

**RESOLUTION NO. TB-2019-013**

**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 BONDS, TAXABLE SERIES 2019; APPROVING A  
PAYING AGENT/REGISTRAR AGREEMENT, A PROJECT AGREEMENT AND A BOND  
PURCHASE AGREEMENT; APPROVING AN OFFICIAL STATEMENT; AND  
APPROVING OTHER MATTERS RELATED THERETO**

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<b>THE STATE OF TEXAS</b>	<b>§</b>
<b>ROUND ROCK TRANSPORTATION AND ECONOMIC DEVELOPMENT CORPORATION</b>	<b>§</b>

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**WHEREAS**, 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 (collectively, the "Act") at the election held on August 9, 1997 (the "1997 Election"), a majority of the citizens of the City of Round Rock, Texas (the "City") voting at the 1997 Election authorized the City to levy a sales and use tax on the receipts at retail of taxable items within the City at a rate of one-half of one percent for the benefit of a development corporation operating on behalf of the City to be used for streets, roads, drainage and other related transportation system improvements including the payment of maintenance and operating expenses associated with such authorized projects; and

**WHEREAS**, pursuant to the provisions of the Act, the City created the Round Rock Transportation System Development Corporation, a nonstock, nonprofit industrial development corporation created to act on behalf of the City to satisfy the public purposes set forth in the Act as authorized at the 1997 Election; and

**WHEREAS**, on November 8, 2011, a majority of the citizens of the City voting at such election (the "2011 Election" and collectively with the 1997 Election, the "Election") authorized the existing sales and use tax to be used for additional purposes as provided by state law; and

**WHEREAS**, after the 2011 Election the bylaws and other governing documents were amended to update certain provisions including the name of the corporation to be "Round Rock Transportation and Economic Development Corporation" (the "Issuer"); and

**WHEREAS**, as more fully described herein, the Issuer has determined to issue the bonds authorized herein (the "Bonds") to provide funds for designing and constructing a convention center facility, capitalizing interest on the Bonds and paying the costs of issuing the Bonds; and

**WHEREAS**, there was published in a newspaper of general circulation in the City (as described in Sections 2051.044 and 2051.048, Texas Government Code) on January 23, 2018, notice that a public hearing would be held by the Issuer on January 25, 2018 at which the project to be financed with the proceeds of the Bonds were discussed and giving notice that the Issuer proposed to undertake such project; and

**WHEREAS**, the public hearing was held by the Issuer and no petition has been submitted to the Issuer or the City Council calling for a referendum with respect to such project; and

**WHEREAS**, the Act authorizes the Issuer to issue the Bonds for the aforesaid purposes and the Board of Directors of the Issuer finds it necessary and advisable to authorize the issuance of the hereinafter described Bonds for the purposes hereinabove and hereinafter described; and

**WHEREAS**, the Bonds are authorized to be issued as Parity Obligations on parity with the outstanding Previously Issued Parity Obligations; however, the 2019 Reserve Fund (as defined herein) established by this Resolution secures only the Bonds; 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. RECITALS, AMOUNT AND PURPOSE OF THE BONDS; DEFINITIONS.**

The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Bonds are hereby authorized to be issued and delivered in the aggregate principal amount of \$\_\_\_\_\_ for the purpose of (i) providing funds for the Costs of the Project, (ii) capitalizing interest on the Bonds and (iii) paying the costs of issuing the Bonds. 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. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES OF BONDS.** Each Bond issued pursuant to this Resolution shall be designated: "ROUND ROCK TRANSPORTATION AND ECONOMIC DEVELOPMENT CORPORATION SENIOR LIEN SALES TAX REVENUE BOND, TAXABLE SERIES 2019", and initially there shall be issued, sold, and delivered hereunder fully registered certificates, without interest coupons, dated August 22, 2019, in the respective denominations and principal amounts hereinafter stated, numbered

consecutively from R-1 upward (except the Initial Bond submitted to the Attorney General of the State of Texas which shall be numbered T-1), payable to the respective initial registered owners thereof (as designated in Section 25 hereof), or to the registered assignee or assignees of the Bonds or any portion or portions thereof (in each case, the "Registered Owner"), and the Bonds shall mature and be payable serially on August 15 in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

<u>Years</u>	<u>Principal Amounts</u>	<u>Years</u>	<u>Principal Amounts</u>
2022		2034	
2023		2035	
2024		2036	
2025		2037	
2026		2038	
2027		2039	
2028		2040	
2029		2041	
2030		2042	
2031		2043	
2032		2044	
2033			

**Section 3. INTEREST.** The Bonds scheduled to mature during the years, respectively, set forth below shall bear interest from the dates specified in the FORM OF BOND set forth in Exhibit "B" of this Resolution to their respective dates of maturity or redemption prior to maturity at the following rates per annum:

<u>Years</u>	<u>Rates</u>	<u>Years</u>	<u>Rates</u>
2022		2034	
2023		2035	
2024		2036	
2025		2037	
2026		2038	
2027		2039	
2028		2040	
2029		2041	
2030		2042	
2031		2043	
2032		2044	
2033			

Interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in Exhibit "B" of this Resolution.

