
ORDINANCE NO. 20-____
AUTHORIZING THE ISSUANCE OF

CITY OF DALLAS, TEXAS
GENERAL OBLIGATION REFUNDING
AND IMPROVEMENT BONDS

Adopted: September 23, 2020

TABLE OF CONTENTS

	<u>Page</u>
Recitals.....	1

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.....	5
Section 1.02. Findings.....	9
Section 1.03. Table of Contents, Titles and Headings.....	9
Section 1.04. Interpretation.....	9

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Tax Levy for Payment of the Bonds.....	9
--	---

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization	10
Section 3.02. Date, Denomination, Maturities, Numbers and Interest	11
Section 3.03. Medium, Method and Place of Payment; Unclaimed Payments.....	11
Section 3.04. Execution and Initial Registration	12
Section 3.05. Ownership	13
Section 3.06. Registration, Transfer and Exchange	13
Section 3.07. Cancellation and Authentication.....	14
Section 3.08. Temporary Bonds.....	15
Section 3.09. Replacement Bonds	16
Section 3.10. Book-Entry-Only System.....	17
Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System.....	18
Section 3.12. Payments to Cede & Co.....	18

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption	18
Section 4.02. Optional Redemption	18
Section 4.03. Mandatory Sinking Fund Redemption.....	18
Section 4.04. Partial Redemption.....	19
Section 4.05. Notice of Redemption to Owners	19
Section 4.06. Payment Upon Redemption	20

Section 4.07. Effect of Redemption	20
Section 4.08. Lapse of Payment.....	21

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar	21
Section 5.02. Qualifications	21
Section 5.03. Maintaining Paying Agent/Registrar	22
Section 5.04. Termination.....	22
Section 5.05. Notice of Change to Owners.....	22
Section 5.06. Agreement to Perform Duties and Functions.....	22
Section 5.07. Delivery of Records to Successor	22

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally	22
Section 6.02. Form of the Bonds	23
Section 6.03. CUSIP Registration.....	30
Section 6.04. Legal Opinion	30
Section 6.05. Municipal Bond Insurance.....	30

ARTICLE VII

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

Section 7.01. Creation of Funds.....	31
Section 7.02. Initial Deposits	31
Section 7.03. Interest and Sinking Fund	32
Section 7.04. Construction Fund.....	32
Section 7.05. Excess Bond Proceeds	32
Section 7.06. Security of Funds	32

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments	32
Section 8.02. Investment Income.....	33

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds	33
Section 9.02. Other Representations and Covenants	33
Section 9.03. Federal Income Tax Matters	33

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default	35
Section 10.02. Remedies for Default	35
Section 10.03. Remedies Not Exclusive	35

ARTICLE XI

DISCHARGE

Section 11.01. Discharge	36
--------------------------------	----

ARTICLE XII

SALE AND DELIVERY OF BONDS; APPROVAL OF OFFICIAL STATEMENT; CONTROL AND DELIVERY OF BONDS

Section 12.01. Sale of Bonds; Delivery of Official Statement	36
Section 12.02. Control and Delivery of Bonds	38

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Annual Reports	38
Section 13.02. Material Event Notices	39
Section 13.03. Limitations, Disclaimers and Amendments	40
Section 13.04. Amendments to the Rule	41

ARTICLE XIV

AMENDMENTS; ATTORNEY GENERAL MODIFICATION

Section 14.01. Amendments	41
Section 14.02. Attorney General Modification	42
Section 14.03. Partial Invalidity	42
Section 14.04. No Personal Liability	42

ARTICLE XV

PAYMENT OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AND DEPOSIT
AGREEMENT; PURCHASE OF ESCROWED SECURITIES

Section 15.01. Payment of Refunded Obligations	42
Section 15.02. Approval of Deposit Agreement and Escrow Agreement	43
Section 15.03. Subscription for Securities	43
Section 15.04. Payment of Refunded Bonds; Redemption of Refunded Bonds.....	43

ARTICLE XVI

EFFECTIVE IMMEDIATELY

Section 16.01. Effective Immediately	44
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SCHEDULE I – Refunded Obligation Candidates

EXHIBIT A – Sale Parameters

ORDINANCE NO. 20-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS, AUTHORIZING THE ISSUANCE OF CITY OF DALLAS, TEXAS, GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2020A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$232,000,000; LEVYING A TAX IN PAYMENT THEREOF; AWARDING THE SALE THEREOF AND APPROVING EXECUTION OF A PURCHASE AGREEMENT, A DEPOSIT AGREEMENT AND AN ESCROW AGREEMENT; APPROVING THE OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, pursuant to special elections held in the City of Dallas (the “City”) on November 7, 2006 and November 7, 2017, a majority of the duly qualified resident electors of the City voting at such elections sustained propositions authorizing the City Council of the City (the “City Council”) to issue general obligation bonds of the City for the purpose of providing funds for permanent public improvements and public purposes, to-wit:

November 7, 2006 Election

\$390,420,000 planning, designing, constructing, reconstructing, improving, extending, and expanding streets, thoroughfares, freeways, alleys, sidewalks, bridges, pedestrianways, trolleyways and other multi-modal transportation facilities, including related storm drainage facilities and improvements, signalization, signage, video roadside cameras, and other traffic and signal controls, street lighting, landscaping, streetscape and median improvements, and the acquisition of land therefor;

November 7, 2017 Election

\$533,981,000 planning, designing, constructing, reconstructing, improving, extending, reconfiguring, and expanding streets, off-street parking, circulation elements, thoroughfares, freeways, intersections, alleys, medians, sidewalks, bridges, and pedestrian and bike ways, including related storm drainage facilities and improvements, signalization, pedestrian warning devices, signage, markings, video roadside cameras, and other traffic and signal controls, street lighting, pedestrian lighting, landscaping, streetscape and median improvements, railroad crossing quiet zones and the related acquisition of land;

