

The Regular Meeting of the Town of Westlake Town Council will begin immediately following the conclusion of the Town Council Work Session but not prior to the posted start time.



TOWN OF WESTLAKE, TEXAS

Vision Statement

An oasis of natural beauty that maintains our open spaces in balance with distinctive development, trails, and quality of life amenities amidst an ever expanding urban landscape.

TOWN COUNCIL MEETING

AGENDA

December 5, 2016

**1301 Solana Blvd.
Building 4, Suite 4202
2ND FLOOR, COUNCIL CHAMBER
WESTLAKE, TX 76262**

Regular Session: 5:00 p.m.

Mission Statement

Westlake is a unique community blending preservation of our natural environment and viewscapes, while serving our residents and businesses with superior municipal and academic services that are accessible, efficient, cost-effective, and transparent.

Westlake, Texas – "One-of-a-kind community; natural oasis – providing an exceptional level of service."

Regular Session

1. **CALL TO ORDER**
2. **CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF "TOWN OF WESTLAKE, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016", INCLUDING THE ADOPTION OF ORDINANCE 804, AUTHORIZING THE ISSUANCE OF SUCH CERTIFICATES OF OBLIGATION AND APPROVING ALL OTHER MATTERS RELATED THERETO.**
3. **DISCUSSION AND CONSIDERATION OF ORDINANCE 805, AMENDING ORDINANCE 800 WHICH AUTHORIZED THE ISSUANCE AND SALE OF "TOWN OF WESTLAKE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017".**
4. **ADJOURNMENT**

ANY ITEM ON THIS POSTED AGENDA COULD BE DISCUSSED IN EXECUTIVE SESSION AS LONG AS IT IS WITHIN ONE OF THE PERMITTED CATEGORIES UNDER SECTIONS 551.071 THROUGH 551.076 AND SECTION 551.087 OF THE TEXAS GOVERNMENT CODE.

CERTIFICATION

I certify that the above notice was posted at the Town Hall of the Town of Westlake, 1301 Solana Blvd., Building 4, Suite 4202, Westlake, TX 76262, November 30, 2016, by 5:00 p.m. under the Open Meetings Act, Chapter 551 of the Texas Government Code.

Kelly Edwards, TRMC, Town Secretary

If you plan to attend this public meeting and have a disability that requires special needs, please advise the Town Secretary 48 hours in advance at 817-490-5710 and reasonable accommodations will be made to assist you.



TYPE OF ACTION

Regular Meeting - Action Item

**Westlake Town Council Meeting
Monday, December 05, 2016**

TOPIC: Approval of the Council of Westlake, Texas authorizing the issuance and sale of Town of Westlake, Texas combination tax and revenue Certificates of Obligation, Series 2016; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving the official statement; providing an effective date; and enacting other provisions relating to the subject

STAFF CONTACT: Tom Brymer, Town Manager
Debbie Piper, Finance Director

Strategic Alignment

<u>Vision, Value, Mission</u>	<u>Perspective</u>	<u>Strategic Theme & Results</u>	<u>Outcome Objective</u>
Fiscal Responsibility	People, Facilities, & Technology	Exemplary Service & Governance - We set the standard by delivering unparalleled municipal and educational services at the lowest cost.	Improve Technology, Facilities & Equipment
<u>Strategic Initiative</u>			
Outside the Scope of Identified Strategic Initiatives			

Time Line - Start Date: December 5, 2016 **Completion Date:** December 5, 2016

Funding Amount: \$9.2M **Status -** **Bond Funded** **Source -** Bond Issuance

EXECUTIVE SUMMARY (INCLUDING APPLICABLE ORGANIZATIONAL HISTORY)

Below is a recap regarding the proposed \$9.2M certificates of obligation issuance for the new Westlake Fire-EMS Station.

- October 24, 2016 – Adopted a resolution directing publication of notice of intention to issue certificates of obligation for the Westlake Fire-EMS Station.

- October 27, 2016 and November 3, 2016 - Published Notice of Intent to Issue certificates of obligation in newspaper
- November 18, 2016 - Standard and Poor's Global Ratings raised its long-term and underlying ratings on Westlake's general obligation (GO) bonds to 'AAA' from 'AA+'. At the same time, they assigned their 'AAA' long-term rating to the town's series 2016 combination tax and revenue certificates of obligation. The outlook on all ratings is stable.
- November 18, 2016 - Final distribution of the Preliminary Official Statement.
- December 5, 2016 - CO/Pricing/Interest Rates established and approval of the Council authorizing the issuance and sale of Town of Westlake, Texas combination tax and revenue Certificates of Obligation, Series 2016
- December 7, 2016 - Bond counsel submits transcript to Attorney General for review
- December 12, 2016 (estimated) - Closing Memorandum distributed to working group
- December 12, 2016 (estimated) - Final Official Statement distributed
- December 19, 2016 (estimated) - Attorney General approval of certificates of obligation
- December 22, 2016 (estimated) – Closing

This project has been in the Council approved 5-year CIP for some time. The total project was originally budgeted at \$8,859,645 which included a bond issuance of \$8.5M with the remaining \$359,645 costs coming from the fund balance of the General Fund. The project's proposed costs have now come in at approximately \$9.2M primarily due to the rise in construction costs and the additional enhancements to the exterior of the station. Staff previously proposed that we issue a total of \$9.2M in certificates of obligation to fund the project and retain the cash portion in fund balance.