**Section 4. CHARACTERISTICS OF THE BONDS.** (a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at The Bank of New York Mellon Trust Company, National Association, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bonds (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, conversions 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, conversions 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 Bonds 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. 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 shall make a copy of the Registration Books available within the State of Texas. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds 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 Section 4(c) of this Resolution, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and the Bonds shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, as amended, and particularly Subchapter D thereof, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, 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 Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day immediately preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 45 days prior to any such redemption date), (iii) may be converted and exchanged for other Bonds, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, 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 initially issued and delivered pursuant to this Resolution is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds 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) Substitute Paying Agent/Registrar. The Issuer covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds 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 not less than 30 days written notice to the Paying Agent/Registrar, 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 Bonds, 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 Bonds, 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) Book-Entry-Only System. The Bonds issued in exchange for the Initial Bond initially issued as provided in Section 4(i) shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC") and except as provided in subsection (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, but to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall be

entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the Issuer determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bond, the Issuer shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Bond shall designate, in accordance with the provisions of this Resolution.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations of the Issuer to DTC.

(h) DTC Blanket Letter of Representations. The Issuer confirms execution of a Blanket Issuer Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Bonds and authorizes the execution of such additional letters of representation as may be required by DTC to utilize the Book-Entry-Only System for the Bonds.

(i) Cancellation of Initial Bond. On the closing date, one Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the designated

representative of the Underwriters or its designee set forth in Section 25 of this Resolution, executed by manual or facsimile signature of the President and Secretary of the Board of Directors 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, will be delivered to such Underwriters set forth in Section 25 of this Resolution or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such Underwriters one separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in Section 4(f), all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

**Section 5. FORM OF BOND.** The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, the form of Initial Bond and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Initial Bond initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as set forth in Exhibit "B" attached hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution, including any reproduction of an opinion of counsel and information regarding the issuance of any bond insurance policy.

**Section 6. PLEDGE.** (a) The Bonds 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 any 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 and the 2019 Reserve Fund for the Bonds as hereinafter provided. The Bonds are and will be secured by and payable only from the Pledged Revenues and amounts on deposit in the Debt Service Fund and the 2019 Reserve 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, including the Project.

(b) Chapter 1208, Government Code, applies to the issuance of the Bonds 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 Bonds are 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 Bonds 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 any of the Bonds are 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) A special Fund entitled the “*Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Bonds, Taxable Series 2019 Reserve Fund*” and hereinafter called the "2019 Reserve Fund" is hereby created and shall be established and maintained on the books of the Issuer pursuant to Section 11 hereof, so long as any of the Bonds remain outstanding, hereinafter called the "2019 Reserve Fund."

(c) A special Fund entitled the “*Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Bonds, Taxable Series 2019 Project Fund*” and hereinafter called the "2019 Project Fund" is hereby created and shall be established and maintained on the books of the Issuer pursuant to Section 27 hereof, so long as any proceeds of the Bonds remain on deposit therein, hereinafter called the "2019 Project Fund."

(e) 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) the 2019 Reserve Fund and each debt service reserve fund created by the resolutions authorizing the Previously Issued Parity Obligations and by any Additional Parity Obligations Resolution, which contains less than the amount to be accumulated and/or maintained therein as provided in the applicable resolution establishing such debt service reserve 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 debt service on the 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 Junior Lien Obligations; and

**SEVENTH:** 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

**EIGHTH:** 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 any applicable debt service reserve fund (excluding any Reserve Fund Obligation) for Parity Obligations, including the 2019 Reserve Fund for the Bonds, is equal to the amount required to fully pay and discharge all such Parity Obligations (principal and interest) then Outstanding or (ii) the Parity Obligations are no longer Outstanding.

Accrued interest and capitalized interest, if any, received from the initial purchaser of any Parity Obligation shall be taken into consideration and reduce the amount of the semi-annual deposits and credits hereinabove required into the Debt Service Fund.