\$261,807,000 planning, designing, constructing, improving, renovating, repairing, replacing, expanding and equipping park and recreation facilities and the acquisition of land therefor;

\$50,000,000	planning, designing, constructing, renovating, repairing, replacing, improving, expanding, and equipping facilities at Fair Park, including open space and recreation facilities;
\$48,750,000	planning, designing, constructing, improving, renovating, repairing, replacing, and expanding flood protection and storm drainage facilities and improvements, erosion control, including necessary and appropriate relocation of utilities and the acquisition of land related thereto;
\$15,589,000	planning, designing, constructing, renovating, repairing, replacing, improving, expanding and equipping library facilities and the acquisition of land therefor;
\$14,235,000	planning, designing, constructing, renovating, repairing, replacing, improving, expanding and equipping cultural and performing arts facilities and the acquisition of land therefor;
\$32,081,000	planning, designing, constructing, renovating, repairing, replacing, improving, expanding and equipping public safety facilities, including police substations, fire stations, police and fire training and related facilities and the acquisition of land therefor;
\$18,157,000	renovating, repairing, improving: expanding and equipping City Hall and City service and administrative facilities, including repair, replacement, and improvement of roofs, mechanical, electrical, plumbing, air conditioning, heating and ventilation equipment and systems, and improvements required by the Americans with Disabilities Act and other applicable laws;
\$55,400,000	providing funds for promoting economic development throughout the city, through planning, designing, constructing, improving, extending and expanding public street, utility, and other infrastructure facilities, including the acquisition of land therefor, and through the city's programs for economic development and housing including the acquisition of improved and unimproved properties, the demolition of existing structures, making grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development, neighborhood revitalization projects, and mixed income development;
\$20,000,000	Providing funds for permanent public improvements; to-wit: planning, designing, constructing, renovating, repairing, replacing, improving, expanding, and equipping facilities to serve the homeless population in the city, including permanent, supportive and transitional housing;

WHEREAS, the City Council has determined to issue for their respective purposes such of the aforesaid authorized but unissued bonds as are hereinafter provided to be issued, a tabulation showing the amount of bonds authorized, the amounts previously issued, the amounts authorized to be issued pursuant to this Ordinance (the "Ordinance") for the purposes indicated, and the balance remaining for future bond issues, as follows:

<u>Purpose</u>	<u>Amount Voted</u>	<u>Amount Previously Issued</u>	<u>Commercial Paper Issued and Outstanding</u>	<u>Amount Being Issued</u>	<u>Unissued Balance</u>
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November 7, 2006 Election:

Street and Transportation Improvements	\$390,420,000	\$386,920,000	\$3,500,000 ⁽¹⁾	\$0	\$0
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<u>Purpose</u>	<u>Amount Voted</u>	<u>Amount Previously Issued</u>	<u>Commercial Paper Issued and Outstanding⁽²⁾</u>	<u>Amount Being Issued⁽³⁾</u>	<u>Unissued Balance⁽⁴⁾</u>
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November 7, 2017 Election:

Street and Transportation Improvements	\$533,981,000	\$49,540,000	\$62,900,000	\$11,100,000	\$410,441,000
Park and Recreation Facilities	261,807,000	69,963,000	33,000,000	3,000,000	\$155,844,000
Fair Park Improvements	50,000,000	8,600,000	18,000,000	1,000,000	\$22,400,000
Flood Protection and Storm Drainage	48,750,000	3,380,000	5,000,000	0	\$40,370,000
Library Facilities	15,589,000	7,500,000	7,000,000	500,000	\$589,000
Cultural and Performing Arts Facilities	14,235,000	2,760,000	11,000,000	0	\$475,000
Public Safety Facilities	32,081,000	3,561,000	14,100,000	900,000	\$13,520,000
City Hall, City Service and Administrative Facilities	18,157,000	2,685,000	3,000,000	1,000,000	\$11,472,000
Economic Development Programs and Infrastructure	55,400,000	13,013,000	6,000,000	0	\$36,387,000
Homeless Facilities	20,000,000	500,000	0	500,000	\$19,000,000
TOTALS⁽⁵⁾	\$1,050,000,000	\$161,502,000	\$160,000,000	\$18,000,000	\$710,498,000

¹ General Obligation Commercial Paper Notes, Series B to be refunded by the Bonds, as set forth in and as may be modified by the Pricing Certificate.

² General Obligation Commercial Paper Notes, Series A to be refunded by the Bonds, as set forth in and as may be modified by the Pricing Certificate.

³ Amount may include premium allocated against voted authorization, as set forth in the Pricing Certificate. Additionally, the amount of the voted authorization may be reduced or reallocated as determined by the Authorized Officer and provided in the Pricing Certificate.

⁴ This amount may be increased as provided in the Pricing Certificate if the amount being issued is reduced.

⁵ Does not include 2006 voted authorization.

