

Section 29. REMEDIES IN THE EVENT OF DEFAULT. In addition to all of the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the Issuer (i) defaults in the payments to be made to the Debt Service Fund, as required by this Resolution, (ii) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Resolution, the Registered Owner or Registered Owners of any Parity Obligations shall be entitled to appointment of a receiver in equity or a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the Issuer, its officers, the Board of Directors, and/or all of them in their respective official capacities, to observe and perform any covenants, conditions, or obligations prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default 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.

The specific remedies herein provided shall be cumulative of all other existing remedies and the specifications of such remedies shall not be deemed to be exclusive. In determining whether a payment default has occurred or whether payment of the Bond has been made under the Resolution, no effect shall be given to payments under any bond insurance policy.

Section 30. NO RECOURSE AGAINST OFFICIALS. No recourse shall be had for the payment of principal of or interest on any Parity Obligations or for any claim based thereon or on this Resolution against any official of the Issuer or the City or any person executing any Parity Obligations.

Section 31. FURTHER ACTIONS. The officers and employees of the Issuer and the City are hereby authorized, empowered and directed from time to time and at any time to do and

perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bond, the initial sale and delivery of the Bond, the Escrow Agreement and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bond, the Mayor, the President of the Board, the City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution and as described in any disclosure document or (ii) obtain the approval of the Bond by the Texas Attorney General's office.

In case any officer of the Issuer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 32. AMENDMENT OF RESOLUTION. (a) Any Bond Insurer and the registered owners of the Parity Obligations aggregating a majority in principal amount of the aggregate principal amount of then Outstanding Parity Obligations shall have the right from time to time to approve any amendment to this Resolution which may be deemed necessary or desirable by the Issuer, provided, however, that without the consent of the Bond Insurer and the registered owners of all of the effected Parity Obligations at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Resolution or in the Parity Obligations so as to:

- (i) Make any change in the maturity of the Outstanding Parity Obligations;
- (ii) Reduce the rate of interest borne by any of the outstanding Parity Obligations;
- (iii) Reduce the amount of the principal payable on the outstanding Parity Obligations;
- (iv) Modify the terms of payment of principal of or interest on the outstanding Parity Obligations or impose any conditions with respect to such payment;
- (v) Affect the rights of the registered owners of less than all of the Parity Obligations then outstanding;
- (vi) Change the minimum percentage of the principal amount of Parity Obligations necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend this Resolution under this Section, the Issuer shall cause notice of the proposed amendment to be delivered to any Bond Insurer and published in a financial newspaper or journal of general circulation in the city of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is

on file for inspection by all registered owners of Parity Obligations at the designated trust office of the registrar for the Parity Obligations. Such publication is not required, however, if notice in writing is given to each registered owner of the Parity Obligations.

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of all Parity Obligations then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the Issuer Board of Directors may pass the amendatory resolution in substantially the same form.

(d) Upon the passage of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and obligations under this Resolution of the Issuer and all the registered owners of then outstanding Parity Obligations shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the Registered Owner of a Parity Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future registered owners of the same Parity Obligation during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the registered owners who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the Issuer, but such revocation shall not be effective if the Registered Owners of at least a majority in aggregate principal amount of the then outstanding Parity Obligations as in this Section defined have, prior to the attempted revocation, consented to and approve the amendment.

(f) For the purpose of this Section, the fact of the holding of Parity Obligations issued in registered form without coupons and the amounts and numbers of such Parity Obligations and the date of their holding same shall be proved by the Registration Books of the Paying Agent/Registrar. For purposes of this Section, the registered owner of a Parity Obligation in such registered form shall be the owner thereof as shown on such Registration Books. The Issuer may conclusively assume that such ownership continues until written notice to the contrary is served upon the Issuer.