As stated at previous meetings with the Council and at an informational meeting for our residents, the Town of Westlake has inadequate facilities today for our current needs. The existing Fire Station (located on Dove Road to the West of the proposed site) is not ideally located to serve the municipality which is developed primarily on the Eastern side, nor for a future 2-station build-out of the community as proposed in our Comprehensive Plan. The current fire station is not expandable due to its small site. The new site will better serve the Eastern side of the Town, without sacrificing response time to the West. Our response personnel will be able to access the Western side of the town via Highway 114. As development occurs on the Western side of Westlake, a future fire station #2 would be recommended in order to respond to an increased call volume and to enhance our response times in this area.

As you may remember, the Feasibility Study completed in May 2015 assessed the proposed sites and determined the corner of Davis Boulevard and Dove Road as one of the top locations due to the fact it will be highly visible and is ideally situated to minimize response time.

The 5-acre site was generously donated for the construction of the estimated 15,800 sq. ft. Fire-EMS Station. The facility would include a minimum of three (3) double-deep drive-through bays, (4 preferred, budget allowing), which need an approximate 75-80 feet deep clearance to allow adequate stacking of our apparatus

for our current and future needs. The administrative offices/living quarters/EOC (Emergency Operating Center) are anticipated to be designed to the minimum current needs, and it is recommended that it allow for future expansion.

Pricing has been estimated by Brown, Reynolds and Waterford (BRW) to be between \$8.8M and \$9.2M for the construction of the Station. This potentially includes enhancements to the exterior of the building, the additional 4th bay and landscaping. It does not include the future expansion of the Station living quarters and office space. We anticipate hiring an architect at the December 12th Council meeting and the Construction Manager-at-Risk in January, 2017 with construction beginning the summer of 2017.

Staff has begun the process of drafting our Request for Qualifications (RFQ) for Construction Manager-at-Risk services to construct the Fire-EMS Station. These services include pre-construction, construction documents, and administration. The public notice for the RFQ is planned to be posted in December. This process will take 4-6 weeks to rank and select the contractor.

The proposed \$9.2 million portion of the certificates of obligation issuance can be serviced by the Town without impacting our current ad valorem tax rate. The debt service payment for this issuance is contained in the Adopted FY 16-17 budget with the first interest payment being payable in the current fiscal year.

Annual payments are anticipated to be approximately \$500K annually (\$12K more than previously anticipated due to higher rates in the past few weeks). Payment in the current fiscal year is anticipated to be \$199K (see attached schedule). The annual payments will be partially offset with the corresponding refunding of the bonds from 2007, which will be approximately \$57K savings annually.

We anticipate receiving “Bank Qualified” status on the pricing of this issuance because the total amount of tax-exempt debt incurred by the Town in calendar year 2016, including the proposed certificates of obligation for the fire station, is expected to be below the \$10M per year threshold established under federal tax law. Bank-qualified debt offers special tax benefits to banks and qualified financial institutions, resulting in greater demand and lower interest rates in the range of 15-25 basis points.

RECOMMENDATION

Staff recommends authorization of the issuance and sale of Town of Westlake, Texas combination tax and revenue Certificates of Obligation, Series 2016.

ATTACHMENTS

- 1) Preliminary report prepared by Lawrence Financial Consulting LLC regarding the \$9.2M issuance.
- 2) Ordinance

Town of Westlake, Texas

Combination Tax and Revenue Certificates of Obligation, Series 2016
(Fire Station)