**Section 11. 2019 RESERVE FUND.** (a) The Issuer hereby covenants and agrees with the Owners of the Bonds that it will provide for the accumulation of, and when accumulated, will thereafter continuously maintain in the 2019 Reserve Fund an amount equal to not less than the Average Annual Debt Service Requirements of the Bonds (calculated on a Fiscal Year basis) (the “Required Reserve Amount”). The 2019 Reserve Fund only secures the Bonds. Immediately following the delivery date of the Bonds and at each subsequent time that the requirement to maintain and accumulate the 2019 Reserve Fund is reinstated by this Section (each a “Calculation Date”), the appropriate Issuer officials shall calculate and determine the Average Annual Debt Service Requirements for the Bonds. After deducting the amount then on deposit in the 2019 Reserve Fund, if any, from such calculation, the amount of the difference, if any, shall be deposited in the 2019 Reserve Fund in sixty (60) substantially equal monthly payments on or before the 10th day of each month; the initial monthly deposit to be made on or before the 10th day of the month next following the Calculation Date. After the total amount required to be on deposit in the 2019 Reserve Fund has been accumulated, monthly payments to said fund may be terminated; provided, however, should the amount on deposit therein be reduced below the Required Reserve Amount after the same has been accumulated, payments to said fund in an amount equal to the deficiency shall be resumed and continued to be made on or before the 10th day of each month until the total amount then required to be on deposit in the 2019 Reserve Fund has been fully restored. In the event money in the 2019 Reserve Fund is used for an authorized purpose while monthly payments are being made to said fund, the amount required to restore the sum then required to be on deposit therein shall be added to the payments then being made in the following month or months until the total amount then required to be on deposit in said fund has been fully restored. Any cash or investments purchased with such cash in the 2019 Reserve Fund shall be drawn upon prior to any drawing upon any Reserve Fund Obligation.

(b) Notwithstanding the requirements of subsection (a) above, the Issuer may provide a Reserve Fund Obligation issued in amounts equal to all or part of the Average Annual Debt Service Requirements of the Bonds in lieu of depositing cash into the 2019 Reserve Fund; provided, however, that no such Reserve Fund Obligation may be so substituted unless (i) the substitution of the Reserve Fund Obligation will not cause any ratings then assigned to the Bonds to be lowered and (ii) the resolution authorizing the substitution of the Reserve Fund Obligation for all or part of the Average Annual Debt Service Requirements of the Bonds contains (A) a finding that such substitution is cost effective and (B) a provision that the interest due on any repayment obligation of the Issuer by reason

of payments made under such policy does not exceed the highest lawful rate on interest which may be paid by the Issuer at the time of the delivery of the Reserve Fund Obligation. The Issuer reserves the right to apply the proceeds of the Revenue Fund to payment of the subrogation obligation incurred by the Issuer (including interest) to the issuer of the Reserve Fund Obligation, the payment of which will result in the reinstatement of such Reserve Fund Obligation, prior to making payment required to be made to the 2019 Reserve Fund pursuant to the provisions of this Section to restore the balance in such fund to the Required Reserve Amount. Any Reserve Fund Obligation on deposit in, or held for the benefit of, the 2019 Reserve Fund shall be drawn upon by the Paying Agent/Registrar and exhausted prior to making demand for payment under any bond insurance policy for the Bonds.

(c) In the event a Reserve Fund Obligation issued to satisfy all or part of the Issuer's obligation with respect to the 2019 Reserve Fund causes the amount then on deposit in the 2019 Reserve Fund to exceed the Required Reserve Amount, the Issuer, may transfer such excess amount to any fund or funds established for the payment of or security for the Bonds (including any escrow established for the final payment of any of the Bonds pursuant to Chapter 1207, Texas Government Code) or use such excess amount for any lawful purpose now or hereafter provided by law.

(d) Notwithstanding anything to the contrary contained herein, the requirement set forth in subsection (a) above to maintain and accumulate the Required Reserve Amount in the 2019 Reserve Fund shall be suspended for such time as the Pledged Revenues for each Fiscal Year (including Fiscal Years prior to the delivery date of the Bonds) are equal to at least 1.40 times the Maximum Annual Debt Service Requirements of all then Outstanding Parity Obligations. In the event that the Pledged Revenues for any Fiscal Year are less than 1.40 times the Maximum Annual Debt Service Requirements of all then Outstanding Parity Obligations, the Issuer will be required to commence maintaining or accumulating the Required Reserve Amount in the 2019 Reserve Fund as provided in this Section, and to continue maintaining or accumulating the Required Reserve Amount in the 2019 Reserve Fund until the earlier of (i) such time as the 2019 Reserve Fund is fully funded to the Required Reserve Amount or (ii) the Pledged Revenues in each of two consecutive years have been equal to not less than 1.40 times the Maximum Annual Debt Service Requirements of all then Outstanding Parity Obligations. Notwithstanding the provisions of subsection (a) above, if the Issuer commences deposits in the 2019 Reserve Fund and later is authorized to suspend payments into the fund under this Section any funds so accumulated in the 2019 Reserve Fund may, at the discretion of the Issuer: (i) remain in the 2019 Reserve Fund or (ii) be used for any lawful purpose including additional projects or to pay debt service on the Bonds.