(g) The foregoing provisions of this Section notwithstanding, the Issuer by action of the Board may amend this Resolution for any one or more of the following purposes:

(1) To add to the covenants and agreements of the Issuer in this Resolution contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to bondholders or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Issuer;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Resolution, or in regard to clarifying matters or questions arising under this Resolution, as are necessary or desirable and not contrary to or inconsistent with this Resolution and which shall not adversely affect the interests of the registered owners of the Parity Obligations;

(3) To make any changes or amendments requested by any Rating Agency, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Issuer, materially adversely affect the interests of the owners of the outstanding Parity Obligations;

(4) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of credit agreements with respect to the Parity Obligations including, without limitation, supplementing the definition of "Annual Debt Service Requirements" to address the amortization of payments due and owing under a credit agreement;

(5) To modify any of the provisions of this Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Parity Obligations outstanding at the date of the adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all Additional Parity Obligations issued after the date of the adoption of such modification.

Notice of any such amendment may be published or given by the Issuer in the manner described in subsection (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

Section 33. PAYMENT OF ATTORNEY GENERAL FEE. The Issuer hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bond or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the Issuer's staff is hereby instructed to take the necessary measures to make this payment. The Issuer is also authorized to reimburse the appropriate funds for such payment from proceeds of the Bond.

Section 34. INTERPRETATIONS. All terms defined herein and all pronouns used in this Resolution shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Resolution and the Table of Contents of this Resolution 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. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bond and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Bond.

Section 35. INCONSISTENT PROVISIONS. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

Section 36. INTERESTED PARTIES. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer and the Registered Owners of the Bond, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer and the registered owners of the Bond.

Section 37. INCORPORATION OF RECITALS. The Issuer hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

Section 38. SEVERABILITY. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

Section 39. REPEALER. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 40. EFFECTIVE DATE. This Resolution shall become effective upon adoption by the Issuer and approval by the City.

Section 41. PREAMBLE. The findings and preambles set forth in this Resolution are hereby incorporated into this Resolution and made a part hereof for all purposes.

EXHIBIT A

DEFINITIONS

As used in this Resolution, the following terms and expressions shall have the meanings set forth below, unless the text of this Resolution specifically indicates otherwise.

"Act" shall mean the Development Corporation Act, V.T.C.A. Local Government Code, Title 12, Subtitle C1, as amended, (formerly known as the Tex. Rev. Civ. Stat. Ann. Article 5190.6, Section 4B), particularly Chapters 501 and 505 of the Local Government Code.

"*Additional Parity Obligations*" shall mean bonds, notes warrants, certificates of obligation or other debt obligations which the Issuer reserves the right to issue or enter into, as the case may be, in the future in accordance with the terms and conditions provided in Section 18 of this Resolution and which, together with the Bond, are equally and ratably secured by a first lien on and pledge of the Pledged Revenues on a parity with the Bond under the terms of this Resolution and an Additional Parity Obligations Resolution.

"*Additional Parity Obligations Resolution*" shall mean any resolution of the Board authorizing and providing the terms and provisions of the Additional Parity Obligations.

"*Amortization Installment*" means, with respect to any Term Bond of any series of Parity Obligations, the amount of money which is required to be deposited into a mandatory redemption account for retirement of such Term Bond (whether at maturity or by mandatory redemption and including redemption premium, if any) provided that the total Amortization Installments for such Term Bond shall be sufficient to provide for retirement of the aggregate principal amount of such Term Bond.

"*Annual Debt Service Requirements*" means, as of the date of calculation, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Issuer on such Debt, or be payable in respect of any required purchase of such Debt by the Issuer) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Issuer:

(a) If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Issuer) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and throughout this Resolution as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level

debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(b) In the case of Balloon Debt, if a Designated Financial Officer shall deliver to the Issuer a certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (2) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (2) shall not apply where the Issuer has elected to apply the rule set forth in clause (1) above;

(c) Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt; and

(d) As to any Parity Obligations that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Issuer, either (A) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two Series of Parity Obligations which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations);

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Average Annual Debt Service Requirements" means that average amount which, at the time of computation, will be required to pay the Annual Debt Service Requirements when due (either at Stated Maturity or mandatory redemption) and derived by dividing the total of such Annual Debt Service Requirements by the number of Fiscal Years then remaining before Stated Maturity of such Parity Obligations. For the purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. Capitalized interest payments provided from bond proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

"Board" or *"Board of Directors"* shall mean the Board of Directors of the Issuer.