WHEREAS, there are presently outstanding certain commercial paper notes (the “Refunded Commercial Paper Notes”) of the City described on Schedule I hereto, which are secured by and payable from ad valorem taxes levied on property within the City in an amount sufficient to pay principal of and interest on such obligations as they become due within the limits prescribed by law; and

WHEREAS, there are presently outstanding certain general obligation bonds (the “Refunded Bonds”) of the City, which are secured by and payable from ad valorem taxes levied on property within the City in an amount sufficient to pay principal of and interest on such obligations as they become due within the limits prescribed by law; and

WHEREAS, the City now desires to refund such obligations described on Schedule I hereto; and

WHEREAS, the City Council desires to delegate to the Authorized Officer, pursuant to Chapter 1207, Texas Government Code, as amended (“Chapter 1207”) and Chapter 1371, Texas Government Code, as amended (“Chapter 1371”), and the parameters of this Ordinance, the authority to approve the amount, the number of series, the interest rate, the price and terms of the bonds authorized hereby and to otherwise take such actions as are necessary and appropriate to effect the sale of the bonds and to select the specific maturities or series of Refunded Obligation Candidates to be refunded; and

WHEREAS, Chapter 1207 authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a commercial bank or trust company, and such deposit, if made before the payment dates for the Refunded Commercial Paper Notes, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Commercial Paper Notes; and

WHEREAS, Chapter 1207 authorizes the City to issue refunding bonds for the purpose of refunding or defeasing the Refunded Bonds in advance of their maturities, and to accomplish such refunding or defeasance by depositing directly with a paying agent for the Refunded Bonds (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, Chapter 1207 further authorizes the City to enter into an escrow agreement with a commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such bank may agree, provided that such deposits may be invested and reinvested only in investments permitted under Chapter 1207 and the ordinances authorizing the Refunded Bonds, and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the Refunded Bonds; and

WHEREAS, the Escrow Agreement hereinafter authorized constitutes an escrow agreement of the kind authorized and permitted by said Chapter 1207; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the orders authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased; and

WHEREAS, the City Council hereby finds and determines that it is not practicable to calculate a savings amount attributable to the refunding of the Refunded Commercial Paper Notes, but that the refunding contemplated in this Ordinance will benefit the City and that such benefit is sufficient consideration for the refunding of the Refunded Commercial Paper Notes; and

WHEREAS, with respect to the Refunded Bonds, the City Council hereby finds and determines that the issuance of the refunding bonds will result in a net present value debt service savings as set forth in the Pricing Certificate and that such benefit is sufficient consideration for the refunding of the Refunded Bonds; and

WHEREAS, pursuant to Chapters 1207 and 1371 and the parameters set forth in this Ordinance, the City desires to delegate the authority to effect the sale of the Bonds from time to time to the Authorized Officer; and

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

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

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Authorized Officer” means the City Manager of the City, and in his or her absence, any Assistant City Manager.

“Bond” means any of the Bonds.

“Bonds” means the City’s bonds designated in Section 3.01.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the City where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Charter” means the Home Rule Charter of the City, as amended.

“City” means the City of Dallas, Texas.

“City Council” means the governing body of the City of Dallas, Texas as identified in the preamble to this Ordinance.

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

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

“Commercial Paper Notes” means the City’s General Obligation Commercial Paper Notes, Series A and General Obligation Commercial Paper Notes, Series B authorized pursuant to an ordinance of the City approved on October 25, 2017.

“Construction Fund” means the construction fund established by Section 7.01 of this Ordinance.

“Deposit Agreement” means that certain Deposit Agreement between the City and the Paying Agent/Registrar for the Refunded Commercial Paper Notes and/or the Paying Agent/Registrar for the Refunded Bonds, pertaining to the defeasance of the Refunded Commercial Paper Notes and Refunded Bonds, respectively, as listed in Schedule I.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its corporate trust office in St. Paul, Minnesota, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

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

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

“EMMA” means the Electronic Municipal Market Access System.

“Escrow Agreement” means the escrow agreement, if any, by and between the City and the Escrow Agent relating to the Refunded Bonds.

“Escrow Fund” means the fund established by the Escrow Agreement to hold cash and securities for the payment of debt service on the Refunded Bonds.

“Escrow Securities” means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of hereof, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date hereof, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Event of Default” means any event of default as defined in Section 10.01 of this Ordinance.

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

“Fiscal Year” means such fiscal year as shall be prescribed by the Charter and which under the existing Charter commences October 1 and ends September 30 of the following year.

“Initial Bond” means the initial Bond, described in Sections 3.04(d) and 6.02(d) of this Ordinance.

“Interest and Sinking Fund” means the “City of Dallas, Texas, General Obligation Refunding and Improvement Bonds, Series 2020A, Interest and Sinking Fund,” as established by Section 7.01 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until the maturity or prior redemption of the Bonds, such dates being February 15 and August 15 of each year, commencing on the date set forth in the Pricing Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Original Issue Date” means the date designated as such in Section 3.02(a) of this Ordinance.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means the Paying Agent as set forth in the Pricing Certificate, any successor thereto or any entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer.

“Purchase Agreement” means one or more bond purchase agreements described in Section 12.01(b) of this Ordinance.

“Purchaser(s)” means the initial purchasers of the Bonds in a competitive sale.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Refunded Bonds” means those bonds of the City designated as such in the Pricing Certificate from the list of Refunded Obligation Candidates described in Schedule I attached hereto.

“Refunded Commercial Paper Notes” means those Commercial Paper Notes of the City designated as such in the Pricing Certificate from the list of Refunded Obligation Candidates described in Schedule I attached hereto.

“Refunded Obligation Candidates” means the obligations of the City set forth in Schedule I.

“Refunded Obligations” means the refunded Commercial Paper Notes as set forth in the Pricing Certificate, and the Refunded Bonds, which are to be designated in the Pricing Certificate from the Refunded Obligation Candidates.

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

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

“Representation Letter” means the Blanket Letter of Representations between the City and DTC applicable to the Bonds.

“Representative” means the representative for the Underwriters named in the Purchase Agreement.

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

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

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Term Bonds” has the meaning set forth in Section 4.03 hereof.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity, and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

“Underwriters” mean the Underwriters of the Bonds in a negotiated sale, as identified in the Purchase Agreement set forth in Section 12.01(b) herein.

Section 1.02. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

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

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

(c) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Tax Levy for Payment of the Bonds.