**Section 12. OPERATING FUND.** Amounts on deposit in the Operating Fund may be (i) used to complete and maintain the Project, (ii) applied to pay or redeem any Parity Obligations at the option of the Issuer, or (iii) 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 (or other officer of the Issuer then having the primary responsibility for the financial affairs of the Issuer) 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 Bonds.

**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 2019 Reserve Fund shall be retained therein at all times when there is less than the Required Reserve Amount on deposit therein; at all other times such earnings shall be deposited to the Debt Service Fund. Investment earnings realized on investments attributable to the Operating Fund shall be retained therein. Money in the 2019 Reserve Fund shall not be invested in securities maturing later than 18 months from the date of acquisition of such securities by the Issuer. 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 debt service reserve funds for such Parity Obligations, including the 2019 Reserve Fund for the Bonds, 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 and any applicable debt service reserve funds for Parity Obligations, including the 2019 Reserve Fund for the Bonds, 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 these Funds.

(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, or 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, Junior Lien Obligations, 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 Payment, Parity Obligations, Junior Lien Obligations and Subordinate Lien Obligations to be outstanding after the issuance of the then proposed Additional Parity Obligations.

(c) In addition to the 2019 Reserve Fund for the Bonds and any debt service reserve funds for the Previously Issued Parity Obligations, 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 2019 Reserve Fund and the debt service reserve funds created for the benefit of other Parity Obligations.

(d) No Additional Parity Obligations may be issued without prior written consent of any applicable Bond Insurer if any Reserve Fund Obligation Payment is past due and owing to any Bond Insurer and such 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 Bonds; 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 Bonds 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 issue the Bonds; all action on its part for the issuance of the Bonds has been duly and effectively taken, and that the Bonds 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 Bonds are 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 (c)(i) of this Section to be ordered or permitted so long as any Bonds 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 Project, 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 Registered Owner of the Bonds.

(e) It will maintain its corporate existence during the time that any Bonds are Outstanding hereunder.

**Section 21. DEFEASANCE OF BONDS.** (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 all Defeased Bonds 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 Bonds 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 Issuer's Board of Directors 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 Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds 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 Bonds and such Bonds 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 BONDS.**

(a) Replacement Bonds. In the event any 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 Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds 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) No Default Occurred. 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) Charge for Issuing Replacement Bonds. 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 and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B of Chapter 1206, Texas Government Code, as amended, 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 Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

**Section 23. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND BOND INSURANCE, IF OBTAINED.** The President of the Issuer's Board of Directors is hereby authorized to have control of the Initial Bond issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds 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 the Bonds the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate attached to the Initial Bond, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Resolution, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds. In addition, if bond insurance or other credit enhancement is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

**Section 24. RESERVED.**

**Section 25. SALE OF BONDS.** The Bonds are hereby sold and shall be delivered to Citigroup Global Markets Inc., as representative of the underwriters of the Bonds (collectively, the "Underwriters"), at the price of \$\_\_\_\_\_ (which amount is equal to the principal amount of the Bonds plus a net premium of \$\_\_\_\_\_ and less an underwriting discount of \$\_\_\_\_\_), all pursuant to the terms and provisions of a Purchase Agreement in substantially the form attached hereto as Exhibit "D" which the President or Vice President of the Board of Directors of the Issuer is hereby authorized and directed to execute and deliver, and which the Secretary of the Board of Directors of the Issuer is hereby authorized and directed to attest. The Issuer will initially deliver to the Underwriters one certificate for each maturity of the Bonds authorized under this Resolution. The Bonds shall initially be registered in the name of Citigroup Global Markets Inc.

Pursuant to Sections 1201.029 and 1201.042, Texas Government Code, the \$\_\_\_\_\_ of net premium generated by the sale of the Bonds is allocated to be used as follows: (i) \$\_\_\_\_\_ for the Underwriters' discount, (ii) \$\_\_\_\_\_ to be deposited to the Debt Service Fund to capitalize interest on the Bonds, (iii) \$\_\_\_\_\_ (which includes a

rounding amount of \$\_\_\_\_\_ ) for costs of issuance of the Bonds and (iv) \$\_\_\_\_\_ to be deposited to the 2019 Project Fund to be used for the Costs of the Project.

In consultation with, and reliance upon the advice of the financial advisor for the Issuer, the Issuer's Board of Directors hereby finds the terms and sale of the Bonds are the most advantageous reasonably available on the date and time of the pricing of the Bonds given the then existing market conditions and the stated terms of sale on such date and time and accordingly that such terms are in the best interest of the Issuer.

**Section 26. APPROVAL OF OFFICIAL STATEMENT.** The Board of the Issuer hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated July 17, 2019 prior to the date hereof is confirmed, approved and ratified. The Board of the Issuer hereby finds and determines that the Preliminary Official Statement and final Official Statement were "deemed final" (as that term is defined in 17 CFR Section 240.15c (2)-12) as of their respective dates.