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Town of Westlake, Texas

Combination Tax and Revenue Certificates of Obligation, Series 2016 (Fire Station)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
02/15/2018	Serial Coupon	2.000%	0.950%	195,000.00	101.194%	-	-	-	197,328.30
02/15/2019	Serial Coupon	2.000%	1.200%	200,000.00	101.690%	-	-	-	203,380.00
02/15/2020	Serial Coupon	2.000%	1.450%	205,000.00	101.685%	-	-	-	208,454.25
02/15/2021	Serial Coupon	2.000%	1.600%	210,000.00	101.598%	-	-	-	213,355.80
02/15/2022	Serial Coupon	2.000%	1.800%	215,000.00	100.978%	-	-	-	217,102.70
02/15/2023	Serial Coupon	3.000%	1.950%	220,000.00	106.053%	-	-	-	233,316.60
02/15/2024	Serial Coupon	3.000%	2.100%	225,000.00	105.942%	-	-	-	238,369.50
02/15/2025	Serial Coupon	3.000%	2.250%	235,000.00	105.552%	-	-	-	248,047.20
02/15/2026	Serial Coupon	3.000%	2.400%	240,000.00	104.899%	-	-	-	251,757.60
02/15/2027	Serial Coupon	3.000%	2.550%	245,000.00	103.648%	c 2.589%	02/15/2026	100.000%	253,937.60
02/15/2028	Serial Coupon	3.000%	2.600%	255,000.00	103.235%	c 2.662%	02/15/2026	100.000%	263,249.25
02/15/2029	Serial Coupon	3.000%	2.650%	260,000.00	102.824%	c 2.725%	02/15/2026	100.000%	267,342.40
02/15/2030	Serial Coupon	3.000%	2.700%	270,000.00	102.415%	c 2.779%	02/15/2026	100.000%	276,520.50
02/15/2031	Serial Coupon	3.000%	2.800%	280,000.00	101.601%	c 2.861%	02/15/2026	100.000%	284,482.80
02/15/2032	Serial Coupon	3.500%	2.900%	290,000.00	104.787%	c 3.101%	02/15/2026	100.000%	303,882.30
02/15/2033	Serial Coupon	3.500%	2.950%	300,000.00	104.378%	c 3.152%	02/15/2026	100.000%	313,134.00
02/15/2034	Serial Coupon	3.500%	3.000%	310,000.00	103.971%	c 3.197%	02/15/2026	100.000%	322,310.10
02/15/2035	Serial Coupon	3.500%	3.050%	320,000.00	103.565%	c 3.238%	02/15/2026	100.000%	331,408.00
02/15/2036	Serial Coupon	3.500%	3.100%	330,000.00	103.161%	c 3.276%	02/15/2026	100.000%	340,431.30
02/15/2037	Serial Coupon	4.000%	3.150%	345,000.00	106.706%	c 3.532%	02/15/2026	100.000%	368,135.70
02/15/2038	Serial Coupon	4.000%	3.200%	360,000.00	106.297%	c 3.573%	02/15/2026	100.000%	382,669.20
02/15/2042	Term 1 Coupon	4.000%	3.250%	1,580,000.00	105.890%	c 3.640%	02/15/2026	100.000%	1,673,062.00
02/15/2046	Term 2 Coupon	4.000%	3.300%	1,855,000.00	105.484%	c 3.691%	02/15/2026	100.000%	1,956,728.20
Total	-	-	-	\$8,945,000.00	-	-	-	-	\$9,348,405.30

Bid Information

Par Amount of Bonds	\$8,945,000.00
Reoffering Premium or (Discount)	403,405.30
Gross Production	\$9,348,405.30
Total Underwriter's Discount (0.700%)	\$(62,615.00)
Bid (103.810%)	9,285,790.30
Total Purchase Price	\$9,285,790.30
Bond Year Dollars	\$156,411.90
Average Life	17.486 Years
Average Coupon	3.7253457%
Net Interest Cost (NIC)	3.5074656%
True Interest Cost (TIC)	3.3774163%

Town of Westlake, Texas

Combination Tax and Revenue Certificates of Obligation, Series 2016 (Fire Station)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2017	-	-	198,859.03	198,859.03
09/30/2018	195,000.00	2.000%	305,300.00	500,300.00
09/30/2019	200,000.00	2.000%	301,350.00	501,350.00
09/30/2020	205,000.00	2.000%	297,300.00	502,300.00
09/30/2021	210,000.00	2.000%	293,150.00	503,150.00
09/30/2022	215,000.00	2.000%	288,900.00	503,900.00
09/30/2023	220,000.00	3.000%	283,450.00	503,450.00
09/30/2024	225,000.00	3.000%	276,775.00	501,775.00
09/30/2025	235,000.00	3.000%	269,875.00	504,875.00
09/30/2026	240,000.00	3.000%	262,750.00	502,750.00
09/30/2027	245,000.00	3.000%	255,475.00	500,475.00
09/30/2028	255,000.00	3.000%	247,975.00	502,975.00
09/30/2029	260,000.00	3.000%	240,250.00	500,250.00
09/30/2030	270,000.00	3.000%	232,300.00	502,300.00
09/30/2031	280,000.00	3.000%	224,050.00	504,050.00
09/30/2032	290,000.00	3.500%	214,775.00	504,775.00
09/30/2033	300,000.00	3.500%	204,450.00	504,450.00
09/30/2034	310,000.00	3.500%	193,775.00	503,775.00
09/30/2035	320,000.00	3.500%	182,750.00	502,750.00
09/30/2036	330,000.00	3.500%	171,375.00	501,375.00
09/30/2037	345,000.00	4.000%	158,700.00	503,700.00
09/30/2038	360,000.00	4.000%	144,600.00	504,600.00
09/30/2039	370,000.00	4.000%	130,000.00	500,000.00
09/30/2040	385,000.00	4.000%	114,900.00	499,900.00
09/30/2041	405,000.00	4.000%	99,100.00	504,100.00
09/30/2042	420,000.00	4.000%	82,600.00	502,600.00
09/30/2043	435,000.00	4.000%	65,500.00	500,500.00
09/30/2044	455,000.00	4.000%	47,700.00	502,700.00
09/30/2045	475,000.00	4.000%	29,100.00	504,100.00
09/30/2046	490,000.00	4.000%	9,800.00	499,800.00
Total	\$8,945,000.00	-	\$5,826,884.03	\$14,771,884.03