(a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Bonds, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

(b) In order to provide for the payment of the debt service requirements of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent per annum (whichever amount is the greater), there is hereby levied for the current year and each succeeding year thereafter while the Bonds or interest thereon

remain outstanding and unpaid, a tax within legal limitations on each \$100 assessed valuation of taxable property in the City that is sufficient to pay such debt service requirements, full allowance being made for delinquencies and costs of collection.

(c) The tax levied by this Section shall be assessed and collected each year and applied to the payment of the debt service requirements on the Bonds, and the tax shall not be diverted to any other purpose.

(d) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund for the Bonds are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(e) If the liens and provisions of this Ordinance shall be discharged in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited in accordance with Article XI herein.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization. One or more series or subseries of the City's bonds, as may be designated and having such title or titles as may be specified in the respective Pricing Certificates for each such series or subseries, are hereby authorized to be issued and delivered, from time to time, in accordance with the Constitution and laws of the State of Texas, including particularly Chapters 1207, 1371 and 1331, Texas Government Code, as amended ("Chapter 1331"). The designation for each such series or subseries of Bonds shall contain information identifying the Bonds as "City of Dallas, Texas General Obligation Refunding and Improvement Bonds" or such other designations as are set forth in the Pricing Certificate. The Bonds shall be issued in the aggregate principal amounts designated in a Pricing Certificate for the public purpose of providing funds: (i) for various permanent public improvements and public purposes, all as set forth in the preamble hereof, (ii) to refund the Refunded Obligations and (iii) to pay the costs incurred in connection with the issuance of each series of Bonds (including, without limitation, Underwriters' discount in a negotiated sale), under and by virtue of Chapters 1207, 1331 and 1371 and pursuant to Chapter XXI of the Charter of the City. The Authorized Officer is hereby authorized and directed to modify the titles of each series to the extent that, in the judgment of the Authorized Officer, it is necessary or appropriate. The final title and principal amount of each series Bonds shall be determined by the Authorized Officer, based on market conditions in the discretion of the Authorized Officer, and set forth in the Pricing Certificate. The Bonds shall be issued in the number of series and aggregate principal amount per series designated in the Pricing Certificate, provided that the aggregate principal amount of the Bonds issued for the purpose described in (i) above shall not exceed \$19,000,000 and the aggregate

principal amount of Bonds issued for the purpose described in (ii) above shall not exceed \$213,000,000. The aggregate principal amount of all of the Bonds shall not exceed \$232,000,000.

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

(a) The Bonds shall have the Original Issue Date set forth in the Pricing Certificate, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years, at the interest rates and in the principal amounts set forth in the Pricing Certificate.

(c) Interest on each Bond shall accrue from the later of the Original Issue Date (or the date of their delivery to the Purchasers, as set forth in the Pricing Certificate) or the most recent Interest Payment Date to which interest has been paid or provided for at the per annum rates of interest specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date until the principal amount shall have been paid or provision for such payment shall have been made, and shall be computed on the basis of a 360-day year of twelve 30-day months.

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

(a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on the Bonds shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, first class United States mail, postage prepaid, to the address of such person as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the person in whose name such Bond is registered on the due date thereof (whether at the maturity date or the date of prior redemption

thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If the date for the payment of the principal of or interest on any Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City where the Designated Payment/Transfer Office 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 a Saturday, Sunday, legal holiday, or day on which such 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.

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

Section 3.04. Execution and Initial Registration.

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

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

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

duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the typewritten Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the Purchaser or the Representative or its designee, executed by manual or facsimile signature of the Mayor and countersigned by manual or facsimile signatures of the City Secretary and the City Manager, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts will be delivered to the Purchaser or the Representative 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 the Purchaser or the Representative registered definitive Bonds as described in Section 3.10(a). To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.05. Ownership.

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

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

Section 3.06. Registration, Transfer and Exchange.

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

(b) Registration of any Bond may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in any integral multiple of \$5,000 for any one maturity, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Bond. To the extent possible the Paying

Agent/Registrar will issue such new Bond or Bonds within not more than three Business Days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

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

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

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Bonds, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. In addition, the City hereby covenants with the Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Bonds as provided herein.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.07. Cancellation and Authentication.

(a) All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this

Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. Cancelled Bonds shall be disposed of in accordance with the requirements of the Securities and Exchange Act of 1934 and the regulations promulgated thereunder.

(b) Each substitute Bond issued pursuant to the provisions of Sections 3.06 and 3.09 of this Ordinance, in exchange for or replacement of any Bond or Bonds issued under this Ordinance, shall have printed thereon a Paying Agent/Registrar's Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, manually sign and date such Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of customary type and composition and printed, typewritten, lithographed, mimeographed or otherwise produced. Pursuant to Chapter 1201, Texas Government Code, the duty of exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Bonds shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Bonds issued in exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be transferred and assigned, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) shall be payable as to principal and interest, all as provided, and in the manner required or indicated, in the form of Bond set forth in this Ordinance.

Section 3.08. Temporary Bonds.

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

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds.

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

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

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

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

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

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

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

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its

discretion, without the necessity of issuing a replacement Bond, may pay such Bond on the date on which such Bond becomes due and payable.

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

Section 3.10. Book-Entry-Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter between the City and DTC applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository for said obligations, is hereby affirmed.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, 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, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. Each series of Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV as may be modified by the Pricing Certificate.

Section 4.02. Optional Redemption.

(a) The City reserves the option to redeem Bonds as set forth in the Pricing Certificate.

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

Section 4.03. Mandatory Sinking Fund Redemption.

(a) Bonds designated as "Term Bonds," if any, in the Pricing Certificate are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to

the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund for such Bonds, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

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

The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or other customary method that results in a random selection of the Bonds, or portions thereof and maturity or maturities and in such principal amounts, for redemption.