**Section 27. USE OF BOND PROCEEDS; PROJECT AGREEMENT; 2019 PROJECT FUND.** The proceeds from the sale of the Bonds (except for capitalized interest and accrued interest, if any, which shall be deposited to the Debt Service Fund), shall be deposited into the 2019 Project Fund of the Issuer and used to pay Costs of the Project. Notwithstanding the provisions of Section 9 hereof, interest earnings on amounts on deposit in the 2019 Project Fund shall be used to pay Costs of the Project or, at the option of the Issuer, transferred to the Debt Service Fund and used to pay amounts coming due with respect to the Bonds. The Project Agreement, in substantially the form and substance as attached hereto and made a part hereof for all purposes, is hereby approved and the President and the Secretary of the Board of Directors are hereby authorized to execute, attest, seal and deliver the Project Agreement.

**Section 28. EXECUTION OF DOCUMENTS.** The President, Vice President and Secretary of the Board of the Issuer are each 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 Bonds, including, without limitation, the Purchase Agreement, Project Agreement, the Paying Agent/Registrar Agreement and the DTC Blanket Issuer Letter of Representations.

**Section 29. CONTINUING DISCLOSURE UNDERTAKING.**

(a) Annual Reports. The Issuer shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the Issuer ending in or after 2019, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 26 of this Resolution, being information of the type described in Exhibit "C"

hereto, including financial statements of the Issuer if an audit is conducted separate and independent of the audit of the City, but if the audit of the City includes an audit of the Issuer, then those portions of the City's audit relating to the Issuer if such audited financial statements are then available, and (2) if not provided as part of such financial information and operating data, audited financial statements of the Issuer or the City, as applicable, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit "C" hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the Issuer or the City, as applicable, commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Issuer shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

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

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer and (b) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(c) Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit that causes the Bonds to be no longer Outstanding in accordance with Section 21 of this Resolution.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of

the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer makes no representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Issuer may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (i) such provisions as so amended and (ii) any amendments or interpretations of the Rule. If the Issuer so amends the provisions of this Section, the Issuer shall include with any amended financial information or operating data next provided in accordance with this subsection (a) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any

change in the type of financial information or operating data so provided.

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

Financial information and operating data to be provided pursuant to subsection (a) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

**Section 30. [RESERVED.] [PROVISIONS RELATING TO BOND INSURANCE.** It is hereby determined that it is financially desirable and advantageous that the Bonds are to be sold with the principal of and interest thereon being insured by BAM (defined below) as the Bond Insurer pursuant to the Policy (defined below). The Issuer covenants and agrees, so long as BAM is not in default under the Policy, to the following the following provisions will apply:

1. Notice and Other Information to be given to BAM. The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its continuing disclosure undertaking in Section 29 of this Resolution and (ii) to the holders of the Bonds.

The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. \_\_\_\_\_, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

2. Defeasance. The investments in the defeasance escrow relating to the Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least (three) 3 business days prior to any defeasance with respect to the Bonds, the Issuer shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Bonds and a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

a. Any substitution of securities following the execution and delivery of the



escrow agreement shall require the delivery of a Verification Report and the prior written consent of BAM, which consent will not be unreasonably withheld.

b. The Issuer will not exercise any prior optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

c. The Issuer shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

3. Paying Agent.

a. BAM shall receive prior written notice of any name change of the paying agent (the “Paying Agent”) for the Bonds or the resignation or removal of the Paying Agent.

b. No removal, resignation or termination of the Paying Agent shall take effect until a successor, meeting the requirements above or acceptable to BAM, shall be qualified and appointed.

4. Amendments, Supplements and Consents. BAM’s prior written consent is required for all amendments and supplements to this Resolution, with the exceptions noted below. The Issuer shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to this Resolution.

a. Consent of BAM. Any amendments or supplements to this Resolution shall require the prior written consent of BAM with the exception of amendments or supplements:

i. To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

ii. To grant or confer upon the holders of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Bonds, or

iii. To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed, or

iv. To add to the covenants and agreements of the Issuer in this Resolution

other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power therein reserved to or conferred upon the Issuer; or

v. To issue additional parity debt in accordance with the requirements set forth in this Resolution (unless otherwise specified herein).

b. Consent of BAM in Addition to Bondholder Consent. Whenever this Resolution requires the consent of holders of the Bonds, BAM's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, this Resolution that adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

c. Consent of BAM in the Event of Insolvency. Any reorganization or liquidation plan with respect to the Issuer must be acceptable to BAM. In the event of any reorganization or liquidation of the Issuer, BAM shall have the right to vote on behalf of all holders of the Bonds absent a continuing failure by BAM to make a payment under the Policy.

d. Consent of BAM Upon Default. Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or Paying Agent for the benefit of the holders of the Bond under this Resolution. No default or event of default may be waived without BAM's written consent.

e. BAM as Owner. Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Bonds for all purposes under the Bonds, including, without limitations, for purposes of exercising remedies and approving amendments.

f. Grace Period for Payment Defaults. No grace period shall be permitted for payment defaults on the Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

g. Special Provisions for Insurer Default. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs 4(a)-(e) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign

bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5. BAM as Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Bonds and may enforce the provisions of the Bonds as if it were a party thereto.