Yield Statistics

Bond Year Dollars	\$156,411.90
Average Life	17.486 Years
Average Coupon	3.7253457%
Net Interest Cost (NIC)	3.5074656%
True Interest Cost (TIC)	3.3774163%
Bond Yield for Arbitrage Purposes	2.9352612%
All Inclusive Cost (AIC)	3.4476190%

IRS Form 8038

Net Interest Cost	3.3013902%
Weighted Average Maturity	17.573 Years

2016 CO | SINGLE PURPOSE | 11/28/2016 | 4:14 PM

TOWN OF WESTLAKE

ORDINANCE 804

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF WESTLAKE, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Town Council (the "Council") of the Town of Westlake, Texas (the "Town" or "Issuer"), deems it advisable to issue Certificates of Obligation in the amount of \$_____ for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Local Government Code; and Chapter 1502 Texas Government Code; and

WHEREAS, the Council has heretofore passed a resolution authorizing and directing the Town Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in the Town on October 27, 2016 and November 3, 2016, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code; and

WHEREAS, the Town received no petition from the qualified electors of the Town protesting the issuance of such Certificates of Obligation; and

WHEREAS, during the preceding three years, the Issuer has not submitted a bond proposition to authorize the issuance of bonds for the same purpose for which the Certificates are hereby being issued and which proposition was disapproved by voters; and

WHEREAS, it is considered to be to the best interest of the Town that said interest-bearing Certificates of Obligation be issued; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The certificates of the Town are hereby authorized to be issued and delivered in the aggregate principal amount of \$_____ for paying all or a portion of the Issuer's contractual obligations incurred in connection with: (i) acquiring, constructing, installing and equipping fire-fighting facilities and (ii) paying legal, fiscal, engineering and architectural fees in connection with such projects and to pay costs of issuance of the Certificates (collectively, the "Project").

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES; REDEMPTION PROVISIONS.

(a) Each certificate issued pursuant to this Ordinance shall be designated: "TOWN OF WESTLAKE, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated December 1, 2016, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the Purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said certificates shall mature and be payable serially on the dates and in the principal amounts, respectively, and shall bear interest from the Issuance Date set forth in the FORM OF CERTIFICATE set forth in **Exhibit A** of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Maturity Date (February 15)	Principal Amount	Interest Rate
2018	,000	
2019	,000	
2020	,000	
2021	,000	
2022	,000	
2023	,000	
2024	,000	
2025	,000	
2026	,000	
2027	,000	
2028	,000	
2029	,000	
2030	,000	
2031	,000	
2032	,000	
2033	,000	
2034	,000	
2035	,000	
2036	,000	
2037	,000	
2038	,000	
2039	,000	
2040	,000	
2041	,000	
2042	,000	
2043	,000	
2044	,000	
2045	,000	
2046	,000	

The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates initially issued and delivered pursuant to this Ordinance and all substitute certificates exchanged therefor, as well as all other substitute certificates and replacement certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

(b) The Certificates shall be subject to redemption prior to maturity as set forth in the FORM OF CERTIFICATE attached hereto as **Exhibit A**.

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar Agreement in the form presented at the meeting at which this Ordinance is adopted is hereby approved. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(b) Except as provided in Section 3(d) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(c) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and

exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificate initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

(e) The Issuer covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(f) Except as provided below, no Certificate 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 Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate 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 Certificate has

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

(g) Book-Entry Only System. The Certificates issued in exchange for the Certificate initially issued to the Purchaser specified herein shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC. With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books 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 Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest 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 being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

(h) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representations letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate certificated Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(i) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representations letter of the Issuer to DTC.

(j) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and Town Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to the Depository Trust Company on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity.