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

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

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

Section 4.05. Notice of Redemption to Owners.

(a) The City shall give notice of any redemption of Bonds by sending or causing the Paying Agent/Registrar to send notice of such redemption by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each

Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

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

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

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

Section 4.06. Payment Upon Redemption.

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

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

Section 4.07. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.05 of this Ordinance and subject to any conditions or rights reserved by the City under Section 4.05(c), the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the principal thereof, premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

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

Section 4.08. Lapse of Payment. Money set aside for the redemption of Bonds and remaining unclaimed by the Owners of such Bonds shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The City hereby appoints UMB Bank, N.A., as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of the Owner of each Bond to which payments with respect to the Bonds shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges and replacements of such Bonds, as provided in this Ordinance.

(c) Paying Agent/Registrar Contract. The City and the Paying Agent/Registrar have entered into a Paying Agent/Registrar Contract, effective as of July 1, 2018, outlining the services to be provided by the Paying Agent/Registrar with respect to certain obligations issued by the City after July 1, 2018 through June 30, 2023. By accepting the positions of paying agent and registrar, the Paying Agent/Registrar agrees that in the event that it shall resign its position as Paying Agent/Registrar, it will continue to serve in such capacity until such time as a successor assumes such duties under this Ordinance. In addition, the Paying Agent/Registrar agrees that, so long as required by Texas law, a true and correct copy of the Register shall at all times be maintained in the State of Texas.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be (i) a bank, trust company, financial institution, or other entity duly qualified and legally authorized under applicable law, (ii) authorized under such laws to exercise trust powers, (iii) subject to supervision or examination by a federal or state governmental authority, and (iv) a single entity.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

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

Section 5.04. Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of any contractual agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar and to the City.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the Initial Bond, and the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be generally in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and any Pricing Certificate, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

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

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

Section 6.02. Form of the Bonds. The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be generally as follows, provided, however, that the substantially final form of the Bonds shall be set forth in or attached to the Pricing Certificate and shall incorporate and reflect the final terms of the Bonds set forth in the Pricing Certificate:

(a) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
CITY OF DALLAS, TEXAS,
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BOND, SERIES 2020A¹

INTEREST RATE: MATURITY DATE: ORIGINAL ISSUE DATE: CUSIP NO.:
_____ % _____, _____ _____, _____² _____

The City of Dallas (the “City”), in the Counties of Dallas, Denton, Collin and Rockwall, State of Texas, for value received, hereby promises to pay to

_____ or registered assigns, on the Maturity Date specified above, the principal sum of

_____ DOLLARS

unless this Bond shall have been duly called for prior redemption as provided herein and payment of the principal hereof and accrued but unpaid interest hereon shall have been paid or provided for, and to pay interest on the unpaid principal amount hereof from the later of the Original Issue Date specified above or the most recent Interest Payment Date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the interest rate per annum specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing _____.³ All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in _____⁴ (the “Designated Payment/Transfer Office”) of _____,⁵ or with respect to a successor Paying Agent/Registrar, at the designated payment/transfer office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the

¹ As may be modified by the Pricing Certificate.

² Information to be inserted from the Pricing Certificate.

³ Information to be inserted from the Pricing Certificate.

⁴ Information to be inserted from the Pricing Certificate.

⁵ Information to be inserted from the Pricing Certificate.

payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which date shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing of such notice.

If a date for the payment of the principal of or interest on this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City where the Designated Payment/Transfer Office 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 such 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 dated _____⁶ and is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$_____⁷ (herein referred to as the "Bonds"), issued pursuant to a certain Ordinance of the City Council of the City (the "Ordinance") for the purpose of providing funds to refund the Refunded Obligations, to fund certain permanent public improvements and public purposes and to pay costs of issuance.

The Bonds and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the City.

[The City has reserved the option to redeem the Bonds maturing on or after _____, before their respective scheduled maturities in whole or in part in integral multiples of \$5,000 on _____, or on any date thereafter, at a redemption price of par, plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or other customary method that results in random selection of the Bonds, or portions thereof within such maturity or maturities and in such amounts, for redemption.

Bonds maturing on February 15 in each of the years ____ through ____, inclusive (the "Term Bonds"), are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

⁶ Information to be inserted from the Pricing Certificate.

⁷ Information to be inserted from the Pricing Certificate.

Redemption Date

Principal Amount

The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. In the Ordinance, the City reserves the right in the case of an optional redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.]⁸

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated

⁸ Insert redemption provisions, if any, and conform as necessary to the Pricing Certificate.

maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered Owner of the uncalled principal balance of a Bond.

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

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Bonds within the limit prescribed by law; and that the total indebtedness of the City, including the Bonds, does not exceed any constitutional or statutory limitation.

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

City Manager,
City of Dallas, Texas

Mayor, City of Dallas, Texas

City Secretary, City of Dallas, Texas

[SEAL]

(b) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate is attached thereto.

CERTIFICATE OF PAYING AGENT/REGISTRAR

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

_____,
as Paying Agent/Registrar

Dated: _____
Authorized Signatory

By: _____

(c) Form of Assignment.

ASSIGNMENT

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

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

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

(d) Initial Bond Insertions.

(i) The Initial Bond shall be in the applicable form set forth in paragraphs (a) and (c) of this Section, 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 the heading “CUSIP NO.” shall be deleted; and

B. in the first paragraph of the Bond, the words “on the Maturity Date specified above” shall be deleted and the following will be inserted: “on February 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>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
-------------	------------------------------	----------------------

(Information to be inserted from the Pricing Certificate
as provided in Section 3.02 hereof.)