"Bond" shall mean the Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Refunding Bond, Series 2017 authorized to be issued by this Resolution. In addition, the term *"Bond"* as used in this Resolution shall mean and include collectively the bond initially issued and delivered pursuant to this Resolution and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto.

"Bond Insurer" means any entity that issues or guarantees the payment of principal and interest on any Parity Obligations or the provider of a Reserve Fund Obligation.

"City" shall mean the City of Round Rock, Texas.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas, and any successor official or officer thereto.

"Debt" and *"Debt of the Issuer payable from Pledged Revenues"* mean:

(a) all indebtedness payable from Pledged Revenues incurred or assumed by the Issuer for borrowed money and all other financing obligations payable from Pledged Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(b) all other indebtedness payable from Pledged Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Issuer, or that is in effect guaranteed, directly or indirectly, by the Issuer through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor

(including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Issuer in prior Fiscal Years.

"Defeasance Securities" means (i) Federal Securities, (ii) 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 the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bond is rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bond, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bond.

"Depository" means one or more official depository banks of the Issuer.

"Election" means the sales and use tax election held by the City on August 9, 1997 pursuant to the provisions of the Act.

"Federal Securities" means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

"Fiscal Year" means the twelve-month accounting period used by the Issuer, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the Issuer, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

"Funded Debt" means all Parity Obligations created or assumed by the Issuer that mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the Issuer to a date, more than one year after the original creation or assumption of such Debt by the Issuer.

"Investment Act" shall mean the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

"Investment Letter" means the investment and commitment letter executed by the Purchaser and acknowledged by the Issuer with respect to the terms of the purchase of the Bond.

"Issuer" shall mean Round Rock Transportation and Economic Development Corporation.

"Junior Lien Obligations" shall mean (i) the 2005 State Infrastructure Bank Loan Agreement between the Issuer and the Texas Department of Transportation relating to a loan in an original principal amount of \$7,000,000 and as further described in the recitals to this Resolution; (ii) the 2007 State Infrastructure Bank Loan Agreement between the Issuer and the Texas Department of Transportation relating to a loan in an original principal amount of \$16,000,000 and as further described in the recitals to this Resolution; and (iii) any other obligations issued on a parity therewith which the Issuer reserves the right to issue in Section 19 of this Resolution.

"Loan Obligations" shall have the meaning given to such term in the recitals.

"Maturity" means, when used with respect to any Debt, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Maximum Annual Debt Service Requirements" means the greatest requirements of Annual Debt Service Requirements (taking into account all mandatory principal redemption requirements) scheduled to occur in any future Fiscal Year or in the then current Fiscal Year for the particular obligations for which such calculation is made. Capitalized interest payments provided from Debt proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

"Outstanding" when used in this Resolution with respect to Parity Obligations means, as of the date of determination, the Bond and Parity Obligations theretofore sold, issued and delivered by the Issuer, except:

- (a) those Parity Obligations canceled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations;
- (b) those Parity Obligations paid or deemed to be paid in accordance with the provisions of Section 21 hereof or similar provisions of any resolution authorizing such Parity Obligations; and
- (c) those Parity Obligations that have been mutilated, destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof.

"Parity Obligations" shall mean, collectively, the Bond, the Previously Issued Parity Obligations and any Additional Parity Obligations.

"*Paying Agent/Registrar*" shall mean _____ or any successor financial institution so designated in accordance with the provisions of Section 4 of this Resolution and any successor thereto.

"*Permitted Investments*" means, these investments authorized by the Investment Act and the Issuer's investment policy.

"*Pledged Revenues*" shall mean all of the Issuer's receipts of the Sales Tax, less any amounts due or owing to the Comptroller as charges for collection or retention by the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retentions are authorized or required by law.

"*Previously Issued Parity Obligations*" means the Issuer's Outstanding obligations entitled "Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Refunding Bond, Series 2015."

"*Purchaser*" means _____ or its assignee thereof.

"*Record Date*" means Record Date as defined in the Form of Bond.

"*Registered Owner*" or "*Registered Owners*" means the registered owner, whose name appears in the Security Register, for any Parity Obligation.

"*Registration Books*" means the books or records for the registration of the transfer and exchange of the Bond.