6. Payment Procedure Under the Policy. In the event that principal and/or interest due on the Bonds shall be paid by BAM pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

In the event that on the second (2nd) business day prior to any payment date on the Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Bonds due on such payment date, the Paying Agent shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify BAM or its designee.

In addition, if the Paying Agent has notice that any holder of the Bonds has been required to disgorge payments of principal of or interest on the Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Paying Agent shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Bonds as follows:

a) If there is a deficiency in amounts required to pay interest and/or principal on the Bonds, the Paying Agent shall (i) execute and deliver to BAM, in form satisfactory to

BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Bonds in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Bonds, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from BAM with respect to the claims for interest so assigned, and (iii) disburse the same to such respective holders; and

b) If there is a deficiency in amounts required to pay principal of the Bonds, the Paying Agent shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Bonds in any legal proceeding related to the payment of such principal and an assignment to BAM of the Bonds surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from BAM, and (iii) disburse the same to such holders.

The Paying Agent shall designate any portion of payment of principal on Bonds paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Bonds disbursed by the Paying Agent from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Bonds, and BAM shall become the owner of such unpaid Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent agrees for the benefit of BAM that:

a) They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in this Resolution and the Bonds; and

b) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Bonds to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

7. Additional Payments. The Issuer agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Bonds ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Issuer agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Issuer, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, BAM Reimbursement Amounts shall be, and the Issuer hereby covenants and agrees that the BAM Reimbursement Amounts are, payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Bonds on a parity with debt service due on the Bonds.

8. 2019 Reserve Fund and 2019 Project Fund.

a. The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the 2019 Reserve Fund, if any. Amounts on deposit in the 2019 Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

b. Unless BAM otherwise directs, upon the occurrence and continuance of an event of default or an event which with notice or lapse of time would constitute an event of default, amounts on deposit in the 2019 Project Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

9. Exercise of Rights by BAM. The rights granted to BAM under this Resolution to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Bonds and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Bonds or any other person is required in addition to the consent of BAM.

10. BAM shall be entitled to pay principal or interest on the Bonds that shall become Due

for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Policy) whether or not BAM has received a claim upon the Policy.

11. No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.

12. Definitions.

"BAM" shall mean Build America Mutual Assurance Company, or any successor thereto.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Policy" shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Bonds when due. ]

**Section 31. 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 Bonds has been made under this Resolution, no effect shall be given to payments under any bond insurance policy.

**Section 32. 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 33. 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 Bonds, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, any insurance commitment letter or insurance policy and the Official Statement. In addition, prior to the initial delivery of the Bonds, the President or Vice 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 the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy requirements of any Bond Insurer, (iii) obtain a Reserve Fund Obligation covering all or a portion of the Required Reserve Amount or (iv) obtain the approval of the Bonds 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 34. 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 any 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 35. 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 Bonds 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 Bonds.

**Section 36. 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 Bonds and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Bonds.

**Section 37. 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 38. 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 Bonds, 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 Bonds.

**Section 39. 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 40. EFFECTIVE DATE.** This Resolution shall become effective upon adoption by the Issuer's Board and approval by the City Council.

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## **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.

*"2019 Project Fund"* means the special fund created, established and maintained by the provisions of Sections 7 and 27 of this Resolution.

*"2019 Reserve Fund"* means the special fund created, established and maintained by the provisions of Sections 7 and 11 of this Resolution.

*"Act"* means 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"* means 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 Bonds, are equally and ratably secured by a first lien on and pledge of the Pledged Revenues on a parity with the Bonds under the terms of this Resolution and an Additional Parity Obligations Resolution.

*"Additional Parity Obligations Resolution"* means 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 Bonds 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 Bonds (whether at maturity or by mandatory redemption and including redemption premium, if any) provided that the total Amortization Installments for such Term Bonds shall be sufficient to provide for retirement of the aggregate principal amount of such Term Bonds.

*"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.

[*"BAM"* means Build America Mutual Assurance Company, or any successor thereto.]

*"Board"* or *"Board of Directors"* means the Board of Directors of the Issuer.

*"Bond"* or *"Bonds"* means the Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Bonds, Taxable Series 2019, authorized to be issued by this Resolution. In addition, the term *"Bonds"* as used in this Resolution means and includes collectively the bonds 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 the Bonds or the provider of a Reserve Fund Obligation.] [means BAM as the provider of the municipal bond insurance policy on the Bonds or the provider of a Reserve Fund Obligation.]