(k) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the Issuer will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates have not been redeemed.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year

while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by a limited pledge of \$1,000 of the revenues of the Issuer's waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues". The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to this Section, to the extent necessary to pay the principal and interest on the Certificates. If Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Article 1208, Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section and Section 9, respectively, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section and Section 9, respectively, is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates

immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

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

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Ordinance, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated

Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

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

(e) Authority for Issuing Replacement Certificates. In accordance with Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor and Mayor Pro Tem of the Issuer are hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates. In addition, if bond insurance is obtained, the payment of the insurance premium is hereby approved and the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Purchaser to accept delivery of the Certificates is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or Mayor Pro Tem, and the Mayor or Mayor Pro Tem are hereby authorized to execute such engagement letter.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section

103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

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

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

(4) to refrain from taking any action that would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

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

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Certificates, other than investment property acquired with B

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

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

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

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

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent

of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(9) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the certificateholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, Mayor Pro Tem, Town Manager, Finance Director and Town Secretary, individually or jointly, to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax proposes from gross income of the interest.

(f) Designation as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Certificates as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Certificates are issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations that when aggregated with the Certificates, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Certificates are issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in Section 9 hereof, in order that the Certificates will not be considered "private activity bonds" within the meaning of section 141 of the Code.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Certificates are hereby sold and shall be delivered to _____ (the "Purchaser") for the purchase price of \$_____ (representing the aggregate principal amount of the Certificates, plus a[n] [net] aggregate reoffering premium of \$_____, less the Purchaser's discount of \$_____). The Certificates shall initially be registered in the name of the Purchaser or its designee. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable.

(b) It is hereby officially found, determined and declared that the Certificates have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of such and Bidding Instructions. It is further officially found, determined and declared that the Certificates have been offered pursuant to a Preliminary Official Statement prepared and distributed in connection with the sale of the Certificates. Said Preliminary Official Statement, the Official Statement, and any addenda, supplement or amendment thereto, have been and are hereby approved by the governing body of the Issuer, and its use in the offer and sale of the Certificates is hereby approved. It is further officially found, determined and declared that the statements and representations contained in said Official Statement are true and correct in all material respects, to the best knowledge and belief of the Council.

(c) The Mayor and Mayor Pro Tem, the Town Manager, Finance Director and Town Secretary, individually or jointly, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Letter of Representations, the Certificates, the sale of the Certificates and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other Certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2016 Certificate of Obligation Construction Fund" (the "Construction Fund") for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided. Proceeds of the Certificates in the amount of \$_____ (representing the par amount of the Certificates plus premium in the amount of \$_____) shall be deposited into the Construction Fund. The remaining amounts of Certificate proceeds shall be used to pay the costs of issuance of the Certificates. Upon payment of all such Project costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may place proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 13. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB certain updated financial information and operating data pertaining to the Issuer, being the following: (i) the Issuer's annual financial audit report; and (ii) the information found in Tables 1 through 12 in the Official Statement. The Issuer will update and provide the information in the numbered tables within six months after the end of each fiscal year ending in and after 2016 and, if not submitted as part of such annual financial information, the Issuer will provide its audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in and after 2016. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Issuer will 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. Any such

financial statements will be prepared in accordance with the accounting principles described in Appendix B to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

(ii) Any financial information so to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Issuer appended to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

(iii) If the Issuer 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 Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. 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 that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices. The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or 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 Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of Certificateholders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

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

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of

the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized 1 counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

Section 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under subsection (b) of this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES

(a) 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:

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

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, 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 Registered Owner to the Town.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Registered 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 Registered Owners hereunder or any combination of such remedies.

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

(c) Remedies Not Exclusive.

(i) 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 Certificates 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 Certificates shall not be available as a remedy under this Ordinance.

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

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Town or the Council.

Section 16. APPLICATION OF PREMIUM FROM SALE OF CERTIFICATES.

The Certificates have an aggregate premium of \$_____ which shall be allocated as follows:

- (i) the amount of \$_____ shall be applied to pay costs of issuance of the Certificates;
- (ii) the amount of \$_____ shall be applied to pay the Purchaser's discount; and
- (iii) the amount of \$_____ shall be deposited to the Construction Fund.

Section 17. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

Section 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 19. APPROPRIATION. To pay the debt service coming due on the Certificates, if any, prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

[Section 20. BOND INSURANCE. The Certificates shall be insured by a municipal bond insurance policy issued by _____.]

EXHIBIT A

FORM OF CERTIFICATES.

(a) The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS TOWN OF WESTLAKE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2016	PRINCIPAL AMOUNT \$_____
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<u>Interest Rate</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>CUSIP No.</u>
_____%	December 22, 2016	February 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the Town of Westlake, in Tarrant and Denton Counties, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Issuance Date above at the Interest Rate per annum specified above. Interest is payable on February 15, 2017 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance

authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates dated December 1, 2016, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ for paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) acquiring, constructing, installing and equipping fire-fighting facilities and (ii) paying legal, fiscal, engineering and architectural fees in connection with such projects and to pay costs of issuance of the Certificates (collectively, the "Project").

ON FEBRUARY 15, 2026, or any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the

payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE CERTIFICATES, unless certain prerequisites to such redemption required by the Certificate Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the Issuer will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the principal denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange any Certificates during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limits prescribed by law, and that this Certificate is additionally secured by and payable from a limited pledge of the Surplus Revenues of the Issuer's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said Surplus Revenues of the Issuer's waterworks and sewer system, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates.

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

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor (or in the Mayor's absence, of the Mayor Pro Tem) of the Issuer and countersigned with the manual or facsimile signature of the Town Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)
Town Secretary

(signature)
Mayor

(SEAL)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Registration
Certificate of the Comptroller of Public Accounts of the State of Texas)

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

Dated: _____.

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas

Paying Agent/Registrar

By: _____
Authorized Representative

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

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

Dated: _____.

Signature Guaranteed:

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

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

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(b) Initial Certificate Insertions.

(i) The initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

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

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

"THE TOWN OF WESTLAKE, TEXAS, in Tarrant and Denton Counties, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amounts below on the Maturity Dates below and bearing interest at the per annum Interest Rates set forth in the following schedule:

<u>Maturity Date (February 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2018	,000	
2019	,000	
2020	,000	
2021	,000	
2022	,000	
2023	,000	
2024	,000	
2025	,000	
2026	,000	
2027	,000	
2028	,000	
2029	,000	
2030	,000	
2031	,000	
2032	,000	
2033	,000	
2034	,000	
2035	,000	
2036	,000	
2037	,000	
2038	,000	
2039	,000	
2040	,000	
2041	,000	
2042	,000	
2043	,000	
2044	,000	
2045	,000	
2046	,000	

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Issuance Date above, at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2017 and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of

authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

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



TYPE OF ACTION

Regular Meeting - Action Item

**Westlake Town Council Meeting
Monday, December 05, 2016**

TOPIC: Discussion and consideration of Ordinance 805, amending Ordinance 800 which authorized the issuance and sale of “Town of Westlake, Texas, General Obligation Refunding Bonds, Series 2017”.

STAFF CONTACT: Tom Brymer, Town Manager
Debbie Piper, Finance Director

Strategic Alignment

<u>Vision, Value, Mission</u>	<u>Perspective</u>	<u>Strategic Theme & Results</u>	<u>Outcome Objective</u>
Fiscal Responsibility	Fiscal Stewardship	Exemplary Service & Governance - We set the standard by delivering unparalleled municipal and educational services at the lowest cost.	Increase Financial Capacity / Reserves
<u>Strategic Initiative</u>			
Outside the Scope of Identified Strategic Initiatives			

Time Line - Start Date: December 5, 2016 **Completion Date:** December 5, 2016

Funding Amount: N/A **Status -** **Not Funded** **Source -** N/A

EXECUTIVE SUMMARY (INCLUDING APPLICABLE ORGANIZATIONAL HISTORY)

At the Council meeting on October 24, 2016, Council adopted an ordinance authorizing the issuance of general obligation refunding bonds; establishing procedures for the sale and delivery of the bonds; providing for the security for and payment of said bonds; providing an effective date; and enacting other provisions related to the subject to include “Delegated Pricing”. Tom Lawrence, our financial advisor, closely monitors the bond rates and evaluates the numbers so that he may notify the Town at the earliest time whether it would be beneficial to refund a portion of our bonds. When the ordinance was adopted, interest rates were lower; therefore, we set the pricing to produce debt service savings of at least 10% measured on a present value basis as a

percentage of the principal amount of the Refunded Obligations, with savings to be net of any Issuer contribution to the refunding.

Due to the continuing weakness in the bond market, we are now slightly below 10% present value savings for the proposed 2017 refunding bonds. Based on the Town's Financial Policies, the present value savings of a refunding should exceed 3.5% of the refunded maturities before considering a refunding. The original report, based on interest rates as of October 17, 2016, reflected present value savings of well over 10%, with an actual savings of more than \$1,000,000; approximately \$75K annually. Those figures were, of course, preliminary, and therefore subject to change. An updated report, based on preliminary interest rates as of November 30, 2016, reflects 9% present value savings with an actual savings of approximately \$732K; approximately \$48K annually.

The 2007 Refunding Bonds are subject to optional redemption on or after May 1, 2017. In accordance with federal tax law, a refunding of this issue may not close until February 1, 2017 or later, with a pricing of the bonds approximately four weeks earlier.

Staff is recommending the Council consider amending Ordinance 800 which adopted a "Delegated Pricing" ordinance that gives us more timing flexibility from the stated 10% savings to 3.5%. If you will remember, "Delegated Pricing" is a more flexible approach than the traditional method of locking in an interest rate on the day that the Town Council meets to approve the sale of the bonds. This involves the Council approving a set of parameters that must be met before the refunding bonds could be issued. Such parameters include, among others, maximum amount of refunding bonds (e.g. \$6.5 million), minimum amount of present value savings (e.g. 3.5%) and a time limit for completing the transaction, (e.g. six months). In addition to establishing parameters, a Delegated Pricing Ordinance delegates the final approval of the refunding bonds to its staff, e.g. Town Manager or Finance Director, who would have to sign off on the transaction before a bond sale and closing may occur. No further Council action would be required.

An updated schedule is attached of the events that will need to take place if we move forward with the bond refunding and "Delegated Pricing" ordinance.

ORGANIZATIONAL HISTORY/RECOMMENDATION

Staff recommends amending Ordinance #800 which authorized the issuance of general obligation refunding bonds, including "Delegated Pricing" at the October Council meeting to decrease the minimum debt service savings of at least 10% to 3.5%.

Attachments

1. Ordinance
2. Updated refunding report prepared by Lawrence Financial Consulting LLC
3. Schedule of Events

Town of Westlake, Texas

General Obligation Refunding Bonds, Series 2017
(Refund 2007)

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Town of Westlake, Texas

General Obligation Refunding Bonds, Series 2017
(Refund 2007)

Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
09/30/2017	123,244.44	433,500.00	556,744.44	563,303.75	6,559.31
09/30/2018	250,775.00	-	250,775.00	299,607.50	48,832.50
09/30/2019	250,325.00	-	250,325.00	298,007.50	47,682.50
09/30/2020	254,800.00	-	254,800.00	301,407.50	46,607.50
09/30/2021	254,200.00	-	254,200.00	304,607.50	50,407.50
09/30/2022	258,525.00	-	258,525.00	307,607.50	49,082.50
09/30/2023	262,700.00	-	262,700.00	310,407.50	47,707.50
09/30/2024	266,725.00	-	266,725.00	313,007.50	46,282.50
09/30/2025	843,700.00	-	843,700.00	890,407.50	46,707.50
09/30/2026	843,200.00	-	843,200.00	889,607.50	46,407.50
09/30/2027	841,700.00	-	841,700.00	892,807.50	51,107.50
09/30/2028	844,100.00	-	844,100.00	894,807.50	50,707.50
09/30/2029	845,300.00	-	845,300.00	894,695.00	49,395.00
09/30/2030	845,300.00	-	845,300.00	893,345.00	48,045.00
09/30/2031	849,000.00	-	849,000.00	895,560.00	46,560.00
09/30/2032	841,500.00	-	841,500.00	890,910.00	49,410.00
Total	\$8,675,094.44	\$433,500.00	\$9,108,594.44	\$9,840,096.25	\$731,501.81

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	569,817.44
Net PV Cashflow Savings @ 3.070%(AIC)	569,817.44
Contingency or Rounding Amount	2,955.25
Net Present Value Benefit	\$572,772.69
Net PV Benefit / \$6,330,000 Refunded Principal	9.049%
Net PV Benefit / \$5,940,000 Refunding Principal	9.643%

Refunding Bond Information

Refunding Dated Date	2/07/2017
Refunding Delivery Date	2/07/2017

Town of Westlake, Texas

General Obligation Refunding Bonds, Series 2017

(Refund 2007)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
02/15/2018	Serial Coupon	3.000%	0.950%	15,000.00	102.080%	-	-	-	15,312.00
02/15/2019	Serial Coupon	3.000%	1.200%	15,000.00	103.585%	-	-	-	15,537.75
02/15/2020	Serial Coupon	3.000%	1.500%	20,000.00	104.415%	-	-	-	20,883.00
02/15/2021	Serial Coupon	3.000%	1.700%	20,000.00	105.033%	-	-	-	21,006.60
02/15/2022	Serial Coupon	3.000%	1.950%	25,000.00	104.999%	-	-	-	26,249.75
02/15/2023	Serial Coupon	3.000%	2.050%	30,000.00	105.355%	-	-	-	31,606.50
02/15/2024	Serial Coupon	3.000%	2.200%	35,000.00	105.178%	-	-	-	36,812.30
02/15/2025	Serial Coupon	4.000%	2.300%	625,000.00	112.388%	-	-	-	702,425.00
02/15/2026	Serial Coupon	4.000%	2.450%	650,000.00	112.478%	-	-	-	731,107.00
02/15/2027	Serial Coupon	4.000%	2.600%	675,000.00	112.281%	-	-	-	757,896.75
02/15/2028	Serial Coupon	4.000%	2.650%	705,000.00	111.813%	c 2.750%	02/15/2027	100.000%	788,281.65
02/15/2029	Serial Coupon	4.000%	2.750%	735,000.00	110.884%	c 2.920%	02/15/2027	100.000%	814,997.40
02/15/2030	Serial Coupon	4.000%	2.800%	765,000.00	110.422%	c 3.026%	02/15/2027	100.000%	844,728.30
02/15/2031	Serial Coupon	4.000%	2.900%	800,000.00	109.507%	c 3.156%	02/15/2027	100.000%	876,056.00
02/15/2032	Serial Coupon	4.000%	2.950%	825,000.00	109.052%	c 3.234%	02/15/2027	100.000%	899,679.00
Total	-	-	-	\$5,940,000.00	-	-	-	-	\$6,582,579.00