(ii) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate of the Comptroller of Public Accounts shall appear on each Initial Bond in lieu of the Certificate of Paying Agent/Registrar.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding general obligation of the City of Dallas, Texas, and that this Bond has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE AT AUSTIN, TEXAS,
_____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

Section 6.03. CUSIP Registration. The City may secure identification numbers through CUSIP Global Services managed by S&P Global Market Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect in regard to the legality thereof and neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion. The approving legal opinions of Bracewell LLP and West & Associates L.L.P., Co-Bond Counsel, may be printed on the back of each Bond over the certification of the City Secretary, which may be executed in facsimile.

Section 6.05. Municipal Bond Insurance. If municipal bond guaranty insurance is obtained with respect to the Bonds, the Bonds, including the Initial Bond, may bear an appropriate legend, as provided by the insurer.

ARTICLE VII

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

Section 7.01. Creation of Funds. The City hereby establishes the following special funds or accounts to be designated as follows or as otherwise designated in the Pricing Certificate:

(a) “City of Dallas, Texas, General Obligation Refunding and Improvement Bonds, Series 2020A, Interest and Sinking Fund”;

(b) “City of Dallas, Texas, General Obligation Refunding and Improvement Bonds, Series 2020A, Construction Fund.”

Section 7.02. Initial Deposits. On the Closing Date, the City shall cause the proceeds from the sale of the Bonds to be deposited in the amounts set forth in the Pricing Certificate, as follows:

(a) first, an amount equal to all accrued interest, if any, on the Bonds from the Original Issue Date until the Closing Date, plus any additional amounts designated in the Pricing Certificate, shall be deposited to the credit of the Interest and Sinking Fund; and

(b) second, a portion of the proceeds of the sale of the Bonds together with any other funds of the City, if any, as set forth in the Pricing Certificate, shall be deposited with the Paying Agent for the Refunded Commercial Paper Notes pursuant to the Deposit Agreement and shall be used for the payment of such Refunded Commercial Paper Notes at their maturity; and

(c) third, a portion of the proceeds of the Bonds, in an amount sufficient to pay the Refunded Bonds on their maturity or date of early redemption, together with any other funds of the City, if any, shall be deposited with the Escrow Agent for the purchase of Escrowed Securities, all as set forth in the Pricing Certificate, or alternatively, shall be deposited with the Paying Agent for the Refunded Bonds pursuant to the Deposit Agreement and shall be used for the payment of such Refunded Bonds at their maturity; and

(d) fourth, a portion of the proceeds of the Bonds, as set forth in the Pricing Certificate, and used for the purposes described in the preamble hereof shall be deposited to the Construction Fund and used for the purposes described in the preamble hereof; and

(e) fifth, the remaining balance received on the Closing Date, shall be deposited to a special account of the City and used for the payment of the costs of issuing the Bonds. Any amounts not needed for the payment of costs of issuance shall be deposited to the Interest and Sinking Fund.

Section 7.03. Interest and Sinking Fund.

(a) The taxes levied under Section 2.01 of this Ordinance shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on such Bonds.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds, no further deposits to that fund need be made. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds discharged in accordance with Article XI hereof.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

Section 7.04. Construction Fund. The Construction Fund shall be used for the purpose of making the permanent public improvements and accomplishing the public purposes for which the Bonds were issued (as specified in the preamble of this Ordinance) and for paying expenses incurred in connection with the issuance and delivery of the Bonds.

Section 7.05. Excess Bond Proceeds.

(a) Upon completion of the permanent public improvements and public purposes financed with the Bonds any amount (exclusive of that amount retained for the payment of costs of such improvements not then due and payable) that remains in the Construction Fund shall be transferred to the credit of the Interest and Sinking Fund and segregated in a special escrow account.

(b) The money in such special escrow account shall be used for the payment of principal of and interest on the Bonds, on the respective due dates thereof or dates as of which Bonds have been called for redemption.

Section 7.06. Security of Funds. All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund created by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners of the Bonds and shall be sold and the proceeds of sale shall

be timely applied to the making of all payments required to be made from the fund from which the investment was made.

(c) The money in an escrow account established under Section 7.05 of this Ordinance shall be invested in (i) tax-exempt obligations or (ii) securities or obligations that do not have a “higher yield,” within the meaning of Section 148(f) of the Code, than the yield on the Bonds.

Section 8.02. Investment Income.

(a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such Fund.

(b) Interest and income derived from investment of the Construction Fund shall be either deposited to the credit of the Interest and Sinking Fund or retained in the Construction Fund until the permanent improvements and public purposes authorized by this Ordinance are completed.

(c) The investment and application of money in the Escrow Fund shall be in accordance with the provisions of the Escrow Agreement.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds. On or before each Interest Payment Date for the Bonds, and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on, premium, if any, and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 9.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of and premium, if any, and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable general obligations of the City in accordance with their terms.

Section 9.03. Federal Income Tax Matters.

(a) General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income

for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Bonds.

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

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

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

(e) No Arbitrage Bonds. The City covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

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

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

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

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

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

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

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an "Event of Default," to-wit:

(a) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(b) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the City.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge. The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

ARTICLE XII

SALE AND DELIVERY OF BONDS; APPROVAL OF OFFICIAL STATEMENT; CONTROL AND DELIVERY OF BONDS

Section 12.01. Sale of Bonds; Delivery of Official Statement.