*"Book-Entry-Only System"* means the book-entry system of bond registration provided in Section 4, or any successor system of book-entry registration.

*"Cede & Co."* means the designated nominee and its successors and assigns of The Depository Trust Company, New York.

*"City"* means the City of Round Rock, Texas.

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

*"Cost"* means with respect to the Project, the cost of acquisition, construction and improvement of the Project as provided in the Act, including, without limitation, the cost of the

acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest during construction before and during construction and until the first anniversary of the date the construction is completed, necessary reserve funds, premiums for reserve fund surety policies and municipal bond insurance policies, costs of ratings for the Bonds, cost of estimates and of engineering, accountant, financial advisor and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving, and expanding any such Project, administrative expense, and such other expense as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion thereof, the placing of the same in operation, and the financing of the Project.

*"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 and (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 Issuer's 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 Bonds are

rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

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

*"DTC"* means The Depository Trust Company, New York, New York and its successors and assigns.

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

*"Election"* means collectively, the sales and use tax elections held by the City on August 9, 1997 and on November 8, 2011 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.

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

*"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.

*"Funds"* means any fund created by this Resolution, the resolutions authorizing the Previously Issued Parity Obligations or any Additional Parity Obligations Resolution, as applicable.

*"Investment Act"* means the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

*"Issuer"* means the Round Rock Transportation and Economic Development Corporation.

*"Junior 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 issued by the Issuer but senior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Subordinate Lien Obligations, 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 Junior Lien Obligations. As of the date of this Resolution, the Issuer has no outstanding Junior Lien Obligations.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*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*" – means, when used in this Resolution with respect to Parity Obligations, as of the date of determination, the Bonds and other 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; or
- (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*" means, collectively, the Bonds, the Previously Issued Parity Obligations and any Additional Parity Obligations.

"*Paying Agent/Registrar*" means the 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*" means 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" and "Round Rock Transportation and Economic Development Corporation Senior Lien Sales Tax Revenue Refunding Bond, Series 2017."

"*Project*" means, collectively, designing and constructing a convention center facility and the Costs necessary or incident to the undertaking of such Project.

"*Project Agreement*" means the agreement dated August 22, 2019 between the Issuer and the City relating to the Project.

"*Record Date*" means Record Date as defined in the FORM OF BOND in Exhibit "B" to this Resolution.

"*Registered Owner*" means the registered owner, whose name appears in the security register for any Parity Obligation, including the Registration Books for the Bonds.

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

"*Required Reserve Amount*" means the amount required pursuant to the provisions of Section 11 of this Resolution to be maintained on deposit, held as securities and/or held as a Reserve Fund Obligation for the benefit of the 2019 Reserve Fund.

"*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 debt service reserve fund for a series of Parity Obligations, including the 2019 Reserve Fund for the Bonds, 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 under a Reserve Fund Obligation held in any debt service reserve fund for a series of Parity Obligations, including the 2019 Reserve Fund for the Bonds.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*Sales Tax*" means 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.

"SEC" means the United States Securities and Exchange Commission.

"*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. As of the date of this Resolution, the Issuer has no outstanding Subordinate Lien Obligations.

"*Term Bonds*" 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*" means the Sales Tax Remittance Agreement dated as of May 15, 2001, between the City and the Issuer.

**EXHIBIT B**

**FORM OF BOND**

**UNITED STATES OF AMERICA  
STATE OF TEXAS  
ROUND ROCK TRANSPORTATION AND  
ECONOMIC DEVELOPMENT CORPORATION  
SENIOR LIEN SALES TAX REVENUE BOND,  
TAXABLE SERIES 2019**

**NO. R-\_\_**

**PRINCIPAL  
AMOUNT**

**\$**

**Interest Rate**

**Date of Delivery**

**Maturity Date**

**CUSIP No.**

August 22, 2019

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**DOLLARS**

**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. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Delivery specified above at the Interest Rate per annum specified above. Interest is payable on February 15, 2020 and semiannually on each and August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except that 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 immediately 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 Bonds, if any, for which this Bond is being exchanged or converted from 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. Notwithstanding the foregoing, during any period in which ownership

of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the Issuer and the securities depository.

**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 principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at The Bank of New York Mellon Trust Company, National Association (the "Paying Agent/Registrar") at its designated office for payment currently in Dallas, Texas (the "Designated Payment/Transfer Office"). The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, 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 or draft 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 close of business on the last day of the month immediately preceding each such date (the "Record Date") on the registration books kept by the Paying Agent/Registrar (the "Registration Books"). In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. 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 (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 owner of a Bond appearing on the Registration Books at the close of business on the last business day immediately preceding the date of mailing of such notice. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Issuer and the securities depository. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Bond Resolution.

**ANY ACCRUED INTEREST** due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Bond that on or before each 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 Bonds, 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 principal corporate trust office of 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 one of a series of Bonds dated August 22, 2019, authorized in accordance with the Constitution and laws of the State of Texas, including particularly the Act, in the original principal amount of \$\_\_\_\_\_ to provide funds for designing and constructing a convention center facility as set forth in the Bond Resolution, capitalizing interest on the Bonds and paying the costs of issuing the Bonds.

**ON AUGUST 15, 20\_\_**, or on any date thereafter, the Bonds maturing on and after August 15, 20\_\_ may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

**THE BONDS OF THIS SERIES** maturing on August 15, 20\_\_ and August 15, 20\_\_ are subject to mandatory redemption prior to maturity in part at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, in amounts sufficient to redeem said Bonds on August 15, in the years and principal amounts shown on the following schedule. Such Bonds shall be redeemed with funds from the "Debt Service Fund" created by the Bond Resolution and shall be redeemed by the Paying Agent/Registrar in part prior to maturity with funds from the Debt Service Fund, for the principal amount thereof and accrued interest to the date of redemption, and without premium, on each of the aforesaid dates, in the principal amounts, respectively, as set forth in the following schedule:

<u>Bonds Maturing August 15, 20__</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 20__	\$
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

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\* Final maturity.

Bonds Maturing August 15, 20\_\_

<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 20__	\$
August 15, 20__	
August 15, 20__	
August 15, 20__	
August 15, 20__*	

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\* Final maturity.

The principal amount of the Bonds required to be redeemed pursuant to the operation of such mandatory sinking fund shall be reduced by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date shall have been (1) purchased by the Issuer and delivered to the Paying Agent/Registrar for redemption or (2) redeemed pursuant to the optional redemption provision described below and delivered to the Paying Agent/Registrar for cancellation.

**AT LEAST 30** days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, the Issuer shall cause written notice of such redemption to be sent by United States mail, first class, postage prepaid, to each Registered Owner of a Bond to be redeemed, in whole or in part, at the address of the Registered Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution. Any notice of redemption shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the Debt Service Fund sufficient money to pay the full

redemption price of the Bonds to be redeemed or (ii) be sent only if sufficient money to pay the full redemption price of the Bonds to be redeemed is on deposit in the Debt Service Fund.

**DURING ANY PERIOD** in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

**ALL BONDS OF THIS SERIES** are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, 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 proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are 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 or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof 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, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) 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, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance of the Bond.

**WHENEVER** the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

**IN THE EVENT** any Paying Agent/Registrar for the Bonds 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 cause written notice thereof to be mailed to the Registered Owners of the Bonds.

**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 and any Additional Parity Obligations 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 Bonds with respect to the pledge of and lien on the Pledged Revenues which secures the Bonds. 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 Bonds, and that such reserve shall secure only the obligations or indebtedness for which it was funded or is to be funded. The Issuer has created a debt service reserve fund for the benefit of the Bonds, but is only obligated to fund such debt service reserve fund upon falling below certain coverage levels as set forth in the Bond Resolution.

**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 Owners of a majority in aggregate principal amount of the Outstanding Bonds.



**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.

(facsimile signature)  
Secretary, Board of Directors

(facsimile signature)  
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, Bonds, or a portion of a Bond or Bonds 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: \_\_\_\_\_

The Bank of New York Mellon Trust Company,  
National Association, Dallas, 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 REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC  
ACCOUNTS**

**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

## INSERTIONS FOR THE INITIAL BOND

The Initial Bond shall be in the form set forth in this Exhibit, except that:

A. immediately under the name of the Bond, the headings "**Interest Rate**" and "**Maturity Date**" shall both be completed with the words "As shown below" and "**CUSIP No.**" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

**"ON THE MATURITY DATE SPECIFIED BELOW,** 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") on August 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
(Information from Sections 2 and 3 to be inserted)		

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Delivery specified above at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2020 and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that 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 immediately preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the immediately 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 Bonds, 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."

C. The Initial Bond shall be numbered "T-1."

## **EXHIBIT C**

### **DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in Section 29(a) of this Resolution:

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and included under the headings of the Official Statement referred to) below:

- (1) Table 1 - Debt Service Requirements;
- (2) Table 2 - Historical City and Corporation Receipts of 1½% and ½% Sales Tax;
- (3) Table 3 - Current Investments;
- (4) Appendix B –City of Round Rock, Texas Annual Financial Report.\*

\* As noted therein, the Issuer's financial statements and operating results are included as a component unit in the City's annual audited financial statement. Issuer does not commission a separate audit of its financial statements. Unless a separate audit of the Issuer's financial statements is performed, the City's complete audited general purpose financial report including notes will be provided on behalf of the Issuer for continuing disclosure purposes.

#### **Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in Appendix B above.

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**EXHIBIT D**  
**PURCHASE AGREEMENT**