Bid Information

Par Amount of Bonds	\$5,940,000.00
Reoffering Premium or (Discount)	642,579.00
Gross Production	\$6,582,579.00
Total Underwriter's Discount (0.700%)	\$(41,580.00)
Bid (110.118%)	6,540,999.00
Total Purchase Price	\$6,540,999.00
Bond Year Dollars	\$68,562.00
Average Life	11.542 Years
Average Coupon	3.9892279%
Net Interest Cost (NIC)	3.1126505%
True Interest Cost (TIC)	2.9406367%

**TOWN OF WESTLAKE
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017**

**SCHEDULE OF EVENTS
(Council Meeting Dates Highlighted)**

<u>Action</u>	<u>Date</u>
<i>Bond Sale/Delegated Pricing Approved by Town Council</i>	<i>10/24/16</i>
Application for Credit Rating; initial draft of POS distributed	12/07/16
Credit Rating Received	01/03/17
Preliminary Official Statement Distributed to Investors	01/03/17
Bond Pricing Completed	01/10/17
Bond Counsel Submits Transcript to AG for Review	01/13/17
Final Official Statement printed	01/17/17
Closing Memorandum Distributed	01/18/17
Attorney General Approval Received	02/02/17
Closing	02/07/17
Redemption of 2007 Bonds	05/01/17

TOWN OF WESTLAKE

ORDINANCE 805

ORDINANCE BY THE TOWN COUNCIL OF TOWN OF WESTLAKE, TEXAS, AMENDING ORDINANCE 800, AUTHORIZING THE ISSUANCE OF THE TOWN OF WESTLAKE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, AND ENACTING OTHER PROVISIONS RELATED TO THE SUBJECT

WHEREAS, the Town Council (the "Council") of the Town of Westlake, Texas (the "Town") previously adopted an ordinance authorizing the issuance of its General Obligation Refunding Bonds, Series 2017 (the "Bonds") on October 24, 2016 (the "Bond Ordinance"); and

WHEREAS, the Council desires to amend certain provisions of the Bond Ordinance to change the minimum present value savings parameter for the Bonds; and

WHEREAS, any capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Ordinance; and

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

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: Bond Ordinance Amendment. Pursuant to Section 14(a) of the Bond Ordinance, Section 3(a)(iv) of the Bond Ordinance is hereby amended and restated in its entirety as follows:

"(iv) the refunding achieved by the Bonds of must produce debt service savings of at least 3.5% measured on a present value basis as a percentage of the principal amount of the Refunded Obligations, with such savings to be net of any Issuer contribution to the refunding."

The amendment shall be effective as of the date hereof.

SECTION 2: Further Procedures. The Mayor, the Mayor Pro Tem, the Town Manager and the Town Secretary, individually or jointly, shall be and are hereby authorized and directed to furnish and execute such documents, instruments and certifications relating to the Town and the amendment of the Bond Ordinance, including certifications as to facts, estimates, circumstances and reasonable expectations, and to make or approve such revisions, additions, deletions and variations to this Ordinance as may be necessary or convenient to carry out or assist in carrying out the intent and purposes of this Ordinance, or as may be necessary to correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance. In addition, the statements, findings, representations, and determinations set forth in the recitals to this Ordinance are hereby incorporated into and made a part of this Ordinance for all purposes.

SECTION 3: This ordinance shall take effect immediately from and after its passage as the law in such case provides.

PASSED AND APPROVED ON THIS 5TH DAY OF DECEMBER, 2016.

ATTEST:

Laura Wheat, Mayor

Kelly Edwards, Town Secretary

Thomas E. Brymer, Town Manager

APPROVED AS TO FORM:

L. Stanton Lowry, Town Attorney

Town Council

Item # 4 – Adjournment