(a) The Bonds may be sold at negotiated sale to the Underwriters, a competitive or private placement sale to the Purchasers, in one or more series from time to time, all in accordance with the terms of this Ordinance, including this Section 12.01(a) and Exhibit A attached hereto, provided that all of the conditions set forth in Exhibit A can be satisfied. As authorized by Chapters 1207 and 1371, the Authorized Officer is authorized to act on behalf of the City upon determining that the conditions set forth in Exhibit A can be satisfied, in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including determining whether to acquire bond insurance for the Bonds, enter into a credit agreement with respect to the Bonds, whether to sell the Bonds in a competitive or negotiated sale or in a private placement, the aggregate principal amount of each series of Bonds, whether the Bonds shall be in one or more series from time to time, and price at which each of the Bonds will be sold, the identification of and the aggregate principal amount of and the Refunded Obligations and their payment dates, the number and designation of series of Bonds to be issued, whether to issue refunding bonds or to only issue new money bonds, whether the Bonds will be taxable or tax-exempt, the form in which the Bonds shall be issued, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the first interest payment date, the initial date from which interest will accrue, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption, and all other matters relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate.

The authority granted to the Authorized Officer under this Section 12.01(a) shall expire at 5:00 p.m., 365 days from the date of this Ordinance, unless otherwise extended by the City Council by separate action.

Any finding or determination made by the Authorized Officer relating to the issuance and sale of the Bonds and the execution of the Purchase Agreement (if any) in connection therewith shall have the same force and effect as a finding or determination made by the City Council.

(b) If any series of Bonds are sold in a negotiated or private placement sale, the Authorized Officer is hereby authorized and directed to execute and deliver one or more bond

purchase agreements (the "Purchase Agreement"), which Purchase Agreement shall be in the form approved by the Authorized Officer. The Authorized Officer is hereby authorized and directed to approve the final terms and provisions of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Ordinance, which final terms shall be determined to be the most advantageous reasonably attainable by the City, such approval and determination being evidenced by its execution thereof by the Authorized Officer. All officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Initial Bond shall initially be registered in the name of the Representative or such other entity as may be specified in the Purchase Agreement.

(c) The City hereby approves the preparation of one or more Preliminary Official Statements and Official Notices of Sale, if any, for use in the initial offering and sale of each series of Bonds and authorizes the Authorized Officer to approve the final form(s) of the Preliminary Official Statement(s) and Notice of Sale and to deem the Preliminary Official Statement(s) (with such addenda, supplements or amendments as may be approved by the Authorized Officer) final within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities and Exchange Act of 1934 on behalf of the City. The City hereby authorizes the preparation of one or more Official Statements reflecting the terms of the applicable Purchase Agreement(s) and/or Notice(s) of Sale and other relevant information. The Authorized Officer is hereby authorized and directed to authorize the use and distribution of such final Official Statement by the Purchasers or the Underwriters in the offering and sale of the Bonds (in the form and with such appropriate variations as shall be approved by the Authorized Officer and the Purchasers or the Underwriters).

(d) All officers of the City are authorized to take such actions and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefore including, without limitation, the Purchase Agreement, if any. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Bonds or (ii) \$9,500).

(e) The obligation of the Purchasers or Underwriters to accept delivery of the Bonds is subject to the Purchasers or Underwriters being furnished with the final, approving opinions of Bracewell LLP and West & Associates L.L.P., Co-Bond Counsel for the City, which opinions shall be dated as of and delivered on the Closing Date.

(f) If sold pursuant to a private placement sale, the Authorized Officer is authorized to prepare and execute a private placement agreement with a placement agent.

Section 12.02. Control and Delivery of Bonds.

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

(b) After registration by the Comptroller of Public Accounts, delivery of the Initial Bond shall be made to the Purchaser or the Representative under and subject to the general supervision and direction of the City Manager, against receipt by the City of all amounts due to the City under the terms of sale.

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

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Annual Reports.

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

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

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific

reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 13.02. Material Event Notices.

(a) The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

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

Note to paragraph (xii): For the purposes of the event identified in paragraph 12 (xii) of this section, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a

court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

(xiv) Appointment of successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material.

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

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

Note to paragraphs (xv) and (xvi). The City intends the words used in paragraphs (xv) and (xvi) and the definition of Financial Obligations in this Section to have the same meanings as when they are used in Rule and SEC Release No. 34-83885, dated August 20, 2018.

(b) The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 13.01 of this Ordinance by the time required by such Section.

Section 13.03. Limitations, Disclaimers and Amendments.

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

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does

not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 13.01 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.

Section 13.04. Amendments to the Rule. In the event the Authorized Officer, in consultation with Bond Counsel and the City's financial advisor, determines that it is necessary or desirable to amend the provisions of Article XIII in order to facilitate compliance with amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes in the Pricing Certificate for the Bonds.

ARTICLE XIV

AMENDMENTS; ATTORNEY GENERAL MODIFICATION

Section 14.01. Amendments. This Ordinance shall constitute a contract with the Owners, be binding on the City, and shall not be amended or repealed by the City so long as any Bond

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

Section 14.02. Attorney General Modification. In order to obtain the approval of the Bonds by the Attorney General of the State of Texas, any provision of this Ordinance may be modified, altered or amended after the date of its adoption if required by the Attorney General in connection with the Attorney General's examination as to the legality of the Bonds and approval thereof in accordance with the applicable law. Such changes, if any, shall be provided to the City Secretary and the City Secretary shall insert such changes into this Ordinance as if approved on the date hereof.

Section 14.03. Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 14.04. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

ARTICLE XV

PAYMENT OF REFUNDED OBLIGATIONS; APPROVAL OF ESCROW AND DEPOSIT AGREEMENT; PURCHASE OF ESCROWED SECURITIES

Section 15.01. Payment of Refunded Obligations.

(a) The Refunded Obligations are to be paid on their maturity date or date(s) of early redemption, in the principal amount thereof plus interest accrued thereon as set forth in the Pricing Certificate.