"*Reserve Fund Obligation*" means, to the extent permitted by law, as evidenced by an opinion of nationally recognized bond counsel, a surety bond or insurance policy deposited in any reserve fund for another series of Parity Obligations whereby the issuer of such obligation is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

"*Reserve Fund Obligation Payment*" means any subrogation payment the Issuer is obligated to make from Pledged Revenues deposited in any reserve fund for another series of Parity Obligations with respect to a Reserve Fund Obligation.

"*Sales Tax*" shall mean the one-half of one percent sales and use tax levied by the City within the boundaries of the City as they now or hereafter exist, together with any increases in the aforesaid rate if provided and authorized by the laws of the State of Texas, including specifically the Act, and collected for the benefit of the Issuer, all in accordance with the Act.

"*Stated Maturity*" means the annual principal payments of the Parity Obligations payable on the respective dates set forth in the Resolutions which authorized the issuance of such Parity Obligations.

"*Subordinate Lien Obligations*" means (i) any bonds, notes, warrants, certificates of obligation, contractual obligations or other Debt issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Parity Obligations and Junior Lien Obligations issued by the Issuer, and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Pledged Revenues on a parity with the Subordinate Lien Obligations.

"*Term Bond*" means those Parity Obligations so designated in the resolutions authorizing such bonds which shall be subject to retirement by operation of a mandatory redemption account.

"*Term of Issue*" means with respect to any Balloon Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or (ii) twenty-five years.

"*Transfer Agreement*" shall mean the Sales Tax Remittance Agreement dated as of May 15, 2001, between the City and the Issuer.

EXHIBIT B

FORM OF BOND

NO. R-__

**PRINCIPAL
AMOUNT**
\$____,000

**UNITED STATES OF AMERICA
STATE OF TEXAS
ROUND ROCK TRANSPORTATION AND
ECONOMIC DEVELOPMENT CORPORATION
SENIOR LIEN SALES TAX REVENUE REFUNDING BOND,
SERIES 2017**

Interest Rate	Issuance Date	Maturity Date
_____%	July 6, 2017	August 15, 2023

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

ON THE MATURITY DATE specified above, the Round Rock Transportation and Economic Development Corporation (the "Issuer"), being a nonstock, nonprofit industrial development corporation organized and existing under the laws of the State of Texas, pursuant to Section 4B of the Development Corporation Act of 1979, Article 5190.6, V.A.T.C.S., as amended, now codified as Local Government Code, Title 12, Subtitle C1 particularly Chapters 501 and 505 of the Local Government Code (the "Act"), and acting on behalf of the City of Round Rock, Texas (the "City"), hereby promises to pay to the Registered Owner set forth above or to the assignee or assignees thereof (either being hereinafter called the "Registered Owner") the Principal Amount specified above, and to pay interest thereon, from the Issuance Date set forth above, on the balance of said Principal Amount from time to time remaining unpaid, at the per annum Interest Rate set forth above. The principal of this Bond shall be paid in installments on each August 15 in the years and in the amounts set forth in the table below:

Payment Date	Principal Installment
2018	
2019	
2020	
2021	
2022	
2023	

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The Issuer shall pay interest on the unpaid principal amount of this Bond (calculated on the basis of a 360-day year of twelve 30-day months) from the Issuance Date of the Bond at the per annum specified Interest Rate above. Interest on the Bond is payable on February 15, 2018 and on each August 15 and February 15 thereafter to the Maturity Date specified above; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bond, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE LAST PRINCIPAL INSTALLMENT of this Bond and any accrued interest due in connection with such installment shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity at the corporate trust or other office of _____, _____, _____, which is the "Paying Agent/Registrar" for this Bond. The payment of all other principal installments of and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Debt Service Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are 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.

THIS BOND is initially dated July 6, 2017, authorized in accordance with the Constitution and laws of the State of Texas, including particularly the Act, in the original principal amount of \$_____,000 for the purpose of (i) prepaying the Loan Obligations and (ii) paying the costs of issuing the Bond.

THIS BOND is not subject to redemption prior to maturity.

THIS BOND IS issuable solely as a single fully registered Bond, without interest coupons. As provided in the Bond Resolution, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned and transferred for a like aggregate principal amount Bond, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with the proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond to the assignee this Bond is to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond from time to time by the registered owner. In the case of the assignment and transfer of this Bond, the reasonable standard or customary fees and charges of the Paying Agent/Registrar will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment and transfer, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest Payment Date.

IN THE EVENT any Paying Agent/Registrar for the Bond is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the Registered Owners of the Bond.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a

special obligation of the Issuer; that neither the State of Texas, the City, nor any political corporation, subdivision, or agency of the State of Texas, nor any member of the Board of Directors of the Issuer, either individually or collectively, shall be obligated to pay the principal of or the interest on this Bond and neither the faith and credit nor the taxing power (except as described below) of the State of Texas, the City, or any other political corporation, subdivision, or agency thereof is pledged to the payment of the principal of or the interest on this Bond; that the principal of and interest on this Bond, together with the Previously Issued Parity Obligations (as defined in the Bond Resolution) and any Additional Parity Obligations (as defined in the Bond Resolution) hereafter issued, are secured by and payable from a first lien on and pledge of certain funds created under the Bond Resolution and the revenues defined in the Bond Resolution as the "Pledged Revenues", which include the proceeds of a one-half of one percent sales and use tax levied for the benefit of the Issuer by the City (the "Sales Tax") pursuant to Section 4B of the Act which lien on and pledge is prior in right and claim to the lien and pledge on the Pledged Revenues securing the payment of the outstanding Junior Lien Obligations and any Subordinate Lien Obligations; and that the Registered Owner hereof shall not have the right to demand payment of the principal of or interest on this Bond from any tax proceeds other than the Sales Tax proceeds levied for the benefit of the Issuer by the City pursuant to Section 4B of the Act, or from any other source.

THE ISSUER HAS RESERVED the right in the Bond Resolution, subject to certain conditions set forth therein, to issue obligations or incur indebtedness from time to time in the future on a parity with the Bond with respect to the pledge of and lien on the Pledged Revenues which secures the Bond. The Issuer may also issue obligations or incur indebtedness which is secured on a junior and subordinate lien with respect to the Pledged Revenues. The Bond Resolution further provides that the Issuer may create a debt service reserve fund and fund it or provide for it to be funded in connection with the issuance of any obligations or the incurrence of any indebtedness which possesses a lien on and pledge of the Pledged Revenues on a parity with the Bond, and that such reserve shall secure only the obligations or indebtedness for which it was funded or is to be funded.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Bond Resolution as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owner of the Bond.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Directors

President, Board of Directors

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by
an executed Registration Certificate of the
Comptroller of Public Accounts of the State of
Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bond, or a portion of a Bond or Bond of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

_____, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto
_____.

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee.)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to register the transfer of the
within Bond on the books kept for registration thereof, with full power of substitution in the
premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE
FOR INITIAL BOND ONLY:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of the State of Texas

EXHIBIT C

NOTICE OF PREPAYMENT

NOTICE IS HEREBY GIVEN that certain loan obligations (the "Loan Obligations") of the Round Rock Transportation and Economic Development Corporation, formerly the Round Rock Transportation System Development Corporation (the "Issuer"), will be prepaid, at a price of par and accrued interest to the date of prepayment, to-wit:

State Infrastructure Bank Loan Obligations executed by the Issuer on August 25, 2005 with an initial draw date of January 5, 2006

Scheduled Payment Date (January 5)	Principal Amount	Interest Rate	Prepayment Date
2018	\$545,382.87	4.00%	July 7, 2017
2019	567,198.19	4.00	July 7, 2017
2020	589,886.12	4.00	July 7, 2017
2021	606,354.75	4.00	July 7, 2017

State Infrastructure Bank Loan Obligations executed by the Issuer on November 8, 2007 with an initial draw date of March 20, 2008.

Scheduled Payment Date (March 20)	Principal Amount	Interest Rate	Prepayment Date
2018	\$1,140,052.51	4.20%	July 7, 2017
2019	1,187,934.71	4.20	July 7, 2017
2020	1,237,827.97	4.20	July 7, 2017
2021	1,289,816.75	4.20	July 7, 2017
2022	1,343,989.05	4.20	July 7, 2017
2023	1,400,436.44	4.20	July 7, 2017