(b) The City Secretary is hereby authorized and directed to cause a copy of this Ordinance to be delivered to the paying agent/registrar for the Refunded Obligations, the delivery of which shall constitute notice of payment to such paying agent/registrar.

Section 15.02. Approval of Deposit Agreement and Escrow Agreement.

(a) The discharge and defeasance of the Refunded Commercial Paper Notes and the Refunded Bonds as set forth in the Pricing Certificate, if any, shall be effectuated pursuant to the terms and provisions of separate Deposit Agreements, if necessary, (the "Deposit Agreement"), to be entered into by and between the City and the Paying Agent for the Refunded Commercial Paper Notes, and the Paying Agent for the Refunded Bonds, such Deposit Agreements shall contain terms and provisions to be approved by the Authorized Officer including terms and provisions for the purposes of (i) carrying out the program designed for the City, (ii) minimizing the City's costs of refunding, (iii) complying with all applicable laws and regulations relating to the refunding of the Refunded Obligations, (iv) carrying out the other intents and purposes of this Ordinance and (v) complying with the terms set forth in the Pricing Certificate. The execution and delivery by the City Manager or the Authorized Officer of the Deposit Agreements, is hereby authorized and approved.

(b) The Authorized Officer is also authorized to select and appoint an Escrow Agent for the Bonds, if any, and the Escrow Agent shall be designated in the Pricing Certificate. The Authorized Officer is hereby authorized to execute and deliver, or cause the execution and delivery by the Authorized Officer, one or more Escrow Agreements, having such terms and provisions as are approved by the Authorized Officer as evidenced by his execution thereof or the execution thereof by other appropriate City officials. . Such Escrow Agreement, if any, shall contain terms and provisions to be approved by the Authorized Officer including terms and provisions for the purposes of (i) carrying out the program designed for the City, (ii) minimizing the City's costs of refunding, (iii) complying with all applicable laws and regulations relating to the refunding of the Refunded Obligations, (iv) carrying out the other intents and purposes of this Ordinance and (v) complying with the terms set forth in the Pricing Certificate. The execution and delivery by the City Manager or the Authorized Officer of the Escrow Agreement, if necessary, is hereby authorized and approved.

Section 15.03. Subscription for Securities. The Authorized Officer is authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Escrow Securities required by and referenced in the Escrow Agreement, if any, as may be necessary for the Escrow Fund and the application for the acquisition of the Escrow Securities is hereby approved and ratified.

Section 15.04. Payment of Refunded Bonds; Redemption of Refunded Bonds. Following the deposit to the Escrow Fund or with the paying agent for the Refunded Bonds pursuant to the Deposit Agreements, the Refunded Obligations shall be payable solely from and secured by the cash and securities on deposit pursuant to such Deposit Agreement or Escrow Fund for the purpose of refunding the Refunded Obligations, and shall cease to be payable from ad valorem taxes, firm banking and financial arrangements having been made for the discharge and final payment or redemption of the Refunded Obligations pursuant to Chapter 1207. The Refunded Obligations are hereby called for redemption prior to maturity on the dates and at the redemption prices set forth in the Pricing Certificate. The City Secretary hereby authorized and directed to cause to be delivered to the paying agent/registrar for the Refunded Bonds and for the Refunded Commercial Paper Notes a certified copy of this Ordinance calling the Refunded Bonds and the Refunded Commercial Paper Notes for redemption and a copy of the Pricing Certificate. The

delivery of this Ordinance and the Pricing Certificate to the paying agent for the Refunded Bonds shall constitute the giving of notice of redemption to the paying agent for the Refunded Bonds and such paying agent is hereby authorized and directed to give notice of redemption to the owners of the Refunded Bonds in accordance with the requirements of the ordinance authorizing the issuance thereof.

ARTICLE XVI

EFFECTIVE IMMEDIATELY

Section 16.01. Effective Immediately. This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, Texas, pertaining thereto, and it is accordingly so ordained.

FINALLY PASSED, APPROVED AND EFFECTIVE this September 23, 2020.

APPROVED AS TO FORM:

Christopher J. Caso
City Attorney
City of Dallas, Texas

*Signature Page for the General Obligation
Refunding and Improvement Bonds, Series 2020A*

SCHEDULE I

REFUNDED OBLIGATION CANDIDATES

All outstanding General Obligation Commercial Paper Notes, Series A

All outstanding General Obligation Commercial Paper Notes, Series B

All outstanding maturities of the General Obligation Refunding Bonds, Series 2010C

EXHIBIT A

SALE PARAMETERS

In accordance with Section 12.01(a) of the Ordinance, the following conditions with respect to the Bonds must be satisfied in order for the Authorized Officer to act on behalf of the City in selling and delivering the Bonds to the Purchasers or Underwriters:

(a) the Bonds shall not bear interest at a rate greater than the maximum rate authorized by Chapter 1204, Texas Government Code, as amended;

(b) the total aggregate principal amount of the Bonds authorized to be issued shall not exceed \$232,000,000 and the principal amount of the Bonds authorized to be issued for the purposes described in Section 3.01(i) shall not exceed the limits described in that Section (\$19,000,000); the Bonds sold for the purposes described in Section 3.01(ii) shall be in an aggregate principal amount not to exceed the limits described in that Section (\$213,000,000), and shall be in an amount sufficient, in combination with the net premium from the sale of the Bonds allocated for such purpose in the Pricing Certificate, plus other available funds of the City, if any, as set forth in the Pricing Certificate, to provide for the refunding of the Refunded Obligations to be selected from the Refunded Obligation Candidates identified in Schedule I hereto and the costs and expenses of issuance of the Bonds and shall produce net present value debt service savings of at least 3.00% of the principal amount of the Refunded Bonds;

(c) No Bonds shall mature later than February 15, 2041; and

(d) the Bonds to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations.