



City Council City Council Special Meeting
Monday, June 17, 2019
6:00 PM

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 265-2082 or FAX (979) 265-7345 for further information.

AGENDA

BE IT KNOWN that the **City Council** of the City of Richwood will meet in **City Council Special Meeting** on **Monday, June 17, 2019** at **6:00 PM** at 1800 N. Brazosport Blvd., Richwood, TX 77531 at the Richwood City Hall in the Council Chambers with the following agenda:

- I. CALL TO ORDER
- II. INVOCATION
- III. PLEDGES OF ALLEGIANCE 4
 - Pledge of Allegiance & Texas Pledge
- IV. ROLL CALL OF COUNCIL MEMBERS
- V. PUBLIC COMMENTS
 - All public comments will be subject to the following rules: all speakers will be permitted to speak no longer than 3 minutes; all speakers will only be permitted to speak once; speakers cannot defer their 3 minutes to another speaker; the first five individuals who sign up for the public comment section will be permitted to speak
- VI. DISCUSSION AND ACTION ITEMS
 - A. APPROVAL OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF RICHWOOD, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2019A AND SERIES 2019B”; AND LEVYING AN AD VALOREM TAX; AUTHORIZING THE EXECUTION OF A TRANSFER AND PAYING AGENCY AGREEMENT; AND OTHER MATTERS IN CONNECTION THEREWITH.
 - 1. Ord 457 2019A GO Bonds 5
 - 2. Ord 458 2019B GO Bonds - Utility 49
- VII. ADJOURNMENT

The City Council may go into Executive Session on any item listed on the Agenda in accordance with Section 551.071 of the Government Code (attorney-client privilege).

I, Giani B. Cantu, do hereby certify that I did, on 6/12/19 at _____ p.m., post this notice of meeting on the bulletin board at 1800 N. Brazosport Blvd., Richwood, TX, in compliance with the Texas Open Meetings Law.

Giani Cantu, City Secretary
City of Richwood

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contact the City Secretary's Office at (979) 265-2082 or FAX (979) 265-7345 for further information.

Pledge of Allegiance

I pledge allegiance to the flag of
the United States of America and
to the republic for which it
stands, one nation under God,
indivisible, with liberty and
justice for all.

Texas Pledge

**Honor the Texas flag. I
pledge allegiance to thee,
Texas, one and indivisible.**

Ordinance Number 2019-457

AN ORDINANCE
AUTHORIZING THE ISSUANCE OF
“CITY OF RICHWOOD, TEXAS,
GENERAL OBLIGATION BONDS,
SERIES 2019A”;
AND LEVYING AN AD VALOREM TAX;
AUTHORIZING THE EXECUTION OF A TRANSFER AND
PAYING AGENCY AGREEMENT;
AND OTHER MATTERS IN CONNECTION THEREWITH

CITY OF RICHWOOD, TEXAS

ADOPTED June 17, 2019

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AN ORDINANCE
AUTHORIZING THE ISSUANCE OF
“CITY OF RICHWOOD, TEXAS,
GENERAL OBLIGATION BONDS,
SERIES 2019”;
AND LEVYING AN AD VALOREM TAX;
AUTHORIZING THE EXECUTION OF A TRANSFER AND
PAYING AGENCY AGREEMENT;
AND OTHER MATTERS IN CONNECTION THEREWITH

RECITALS

1. The City Council (the “*Governing Body*”) of the City of Richwood, Texas (the “*Issuer*”), a political subdivision and home-rule city, hereby finds and determines that it should issue General Obligation Bonds (the “*Bonds*”) in the principal amount of \$2,955,000 being the first installment of series of bonds approved for the purposes of (i) street and road improvements; (ii) sidewalk construction and improvements; and (iii) drainage improvements and flood control projects at an election held November 6, 2018, and to pay for professional services relating thereto and the issuance costs of the Bonds.

<u>Election Date</u>	<u>Amount Originally Authorized</u>	<u>Amount Heretofore Issued</u>	<u>Amount Being Issued</u>	<u>Amount Remaining</u>
11/06/2018	\$5,000,000	\$0	\$2,955,000	\$2,045,000

2. The Governing Body has found and determined that \$2,955,000 in aggregate principal amount of the Bonds described in such notice should now be issued and sold, and has adopted this ordinance authorizing issuance of such Bonds.

3. It is in the Issuer’s best interest to issue the bonds described herein.

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

ARTICLE ONE
THE BONDS

SECTION 1.1 *Authorization and Terms; Purpose.*

A. *Authorization, Title, Principal Amount, and Purpose.* The Bonds are hereby authorized to be issued in the aggregate principal amount of \$2,955,000, and are entitled the Issuer's "GENERAL OBLIGATION BONDS, SERIES 2019A", to pay contractual obligations incurred to make permanent public improvements and for other public purposes all as stated in Recital 1 hereto, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Texas Government Code chapter 1331, as now in effect. The Bonds shall have a Dated Date of July 15, 2019 (which is the "Dated Date" of the Bonds and to be inserted below "Dated Date" immediately below the title thereof).

B. *Denominations, Maturities, Rates of Interest.* The Stated Maturities of the Bonds are August 15 of the years and the aggregate principal amounts set forth below in this Subsection, and interest on the Bonds of each Stated Maturity accrues from the date of the initial delivery of the Bonds or the most recent Interest Payment Date to which interest has been paid or duly provided for, until such Bonds are paid or due provision therefor is made at or after the Maturity thereof, at the per annum rates set forth opposite such Stated Maturity below, calculated on the basis of a 360-day year of twelve 30-day months and payable semiannually on each February 15 and August 15 commencing February 15, 2020:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate (%)</u>	<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate (%)</u>
2020	\$100,000		2030	\$150,000	
2021	150,000		2031	150,000	
2022	150,000		2032	150,000	
2023	150,000		2033	150,000	
2024	150,000		2034	150,000	
2025	150,000		2035	150,000	
2026	150,000		2036	150,000	
2027	150,000		2037	150,000	
2028	150,000		2038	150,000	
2029	150,000		2039	155,000	

C. *Payment.* The principal and Redemption Price of the Bonds is payable upon surrender, and the interest on the Bonds is payable, at the corporate trust office of the Paying Agent in Dallas, Texas, or at such other city as designated by the Issuer upon Notice to the Registered Owners. Such place is herein referred to as the "Place of Payment".

The Issuer shall transfer the principal and Redemption Price of the Bonds to the Paying Agent on or prior to the date it is due.

If the specified date for any payment of principal (or Redemption Price) of or interest on the Bonds is a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally in the city of the Place of Payment, such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

D. *Payment of Interest; Interest Rights Preserved.* Interest on any Bond is payable to the Registered Owner thereof as of the close of business on the last day of the month proceeding such Interest Payment Date (the “*Regular Record Date*”), and is payable (i) by check sent by United States Mail, first-class postage prepaid, by the Paying Agent, to the address of the Registered Owner appearing in the Security Register, or (ii) by such other method acceptable to the Paying Agent requested in writing by the Registered Owner at the Registered Owner’s risk and expense.

In the event of a non-payment of interest on a scheduled payment date, and for 10 days thereafter, a new record date for such interest payment (a “*Special Record Date*”) will be established by the Paying Agent, 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 (“*Special Payment Date*”, which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner of a Bond appearing on the registration books of the Paying Agent at the close of business on the last business day next preceding the date of mailing of such notice. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest must be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date.

E. *Legal Tender.* The principal or Redemption Price of and interest on the Bonds is payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, without exchange or collection charges to the Registered Owner.

SECTION 1.2 *Redemption.*

A. *Optional and Mandatory Redemption.* The Bonds are subject to redemption at the option of the Issuer and by mandatory redemption prior to Stated Maturity on the Redemption Dates and Redemption Prices as provided in the Form of Bond in **Section 3.2**.

B. *Exercise of Redemption Option.* The exercise by the Issuer of its option to redeem Bonds must be evidenced by an order or resolution of the Governing Body entered into its minutes. The Issuer at least 45 days prior to each Redemption Date (unless a shorter notice shall be satisfactory to the Paying Agent) must notify the Paying Agent of such Redemption Date and of the principal amount of Bonds of each Stated Maturity to be redeemed.

C. *Selection of Bonds for Redemption.* If less than all Outstanding Bonds of a Stated Maturity are to be redeemed, then not more than 60 days prior to the Redemption Date the

Paying Agent shall select the particular Bonds within such Stated Maturity to be redeemed from the Outstanding Bonds not previously called for redemption by such random method as the Paying Agent deems fair and appropriate. The method of selection may provide for the selection for redemption of portions (equal to \$5,000 or any integral multiple thereof) of the principal of Bonds of a denomination larger than \$5,000.

The Paying Agent will promptly notify the Issuer in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

For purposes of this Ordinance, unless the context otherwise requires, all provisions relating to the redemption of Bonds relates, in the case of any Bond redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

D. *Notice of Redemption.* The Paying Agent shall mail notice of redemption in the name and at the expense of the Issuer not less than 30 days prior to the Redemption Date to each Registered Owner of Bonds to be redeemed, stating:

- (1) the Redemption Date,
- (2) the Redemption Price,
- (3) the principal amount, the identification (by title, CUSIP number, Stated Maturity, interest rate, and Dated Date) and, in the case of partial redemption, the respective principal amounts and Bond numbers of the Bonds to be redeemed,
- (4) that on the Redemption Date the Redemption Price of each of the Bonds to be redeemed will become due and payable and that interest thereon ceases to accrue from and after said date, and
- (5) that the Bonds to be redeemed are to be surrendered for payment of the Redemption Price at the Place of Payment, and the address of such Place of Payment.

Neither failure to give any notice to any Registered Owner or any defect therein will affect the sufficiency of any notice given. ANY NOTICE SO MAILED IS CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. Notice having been so given, the Bonds called for redemption is due and payable on the specified Redemption Date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bond or portion thereof ceases to accrue.

E. *Payment of the Redemption Price.* Upon the surrender of such Bonds for redemption in accordance with such notice, the Paying Agent shall pay such Bonds at the Redemption Price out of money supplied by the Issuer.

If any Bond called for redemption is not so paid upon surrender thereof for redemption, the same continues to bear interest from the Redemption Date at the rate borne by such Bond.

F. *Partial Redemption.* Any Bond which is to be redeemed only in part must be surrendered at the Place of Payment (with, if the Issuer or the Paying Agent so requires, due endorsement by, or written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the Registered Owner thereof or his attorney duly authorized in writing), and the Issuer shall execute and the Paying Agent shall register and deliver to the Registered Owner of such Bond, without service charge, a new Bond or Bonds of the same Stated Maturity and of any authorized denomination or denominations as requested by such Registered Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

SECTION 1.3 *Execution, Registration, Delivery, and Dating.*

The Mayor of the Issuer shall execute the Bonds with such signature on behalf of the Issuer attested by the Secretary of the Issuer. The signature of either of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Issuer bind the Issuer, notwithstanding that such individuals or either of them cease to hold such offices prior to the certification and delivery of such Bonds. To the extent required by Texas law, the Issuer authorizes its seal reproduced, affixed, or impressed thereon.

The Mayor of the Issuer is authorized and directed to execute and the Secretary of the Issuer to attest the Initial Bonds in the name of Cede & Co. The Mayor of the Issuer is further authorized and directed to submit the Initial Bonds, together with the record of the proceedings authorizing the issuance thereof and any and all other necessary orders, Bonds, and records, to the Attorney General of Texas for approval. After the Attorney General has approved such Bonds, the Mayor of the Issuer shall cause such Bonds to be delivered to the Comptroller of Public Accounts of the State of Texas for registration. If requested by the Attorney General or its representatives, or if otherwise deemed necessary to properly evidence the intent of the Issuer in the adoption of this Ordinance, the Mayor or Mayor pro tem of the Issuer may make such ministerial changes in the written text of this Ordinance as such officer determines are consistent with the intent and purposes of this Ordinance, which determination shall be final. Upon registration of the Bonds, the Comptroller is authorized and directed to deliver the Bonds in accordance with instructions of the Mayor of the Issuer. At any time thereafter the Issuer may deliver such Bonds to the Paying Agent together with definitive Bonds to be issued in exchange therefor, and the Paying Agent is directed, within not more than five business days following receipt of instructions from the payee named therein designating the Persons, Stated Maturities, and denominations to and in which such Bonds are to be transferred, register and deliver such definitive Bonds as provided in such instructions. The officers or acting officers of the Governing Body are authorized to execute and deliver on behalf of the Governing Body such Bonds and instruments as may be necessary to accomplish or in furtherance of the delivery of the Bonds to and payment therefor by the Purchasers.

All Bonds registered and delivered by the Paying Agent hereunder are to be dated by the Paying Agent the date of their registration.

No Bond is entitled to any right or benefit under this Ordinance, or is valid or obligatory for any purpose, unless there appears on such Bond either a Bond of registration substantially in the form provided in **Section 3.3**, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a Bond of registration substantially in the form provided in **Section 3.4**, executed by the Paying Agent by manual signature, and either such Bond upon any Bond is conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 1.4 *Registration, Transfer, and Exchange.*

The Issuer shall cause to be kept with the Paying Agent at the Place of Payment a register (herein referred to as the “*Security Register*”) in which, subject to such reasonable regulations as the Issuer or the Paying Agent may prescribe, the Paying Agent shall provide for the registration of the Bonds and of transfers of the Bonds as herein provided.

Upon surrender for transfer of any Bond with the Paying Agent at the Place of Payment, the Issuer shall execute, and the Paying Agent shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Stated Maturity, of any authorized denominations, and of a like aggregate principal amount.

At the option of the Registered Owner, Bonds may be exchanged for other Bonds of the same Stated Maturity, of any authorized denominations, and of like aggregate principal amount, upon surrender of the Bonds to be exchanged at the Place of Payment. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Paying Agent shall register and deliver, the Bonds which the Registered Owner of Bonds making the exchange is entitled to receive.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Registered Owners at the principal corporate trust office of the Paying Agent or sent by United States Mail, first class, postage prepaid to the Registered Owners at the Registered Owner’s written request, risk, and expense, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange must be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Paying Agent duly executed, by the Registered Owner thereof or his attorney duly authorized in writing.

No service charge may be made to the Registered Owner for any registration, transfer, or exchange of Bonds, but the Issuer or the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Paying Agent is required (1) to transfer or exchange any Bond during a period beginning 45 days prior to a Redemption Date hereunder and ending at the close of business on the day of mailing of a notice of redemption or (2) thereafter to transfer or exchange in whole or in part any Bond so selected for redemption.

SECTION 1.5 *Mutilated, Destroyed, Lost, and Stolen Bonds.*

If (1) any mutilated Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent such security or indemnity as they require to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer or the Paying Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond constitutes an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond is at any time enforceable by anyone, and the new Bond is entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 1.6 *Persons Deemed Owners.*

The Issuer and the Paying Agent, and any agent of either, may treat the Registered Owner as the owner of a Bond for purposes of receiving payment of principal and Redemption Price of and (*subject to Section 1.1*) interest on the Bond and for all other purposes whatsoever, whether or not the Bond is due or overdue, and neither the Issuer nor the Paying Agent, or any agent of either, is affected by notice to the contrary.

SECTION 1.7 *Cancellation.*

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent, are to be promptly canceled by it and, if surrendered to the Issuer, are to be delivered to the Paying Agent and, if not already canceled, are to promptly be canceled by the Paying Agent. The Issuer may at any time deliver to the Paying Agent for cancellation any Bonds previously certified and delivered which the Issuer acquires in any manner whatsoever, and all Bonds so delivered are to be promptly canceled by the Paying Agent. No Bond may be certified in lieu of or in exchange for any Bond canceled as provided in this Section, except as expressly provided by this Ordinance. All canceled Bonds held by the Paying

Agent are to be disposed of in accordance with the standard document retention policies of the Issuer.

SECTION 1.8 *Book-Entry Only.*

Notwithstanding the provisions contained in **Sections 1.3, 1.4 and 1.5** relating to the payment, redemption and transfer/exchange of the Bonds, the Issuer hereby approves and authorizes the use of “Book-Entry Only” securities clearance, settlement and transfer system provided by The Depository Trust Company (“DTC”), a limited purpose trust company organized under the laws of the State of New York, in accordance with DTC’s requirements and procedures, and authorizes the Issuer and the Paying Agent to take such as actions as are necessary to qualify the Bonds with DTC and to deliver the Bonds through DTC.

Pursuant to the rules and procedures of DTC now in effect, the Bonds shall be deposited with DTC (or with the Paying Agent on behalf of DTC) who shall hold said Bonds for its participants (the “DTC Participants”). While the Bonds are so held, the Registered Owner of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the “Beneficial Owners”) being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the Issuer determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the Issuer covenants and agrees with the Registered Owners of the Bonds to cause Bonds to be printed in definitive form and provide for the Bonds to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent and payment of such Bonds shall be made in accordance with the provisions of **Sections 1.3, 1.4 and 1.5**.

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ARTICLE TWO
DEFINITIONS AND OTHER PROVISIONS OF
GENERAL APPLICATION

SECTION 2.1 *Definitions.*

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

(1) The terms defined in this Section have the meanings assigned to them in this Section.

(2) All terms defined herein include the plural as well as the singular.

(3) All references in this Ordinance to designated “*Articles*”, “*Sections*”, “*Exhibits*”, and other subdivisions are to the designated Articles, Sections, Exhibits, and other subdivisions of this Ordinance as originally adopted.

(4) The words “*herein*”, “*hereof*”, and “*hereunder*” and other words of similar import refer to this Ordinance as a whole and not to any particular Article, Section, Exhibit, or other subdivision.

“*Bond Fund*” means the special fund of the Issuer created and established by the provisions of **Section 4.1**.

“*Bonds*” means any obligation of the Issuer authorized to be issued by **Article One**, whether initially delivered or issued in exchange for or upon transfer or in lieu of any Predecessor Bond.

“*Collection Date*” means, for any year, the date that annual ad valorem taxes levied by the Issuer in that year become delinquent.

“*Debt Service Requirement*” has the meaning stated in **Section 4.6**.

“*Fiscal Year*” means the annual financial accounting period for the Issuer as established by the Issuer on or prior to the date of this Ordinance; provided, however, the Governing Body may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

“*Governing Body*” means the City Council of the Issuer.

“*Governmental Obligations*” means (1) direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America, or (2) obligations authorized under Texas law from time to time for discharge and final payment of political or governmental obligations which, at the time of deposit have been assigned ratings in the highest rating category by a nationally recognized

investment rating firm, *but* in the case of both *Clauses* (1) and (2) only if such obligations may not be called for redemption prior to maturity.

“*Interest Payment Date*” means a date specified in the Bonds as a fixed date on which an installment of interest thereon is due and payable.

“*Issue Date*” means the date on which Bonds are first registered and delivered to the Purchasers in exchange for the purchase price therefor.

“*Issuer*” has the meaning stated in the Recitals.

“*Maturity*” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein provided, whether at the Stated Maturity, by call for redemption, or otherwise.

“*Ordinance*” means this Ordinance as finally passed and adopted by the Governing Body or as it may from time to time be supplemented, modified, or amended in accordance with the provisions hereof.

“*Outstanding*” when used with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except, without duplication:

(1) *Canceled Bonds*: Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(2) *Gross Cash Defeasance*: Bonds for whose payment or redemption money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the Registered Owner of such Bonds, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Ordinance, irrevocably provided for to the satisfaction of the Paying Agent, or waived;

(3) *Replaced Bonds*: Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Ordinance;

(4) *Paid Missing Bonds*: Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in **Section 1.5**; and

(5) *Net Cash Defeasance* : Bonds for the payment of the principal (or Redemption Price) of and interest on which money or Governmental Obligations or both are held by the Paying Agent or other bank or trust company and with the effect specified in **Section 6.1**;

provided, however, that in determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bonds owned by the Issuer or any other obligor upon the Bonds are disregarded and deemed not Outstanding, except that, in determining whether the Paying Agent is protected in relying upon any such request, demand, authorization, direction, notice,

consent, or waiver, only Bonds which the Paying Agent knows to be so owned are required to be so disregarded.

“Paying Agent” means the corporation named as the *“Paying Agent”* herein until a successor Paying Agent becomes such pursuant to the applicable provisions of this Ordinance, and thereafter *“Paying Agent”* means such successor Paying Agent.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“Place of Payment” means a corporate trust office of the Paying Agent in the State of Texas, as established in **Section 1.1**.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond registered and delivered under **Section 1.5** in lieu of a mutilated, lost, destroyed, or stolen Bond is deemed to evidence the same debt as the mutilated, lost, destroyed, or stolen Bond.

“Purchaser” means the initial purchaser or purchasers of the Bonds named in **Section 7.1** of this Ordinance.

“Redemption Date” means the date fixed for redemption of a Bond pursuant to the terms of this Ordinance.

“Redemption Price” means the price specified in the Form of Bond in **Section 3.2** as the price at which a Bond may be redeemed pursuant to the terms of the Ordinance.

“Registered Owner” mean the registered owner, whose name appears in the Security Register, for any Bond.

“Regular Record Date” for the interest payable on any Interest Payment Date means the last business day of the calendar month next preceding such Interest Payment Date.

“Security Register” has the meaning stated in **Section 1.4**.

“Stated Maturity” when used with respect to any Bonds means the date specified in such Certificate as the fixed date on which the principal of such Bond is due and payable.

SECTION 2.2 *Notices.*

Where this Ordinance provides for notice to Registered Owners of any event, such notice is sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Registered Owner, at the address of such Registered Owner as it appears in the Security Register. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Registered Owner affects the sufficiency of such notice with

respect to all other Registered Owners. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver is the equivalent of such notice. Waivers of notice by Registered Owners are to be filed with the Issuer, but such filing is not a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 2.3 *Effect of Headings and Table of Contents; Recitals.*

The section headings herein and in the Table of Contents are for convenience only and do not affect the construction hereof.

The Recitals contained in the preamble hereof are hereby found to be true, and such Recitals are hereby made a part hereof for all purposes and are adopted as part of the judgment and findings of the Governing Body.

SECTION 2.4 *Ordinance a Contract; Amendments.*

This Ordinance constitutes a contract with the Registered Owners entered into upon the initial purchase of the Bonds, is binding on the Issuer and its successors and assigns whether or not so expressed, and may not be amended or repealed by the Issuer so long as any Bond remains Outstanding except as permitted in this Section.

The Issuer may, without the consent of or notice to any Registered Owner, from time to time and at any time amend this Ordinance in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein or therein. In addition, the Issuer may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of the Registered Owners of all of the affected Outstanding Bonds, no such amendment, addition, or rescission may (1) change the Stated Maturity of the Bonds or any Interest Payment Date for an installment of interest thereon, reduce the principal amount thereof, the Redemption Price therefor, or the rate of interest thereon, change the place or places at, or the coin or currency in, which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, (3) modify any of the provisions of the proviso to the definition of the term “*Outstanding*”, or (4) modify any of the provisions of this Section, except to increase the percentage provided hereby or to provide that certain other provisions of this Ordinance cannot be modified or waived without the consent of the Registered Owner of each Bond affected thereby.

Any consent to any amendment hereof by the Registered Owner of any Bond binds every future Registered Owner of the same Bond and the Registered Owner of every Bond issued upon transfer or in lieu thereof or in exchange therefor, in respect of anything done or suffered to be

done by the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

SECTION 2.5 *Benefits of Ordinance.*

Subject to **Section 8.3**, nothing in this Ordinance, expressed or implied, is intended or may be construed to confer upon any Person (other than the Issuer and Registered Owners) any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer and the Registered Owners.

SECTION 2.6 *Repealer.*

All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable to the extent of such conflict, and the provisions of this Ordinance are controlling as to the matters prescribed herein.

SECTION 2.7 *Governing Law.*

This Ordinance is to be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

SECTION 2.8 *Severability.*

If any provision of this Ordinance or the application thereof to any Person or circumstance is held to be invalid, illegal, or unenforceable, the remainder of this Ordinance and the application of such provision to other Persons and circumstances is nevertheless valid, legal, and enforceable and the Governing Body hereby declares that this Ordinance would have been enacted without such invalid provision or application.

SECTION 2.9 *Public Meeting.*

The Governing Body officially finds, determines, and declares that notice of the adoption of this Ordinance was posted as required by law at a location within the Issuer in a place readily accessible to the general public at all times for at least 72 hours preceding the scheduled time of the meetings at which this Ordinance is read and approved; that such meetings were open to the public; and that public notice of the time, place, and purpose of such meetings was given as required by Texas Government Code chapter 551, as amended.

SECTION 2.10 *Authority of Officers.*

The Mayor, the Mayor Pro Tem, the Secretary or any assistant secretary, Manager, Attorney, or Director of Finance of the Issuer, or any of them, are authorized to evidence adoption of this Ordinance and to do any and all things proper and necessary to carry out the intent hereof.

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ARTICLE THREE FORMS

SECTION 3.1 *Forms Generally.*

The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be reproduced on the initial Bonds, the Registration Certificate of the Paying Agent to be reproduced on subsequently delivered Bonds, and the form of Assignment to be reproduced on each of the Bonds are to be substantially in the forms set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel or notice of insurance) thereon as may, consistently herewith, be determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds may be printed, lithographed, engraved, typewritten, photocopied, or produced by any combination of these methods, or produced in any other manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof. The initial Bonds to be delivered to the Attorney General may be issued either (i) as a single fully registered Bond in the total principal amount of the Bonds with principal installments to become due and payable as provided in **Section 1.1** hereof and numbered consecutively T-1 and upward, or (ii) as fully registered Bonds, being one note for each stated maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the “Initial Bond(s)”).

[The remainder of this page is intentionally left blank.]

SECTION 3.2 *Form of Definitive Bond.*

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
NO.

REGISTERED
\$

United States of America
State of Texas
CITY OF RICHWOOD, TEXAS
GENERAL OBLIGATION BONDS,
SERIES 2019A

Interest Rate:	Dated Date:	Stated Maturity:	CUSIP NO:
.....	<u>July 15, 2019</u>		

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The City of Richwood, Texas (hereinafter together with its successors referred to as the “*Issuer*”), a body politic and municipal corporation duly organized and existing under and by virtue of the laws of the State of Texas, for value received, hereby promises to pay, but solely to and from the extent of the sources described herein, to the Registered Owner specified above or registered assigns, on the Stated Maturity specified above, the Principal Amount specified above, and to pay interest thereon to the Person herein specified from the date of initial delivery hereof (July 16, 2019), or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until such principal is paid or duly provided for on or after such Stated Maturity or any earlier Redemption Date, semiannually on February 15 and August 15 in each year commencing February 15, 2020, at the per annum Interest Rate specified above, computed on the basis of a 360-day year of twelve 30-day months and, except as otherwise permitted by the Ordinance hereinafter referred to, to make the payments to the United States of America in the amounts and on the date therein described when due. Principal of this Bond is payable at its Stated Maturity to the Registered Owner hereof, upon presentation and surrender, at the principal payment office of the Paying Agent executing the Registration Bond of Paying Agent appearing hereon, which shall initially be The Bank of New York Mellon Trust Company, N.A., or its successor in its designated place of payment, initially Dallas, Texas (the “*Place of Payment*”).

The interest so payable on, and paid or duly provided for on or within 10 days after, any Interest Payment Date will be paid to the Person in whose name this Bond (or one or more Predecessor Bonds evidencing the same debt) is registered at the close of business on the Regular Record Date for such interest, which is the last business day of the calendar month next preceding such Interest Payment Date. Any such interest not so paid or duly provided for ceases to be payable to the Person in whose name such Bond is registered on such Regular Record Date, and shall be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Paying Agent, notice whereof being sent to the Registered Owners of the Bonds not less than five business days prior to the Special Record Date. All such interest is payable at the Place of Payment. Such interest is payable (1) by check or draft mailed to the address of the Registered Owner as the same appears on the Security Register of the Issuer kept by the Paying Agent, as Registrar, or (2) in accordance with other customary arrangements acceptable to the Paying Agent made by the Registered Owner. The principal or Redemption Price of this Bond is payable at the Place of Payment upon presentation and surrender of this Bond. All such payments must be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment is a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally in the city in which the Place of Payment is located, such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$2,955,000 (the “*Bonds*”) pursuant to an Ordinance adopted by the governing body of the Issuer (the “*Ordinance*”), to pay contractual obligations of the Issuer incurred to make permanent public improvements and for other public purposes, to wit: the acquisition, construction, and equipping of (i) street and road improvements; (ii) sidewalk construction and improvements; and (iii) drainage improvements and flood control projects, and to pay for professional services relating thereto and the issuance costs of the Bonds, under and in strict conformity with the laws of the State of Texas, particularly Texas Government Code chapter 1331.

The Bonds with a Stated Maturity on or after August 15, 2030, may be redeemed at the option of the Issuer, on notice mailed to the Registered Owners thereof not less than 30 days prior to the Redemption Date as provided in the Ordinance, as a whole or from time to time in part in integral multiples of \$5,000 principal on any date prior to their Stated Maturity, but not before August 15, 2029, upon payment of the Redemption Price, which is the principal amount thereof together with interest, if any, accrued from the most recent Interest Payment Date to the Redemption Date.

[Certificates maturing on the dates specified below are subject to mandatory redemption prior to maturity in the principal amounts and on the redemption dates set out below, at a price equal to such principal amounts plus accrued interest from the most recent interest payment date to such redemption dates:

Certificates maturing [Stated Maturity]

Redemption Date <u>([Maturity Date])</u>	Principal <u>Amount</u>
	\$
(Stated Maturity)	

Certificates maturing [Stated Maturity]

Redemption Date <u>([Maturity Date])</u>	Principal <u>Amount</u>
	\$
(Stated Maturity)	

Certificates maturing [Stated Maturity]

Redemption Date <u>([Maturity Date])</u>	Principal <u>Amount</u>
	\$
(Stated Maturity)	

Such Certificates to be redeemed shall be selected by lot from and among the Certificates of such maturity then subject to redemption. The Issuer, at its option, may credit against any mandatory sinking fund redemption requirement Certificates of the maturity then subject to redemption which have been purchased and canceled by the Issuer or have been redeemed and theretofore applied as a credit against any mandatory sinking fund redemption requirement.]

Bonds of a denomination larger than \$5,000 may be redeemed in part (in, and leaving unredeemed, an authorized denomination) and upon any partial redemption of any such Bond the same must be surrendered in exchange for one or more new Bonds of the same Stated Maturity in authorized denominations for the unredeemed portion of principal. Bonds (or portions thereof) for whose redemption and payment provision is made in accordance with the Ordinance cease to bear interest from and after the Redemption Date.

If this Bond (or any portion of the principal sum hereof) has been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) is due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent, interest ceases to accrue and to be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

The Bonds of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the Issuer, within the limitations prescribed by law.

Reference is hereby made to the Ordinance, copies of which are on file in the principal corporate trust office of the Paying Agent, and to all of the provisions of which the Registered Owner by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owner; the rights, duties, and obligations of the Issuer and the Paying Agent; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

The Ordinance permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Registered Owners of the Bonds under the Ordinance at any time by the Issuer with the consent of the Registered Owners of a majority in aggregate principal amount of such Bonds at the time outstanding affected by such modification. Any such consent by the Registered Owners of this Bond or any Predecessor Bond herefor evidencing the same debt is conclusive and binding upon such Registered Owner and all future Registered Owners of this Bond and of any Bond issued upon the transfer or in lieu hereof or in exchange herefor, whether or not notation of such consent is made upon this Bond.

As provided in the Ordinance and subject to certain limitations therein set forth, this Bond is transferable on the Security Register of the Issuer, upon surrender of this Bond for transfer to the Paying Agent at the Place of Payment, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent duly executed by, the registered Owner hereof or its attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Bonds are issuable as fully registered Bonds in denominations of principal, equal to \$5,000 and any integral multiple thereof. Upon surrender of this Bond for exchange to the Paying Agent at the Place of Payment, and subject to certain limitations set forth in the Ordinance, one or more new fully registered Bonds of the same Stated Maturity, of designated authorized denominations, and for the same aggregate principal amount will be issued to the registered Owner of this Bond.

No service charge may be made for any transfer or exchange hereinabove referred to, but the Issuer or the Paying Agent may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Issuer, the Paying Agent, and any agent of either of them may treat the Person in whose name this Bond is registered as the Registered Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and none of the Issuer, the Paying Agent, and any such agent is affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Bond in order to render the same a legal, valid, and binding obligation of the Issuer have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof is deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications is not in any way affected or impaired thereby. The terms and provisions of this Bond and the Ordinance are to be construed in accordance with and governed by the laws of the State of Texas.

Unless either a Registration Certificate hereon has been executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent or by the Paying Agent, respectively, by manual signature, this Bond shall not be entitled to any benefit under the Ordinance or be valid or obligatory for any purpose.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

CITY OF RICHWOOD, TEXAS

By.....
Mayor

ATTEST:

.....
City Secretary

[The remainder of this page is intentionally left blank.]

SECTION 3.3 *Form of Registration Bond of Comptroller of Public Accounts.*

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS*

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

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

WITNESS my signature and seal of office this

(SEAL)

.....
Comptroller of Public Accounts
of the State of Texas

*** Note to Printer: Not to appear on printed Bonds**

SECTION 3.4 *Form of Bond of Paying Agent.*

CERTIFICATE OF PAYING AGENT*

This Bond has been duly issued under the provisions of the within-mentioned Ordinance; the Bond or Bonds of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent.

.....
The Bank of New York Mellon Trust
Company, N.A.,
as Paying Agent

By.....
Authorized Officer

*** Note to Printer: Not to appear on initial Bonds**

SECTION 3.5 *Form of Assignment.*

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee):
.....
.....
(Social Security or other identifying number:)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
.....
attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

DATED:

Signature guaranteed:
.....

.....
NOTICE: The signature on this assignment
must correspond with the name of the
registered owner as it appears on the face of
the within Bond in every particular.

SECTION 3.6 *Form of Initial Bond.*

The Initial Bond shall be in the form set forth in **Section 3.2** except that the form of a
single fully registered Bond shall be modified as follows:

- (i) immediately under the name of the Bond the headings “Interest Rate
_____”, “Stated Maturity_____”, and “CUSIP No.” will be omitted;
- (ii) Paragraph one will read as follows:

The City of Richwood, Texas (hereinafter together with its successors referred to as the
“*Issuer*”), a body politic and municipal corporation duly organized and existing under and by
virtue of the laws of the State of Texas, for value received, hereby promises to pay, but solely to
and from the extent of the sources described herein, to the Registered Owner specified above or
registered assigns, the hereinabove stated the Principal Amount on August 15 in each of the
years and in principal amounts and bearing interest at per annum rates in accordance with the
following schedule:

YEAR	PRINCIPAL INSTALLMENTS	INTEREST RATE
------	---------------------------	------------------

(Information to be inserted from schedule in **Section 1.1** hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest thereon computed on the basis of a 360-day year of twelve 30-day months to the Person herein specified from the date of initial delivery hereof (July 16, 2019), or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until such principal is paid or duly provided for on or after such Stated Maturity or any earlier Redemption Date, semiannually on February 15 and August 15 in each year commencing February 15, 2020, at the per annum Interest Rates specified above, computed on the basis of a 360-day year of twelve 30-day months. Principal installments of this Bond are payable at its Stated Maturity or on a prepayment date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A. (the “Paying Agent”), upon its presentation and surrender, at its designated offices in Dallas, Texas (the “Place of Payment”).

SECTION 3.7 *Insurance Legend.*

If bond insurance is obtained by the Issuer or the Purchaser for the Bonds, the Definitive Bonds and the Initial Bond(s) shall bear an appropriate legend as provided by the insurer.

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ARTICLE FOUR
TAXES, REVENUES, AND FUNDS;
INVESTMENTS

SECTION 4.1 *Bond Fund.*

To pay interest on and to provide a sinking fund for the payment, redemption, and retirement of the Bonds, the Issuer hereby creates and shall maintain solely for such purposes (subject to the provisions of **Section 5.5**) a special fund designated as its “GENERAL OBLIGATION BONDS, SERIES 2019A, INTEREST AND SINKING FUND” (the “*Bond Fund*”). The Issuer authorizes and directs its authorized officials to withdraw from the Bond Fund and to transfer to the Paying Agent money on deposit in the Bond Fund sufficient to pay the amount of principal or interest falling due on the Bonds, such transfer of funds to the Paying Agent to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent on or before the last business day next preceding each Maturity or Interest Payment Date for the Bonds.

SECTION 4.2 *Deposits to Bond Fund; Excess Bond Proceeds.*

The Issuer shall deposit accrued interest and premium, if any, received from the Purchaser and ad valorem taxes levied and collected to pay principal or Redemption Price of or interest on the Bonds to the Bond Fund. In addition, the Issuer shall deposit any surplus proceeds, including investment income therefrom, from the sale of the Bonds not expended for authorized purposes to the Bond Fund.

SECTION 4.3 *Construction Accounts.*

Except as provided in **Section 4.2**, the Issuer will deposit proceeds derived from the sale of the Bonds (after paying costs of issuance) into special construction account or accounts created for the projects to be constructed with such proceeds. Pending completion of construction of the projects financed with such proceeds interest earned on the such proceeds must be accounted for, maintained, deposited, and expended as permitted by the provisions of Texas Government Code section 1201.043, as from time to time in effect, or as otherwise required by applicable law. Thereafter, such interest must be accounted for, maintained, deposited, and expended in accordance with **Section 4.4**.

SECTION 4.4 *Investments and Security For Funds.*

The Issuer is required to keep all money in such funds and accounts at a depository of the Issuer except when invested pursuant to this Section. Subject to **Section 5.6**, money in any fund established by this Ordinance may, at the option of the Issuer, be invested in a manner permitted by the provisions of the Public Funds Investment Act of 1987, Texas Government Code chapter 2256, subchapter A, as then in effect, the Public Funds Collateral Act, Texas Government Code chapter 2257, as then in effect, or by any other law applicable to the Issuer; provided that all such investments must be made so that money required to be expended will be available at the proper time or times. The Issuer shall credit or debit all interest and income or losses from deposits and investments in any fund or account established pursuant to the provisions of this Ordinance shall

be credited to such fund or account. The Issuer shall sell investments promptly as necessary to prevent any default in connection with the Bonds.

All money on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 4.5 *Tax Levy.*

To provide for the payment of the Debt Service Requirements, which are defined to be (i) the interest on the Bonds and (ii) a sinking fund for payment of principal of the Bonds at Stated Maturity or earlier redemption or a sinking fund of 2% (whichever amount is greater), the Issuer levies and shall levy for the current year and each succeeding year thereafter while the Bonds or any interest thereon is Outstanding, a sufficient tax on each \$100 of taxable property in the Issuer, adequate to pay such amounts, full allowance being made for delinquencies and costs of collection. Such tax shall be assessed and collected each year, and the same may not be diverted to any other purpose. The Issuer shall pay the taxes so levied and collected into the Bond Fund. The Governing Body hereby declares its purpose and intent to provide and levy such tax, it having been determined that the existing and available taxing authority of the Issuer for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The Issuer shall determine the amount of taxes to be provided annually for the Debt Service Requirement in the following manner:

A. Prior to establishing the annual tax rate, the Governing Body shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Bonds between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Bond Fund (including surplus Bond proceeds transferred to the Bond Fund under **Section 4.2**) after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Bonds prior to the Collection Date for the ad valorem taxes then to be levied and (b) adding thereto the amount of the Net Revenues, if any, to be appropriated and allocated to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes then to be levied; and

(3) the amount of Net Revenues, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Bonds between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The Issuer shall assess and levy annually each year a tax to pay the Debt Service Requirements sufficient to provide tax revenues in the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

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ARTICLE FIVE COVENANTS

SECTION 5.1 *To Maintain Agency.*

The Issuer will at all times until the Bonds are duly paid maintain an agency meeting the qualifications herein described, for the performance of the duties of the Paying Agent hereunder. The Bank of New York Trust Company, N.A., is hereby appointed Paying Agent for such purposes. The Issuer retains the right to replace the Paying Agent, and the Paying Agent may be removed from its duties hereunder at any time upon not less than 30 days' notice with or without cause by action of the Governing Body entered in its minutes, but no such removal is effective until a successor has accepted the duties of the Paying Agent hereunder by written instrument.

Every Paying Agent appointed hereunder must at all times be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$10,000,000, subject to supervision or examination by federal or state authority, registered as a transfer agent with the Securities and Exchange Commission. If such corporation publishes reports of condition at least annually pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Upon any change in the Paying Agent, the Issuer agrees to promptly cause a written notice thereof to be sent to each Registered Owner affected by the change, which notice shall also give the address of the new Paying Agent, which shall be the designated Place of Payment.

This Section is subject to the provisions of **Section 8.2**.

The terms of the Transfer and Paying Agency Agreement with the initial Paying Agent are hereby approved in substantially the form and to the effect presented to the Governing Body on this date, and the Mayor and the Mayor Pro Tem of the Issuer, or either of them, and the City Clerk and any Assistant or Acting City Clerk of the Issuer, or any of them, are hereby authorized to execute and deliver such Transfer and Paying Agency Agreement.

SECTION 5.2 *Covenants to Maintain Tax-Exempt Status.*

A. Definitions. When used in this Section, the following terms have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"*Computation Date*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of

- (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and
- (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The Issuer shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Issuer receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Issuer shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall at all times prior to the last Stated Maturity of Bonds:

- (1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Issuer or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, exceeds the Yield of the Bonds.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the Issuer shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The Issuer shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The Issuer shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Issuer may commingle Gross Proceeds of the Bonds with other money of the Issuer, provided that the Issuer separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Issuer shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The Issuer shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Issuer shall pay to the United States out of its general fund, other appropriate fund, or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The Issuer shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to *Subsection H* of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

J. Elections. The Issuer hereby directs and authorizes the Mayor Mayor Pro Tem, Secretary, Manger, Attorney, or Director of Finance of the Issuer, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Bonds as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 5.3 *Remedies in Event of Default.*

In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Bond Fund, or (b) defaults in the observance or performance of any other of

the covenants, conditions, or obligations set forth in this Ordinance, the Registered Owners of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

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ARTICLE SIX DISCHARGE OF BONDS

SECTION 6.1 *Discharge of Obligations.*

Any Bond is deemed paid and is no longer considered to be Outstanding within the meaning of this Ordinance when payment of the principal of and interest on such Bond to the Stated Maturity thereof or (if notice of redemption has been duly given, irrevocably provided for, or waived as provided herein) to the Redemption Date has been made or has been provided for by deposit with the Paying Agent for such payment (or with any other bank or trust company which has agreed to hold the same for such purpose) (1) money sufficient to make such payment, (2) Governmental Obligations certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, or (3) a combination of money and Governmental Obligations together so certified sufficient to make such payment, provided that all the expenses pertaining to the Bonds with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Paying Agent (and to such other bank or trust company).

If such deposit is made with respect to some but not all of the Bonds then Outstanding, the Issuer shall designate the Stated Maturities of Bonds with respect to which such deposit is made. If such deposit is sufficient so to provide for the payment of the principal of and interest on some but not all Outstanding Bonds of a particular Stated Maturity so designated, the Paying Agent shall select the Outstanding Bonds of such Stated Maturity with respect to which such deposit is made by such random method as the Paying Agent deems fair and appropriate and which may provide for the selection of portions (equal to and leaving undischarged an authorized denomination) of Bonds a denomination larger than \$5,000.

Notwithstanding anything herein to the contrary, no such deposit has the effect described in this Section (a) if made during the subsistence of a default in the payment of any Bond unless made with respect to all of the Bonds then Outstanding or (b) unless accompanied by an opinion of counsel of recognized standing in the field of federal income taxation to the effect that neither such deposit nor the investment thereof adversely affects the excludability of interest on any Bond from the gross income of any owner thereof for federal income tax purposes.

The Paying Agent (or other bank or trust company) with which a deposit is made of money and Governmental Obligations for such purpose shall hold the deposit in a segregated account in trust or escrow for the Registered Owners of the Bonds with respect to which such deposit is made and, together with any investment income therefrom, the deposit may be disbursed solely to pay the principal of and interest on such Bonds when due, except that cash receipts may be withdrawn and paid to the Issuer provided the date and amount of such withdrawals are taken into account in the most recent verification of the accounting firm referred to in this Section. No money or Governmental Obligations so deposited may be invested or reinvested unless in Governmental Obligations and unless such money and Governmental Obligations not invested and such new investments are together certified by an independent

public accounting firm of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment.

When a Bond is deemed paid hereunder, as aforesaid, it is no longer entitled to the benefits of this Ordinance, except for the purposes of any such payment from such money or Governmental Obligations and for the provisions of **Sections 1.4** and **1.5** and for the continuing compliance of the Issuer with the provisions of **Section 5.6**.

Upon such deposit as described above, such Bonds are no longer regarded as outstanding or unpaid. The Issuer has the option, to be reserved when Bonds are discharged, to call for redemption at an earlier date those Bonds which previously have been discharged to their stated maturity date, if the Issuer (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm bank and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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ARTICLE SEVEN SALE

SECTION 7.1 *Sale of the Bonds.*

The sale of the Bonds to SAMCO Capital Markets, Inc., and FTN Financial Capital Markets (collectively, the “*Purchaser*”) at the price of par, plus accrued interest thereon.

Delivery of the Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of sale.

SECTION 7.2 *Payment of Costs of Issuance; Engagement of Bond Counsel.*

The Issuer has in consultation with its financial advisor, BOK Financial Securities, Inc., set aside an amount of the proceeds of the Bonds to pay costs of issuance of the Bonds. The amount of such proceeds will be designated in a closing letter prepared by the financial advisor, and in the absence of contrary written instructions included as part of such closing letter to deposit such proceeds with the Issuer, the Paying Agent will pay such costs of issuance on behalf of the Issuer in accordance with invoices.

The Issuer hereby confirms engagement of Norton Rose Fulbright US LLP as Bond Counsel (“*Bond Counsel*”) for the City in accordance with the terms of the Letter of Engagement between the Issuer and Bond Counsel.

SECTION 7.3 *Official Statement.*

The Issuer hereby approves and ratifies distribution of the Preliminary Official Statement and Notice of Sale and Bidding Instructions relating to the Bonds. The Issuer further approves and authorizes distribution of the Official Statement, dated the date hereof, substantially in the form of the Preliminary Official Statement but completed and modified to reflect the terms of sale of the Bonds and such other changes as the Mayor of the Issuer shall approve. The Mayor of the Issuer and City Secretary of the Issuer are authorized and directed to execute and deliver for and on behalf of the Issuer sufficient copies of such Official Statement, and, in the form and content manually executed by said officials of the Issuer, the same shall be deemed approved by this Governing Body and constitute the Official Statement duly authorized for distribution.

[The remainder of this page is intentionally left blank.]

ARTICLE EIGHT
CONTINUING DISCLOSURE UNDERTAKING

SECTION 8.1 *Annual Reports.*

The Issuer shall provide annually to the MSRB via EMMA, within six months after the end of each fiscal year of the Issuer ending in or after September 30, 2019, financial information and operating data with respect to the Issuer of the general type included in the Official Statement for the Bonds, being the information described in *Exhibit A* hereto. If audited financial statements for the Issuer are not available within such period, then the Issuer shall provide its audited financial statements for the applicable fiscal year to the MSRB via EMMA when such audited financial statements become available.

If the Issuer changes its fiscal year, the Issuer will notify the MSRB via EMMA 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 (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB via EMMA or filed with the SEC.

SECTION 8.2 *Material Event Notices.*

The Issuer shall notify the MSRB via EMMA, in a timely manner not in excess of 10 business days, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;

- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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;
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the obligated person, any of which reflect financial difficulties.

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

The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. The Issuer shall notify the MSRB via EMMA, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with *Section 8.1* by the time required by such Section.

SECTION 8.3 *Limitations, Disclaimers, and Amendments.*

The Issuer shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give the notice required by *Section 8.2* of any Bond calls and defeasance that cause the Issuer to be no longer such an “obligated person.”

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

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

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

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

The provisions of this Article 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 or businesses of the Issuer, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in a primary offering of the Bonds in compliance with the Rule, taking

into account any amendments and interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. If the Issuer so amends the provisions of this Article, the Issuer shall include with any amended financial information or operating data next provided in accordance with *Section 8.1* an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also repeal or amend the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Article in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in a primary offering of the Bonds.

SECTION 8.4 *Definitions.*

As used in this Article, the following terms have the meanings ascribed to such terms below:

“*EMMA*” means the Electronic Municipal Market Access system.

“*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.

* * *

This Ordinance is in force and effect from and after its final passage, and it is so ordained.

PASSED AND ADOPTED on June 17, 2019.

CITY OF RICHWOOD, TEXAS

Mayor

ATTEST:

City Secretary

EXHIBIT A

In the Preliminary Official Statement dated June 10, 2019, the quantitative financial information and operating data with respect to the Issuer of general type contained in Tables 1 through 3 and 5 through 14 and certain information in the annual financial statements in Appendix B.

Ordinance Number 2019-458

AN ORDINANCE
AUTHORIZING THE ISSUANCE OF
“CITY OF RICHWOOD, TEXAS,
GENERAL OBLIGATION BONDS,
SERIES 2019B”;
AND LEVYING AN AD VALOREM TAX;
AUTHORIZING THE EXECUTION OF A TRANSFER AND
PAYING AGENCY AGREEMENT;
AND OTHER MATTERS IN CONNECTION THEREWITH

CITY OF RICHWOOD, TEXAS

ADOPTED June 17, 2019

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AN ORDINANCE
AUTHORIZING THE ISSUANCE OF
“CITY OF RICHWOOD, TEXAS,
GENERAL OBLIGATION BONDS,
SERIES 2019”;
AND LEVYING AN AD VALOREM TAX;
AUTHORIZING THE EXECUTION OF A TRANSFER AND
PAYING AGENCY AGREEMENT;
AND OTHER MATTERS IN CONNECTION THEREWITH

RECITALS

1. The City Council (the “*Governing Body*”) of the City of Richwood, Texas (the “*Issuer*”), a political subdivision and home-rule city, hereby finds and determines that it should issue General Obligation Bonds (the “*Bonds*”) in the principal amount of \$4,000,000 being the first installment of series of bonds approved for the purposes of funding acquisition, design, construction, equipping, and improvement of water and wastewater facilities, and for the purchase of materials, supplies, machinery, and rights-of-way related thereto at an election held May 4, 2019, and to pay for professional services relating thereto and the issuance costs of the Bonds.

<u>Election Date</u>	<u>Amount Originally Authorized</u>	<u>Amount Heretofore Issued</u>	<u>Amount Being Issued</u>	<u>Amount Remaining</u>
5/4/2019	\$4,000,000	\$0	\$4,000,000	\$0

2. The Governing Body has found and determined that \$4,000,000 in aggregate principal amount of the Bonds described in such notice should now be issued and sold, and has adopted this ordinance authorizing issuance of such Bonds.

3. It is in the Issuer’s best interest to issue the bonds described herein.

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

ARTICLE ONE
THE BONDS

SECTION 1.1 *Authorization and Terms; Purpose.*

A. *Authorization, Title, Principal Amount, and Purpose.* The Bonds are hereby authorized to be issued in the aggregate principal amount of \$4,000,000, and are entitled the Issuer's "GENERAL OBLIGATION BONDS, SERIES 2019B", to pay contractual obligations incurred to make permanent public improvements and for other public purposes all as stated in Recital 1 hereto, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Texas Government Code chapter 1331, as now in effect. The Bonds shall have a Dated Date of July 15, 2019 (which is the "*Dated Date*" of the Bonds and to be inserted below "*Dated Date*" immediately below the title thereof).

B. *Denominations, Maturities, Rates of Interest.* The Stated Maturities of the Bonds are August 15 of the years and the aggregate principal amounts set forth below in this Subsection, and interest on the Bonds of each Stated Maturity accrues from the date of the initial delivery of the Bonds or the most recent Interest Payment Date to which interest has been paid or duly provided for, until such Bonds are paid or due provision therefor is made at or after the Maturity thereof, at the per annum rates set forth opposite such Stated Maturity below, calculated on the basis of a 360-day year of twelve 30-day months and payable semiannually on each February 15 and August 15 commencing February 15, 2020:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate (%)</u>	<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate (%)</u>
2020	\$20,000		2035	\$140,000	
2021	50,000		2036	145,000	
2022	85,000		2037	145,000	
2023	115,000		2038	140,000	
2024	140,000		2039	140,000	
2025	145,000		2040	145,000	
2026	145,000		2041	145,000	
2027	145,000		2042	145,000	
2028	145,000		2043	140,000	
2029	140,000		2044	145,000	
2030	145,000		2045	145,000	
2031	145,000		2046	145,000	
2032	145,000		2047	145,000	
2033	140,000		2048	140,000	
2034	145,000		2049	145,000	

C. *Payment.* The principal and Redemption Price of the Bonds is payable upon surrender, and the interest on the Bonds is payable, at the corporate trust office of the Paying Agent in Dallas, Texas, or at such other city as designated by the Issuer upon Notice to the Registered Owners. Such place is herein referred to as the "*Place of Payment*".

The Issuer shall transfer the principal and Redemption Price of the Bonds to the Paying Agent on or prior to the date it is due.

If the specified date for any payment of principal (or Redemption Price) of or interest on the Bonds is a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally in the city of the Place of Payment, such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

D. *Payment of Interest; Interest Rights Preserved.* Interest on any Bond is payable to the Registered Owner thereof as of the close of business on the last day of the month proceeding such Interest Payment Date (the “*Regular Record Date*”), and is payable (i) by check sent by United States Mail, first-class postage prepaid, by the Paying Agent, to the address of the Registered Owner appearing in the Security Register, or (ii) by such other method acceptable to the Paying Agent requested in writing by the Registered Owner at the Registered Owner’s risk and expense.

In the event of a non-payment of interest on a scheduled payment date, and for 10 days thereafter, a new record date for such interest payment (a “*Special Record Date*”) will be established by the Paying Agent, 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 (“*Special Payment Date*”, which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner of a Bond appearing on the registration books of the Paying Agent at the close of business on the last business day next preceding the date of mailing of such notice. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest must be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date.

E. *Legal Tender.* The principal or Redemption Price of and interest on the Bonds is payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, without exchange or collection charges to the Registered Owner.

SECTION 1.2 *Redemption.*

A. *Optional and Mandatory Redemption.* The Bonds are subject to redemption at the option of the Issuer and by mandatory redemption prior to Stated Maturity on the Redemption Dates and Redemption Prices as provided in the Form of Bond in **Section 3.2**.

B. *Exercise of Redemption Option.* The exercise by the Issuer of its option to redeem Bonds must be evidenced by an order or resolution of the Governing Body entered into its minutes. The Issuer at least 45 days prior to each Redemption Date (unless a shorter notice shall be satisfactory to the Paying Agent) must notify the Paying Agent of such Redemption Date and of the principal amount of Bonds of each Stated Maturity to be redeemed.

C. *Selection of Bonds for Redemption.* If less than all Outstanding Bonds of a Stated Maturity are to be redeemed, then not more than 60 days prior to the Redemption Date the Paying Agent shall select the particular Bonds within such Stated Maturity to be redeemed from the Outstanding Bonds not previously called for redemption by such random method as the Paying Agent deems fair and appropriate. The method of selection may provide for the selection for redemption of portions (equal to \$5,000 or any integral multiple thereof) of the principal of Bonds of a denomination larger than \$5,000.

The Paying Agent will promptly notify the Issuer in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

For purposes of this Ordinance, unless the context otherwise requires, all provisions relating to the redemption of Bonds relates, in the case of any Bond redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

D. *Notice of Redemption.* The Paying Agent shall mail notice of redemption in the name and at the expense of the Issuer not less than 30 days prior to the Redemption Date to each Registered Owner of Bonds to be redeemed, stating:

- (1) the Redemption Date,
- (2) the Redemption Price,
- (3) the principal amount, the identification (by title, CUSIP number, Stated Maturity, interest rate, and Dated Date) and, in the case of partial redemption, the respective principal amounts and Bond numbers of the Bonds to be redeemed,
- (4) that on the Redemption Date the Redemption Price of each of the Bonds to be redeemed will become due and payable and that interest thereon ceases to accrue from and after said date, and
- (5) that the Bonds to be redeemed are to be surrendered for payment of the Redemption Price at the Place of Payment, and the address of such Place of Payment.

Neither failure to give any notice to any Registered Owner or any defect therein will affect the sufficiency of any notice given. ANY NOTICE SO MAILED IS CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. Notice having been so given, the Bonds called for redemption is due and payable on the specified Redemption Date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bond or portion thereof ceases to accrue.

E. *Payment of the Redemption Price.* Upon the surrender of such Bonds for redemption in accordance with such notice, the Paying Agent shall pay such Bonds at the Redemption Price out of money supplied by the Issuer.

If any Bond called for redemption is not so paid upon surrender thereof for redemption, the same continues to bear interest from the Redemption Date at the rate borne by such Bond.

F. *Partial Redemption.* Any Bond which is to be redeemed only in part must be surrendered at the Place of Payment (with, if the Issuer or the Paying Agent so requires, due endorsement by, or written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the Registered Owner thereof or his attorney duly authorized in writing), and the Issuer shall execute and the Paying Agent shall register and deliver to the Registered Owner of such Bond, without service charge, a new Bond or Bonds of the same Stated Maturity and of any authorized denomination or denominations as requested by such Registered Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

SECTION 1.3 *Execution, Registration, Delivery, and Dating.*

The Mayor of the Issuer shall execute the Bonds with such signature on behalf of the Issuer attested by the Secretary of the Issuer. The signature of either of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Issuer bind the Issuer, notwithstanding that such individuals or either of them cease to hold such offices prior to the certification and delivery of such Bonds. To the extent required by Texas law, the Issuer authorizes its seal reproduced, affixed, or impressed thereon.

The Mayor of the Issuer is authorized and directed to execute and the Secretary of the Issuer to attest the Initial Bonds in the name of Cede & Co. The Mayor of the Issuer is further authorized and directed to submit the Initial Bonds, together with the record of the proceedings authorizing the issuance thereof and any and all other necessary orders, Bonds, and records, to the Attorney General of Texas for approval. After the Attorney General has approved such Bonds, the Mayor of the Issuer shall cause such Bonds to be delivered to the Comptroller of Public Accounts of the State of Texas for registration. If requested by the Attorney General or its representatives, or if otherwise deemed necessary to properly evidence the intent of the Issuer in the adoption of this Ordinance, the Mayor or Mayor pro tem of the Issuer may make such ministerial changes in the written text of this Ordinance as such officer determines are consistent with the intent and purposes of this Ordinance, which determination shall be final. Upon registration of the Bonds, the Comptroller is authorized and directed to deliver the Bonds in accordance with instructions of the Mayor of the Issuer. At any time thereafter the Issuer may deliver such Bonds to the Paying Agent together with definitive Bonds to be issued in exchange therefor, and the Paying Agent is directed, within not more than five business days following receipt of instructions from the payee named therein designating the Persons, Stated Maturities, and denominations to and in which such Bonds are to be transferred, register and deliver such definitive Bonds as provided in such instructions. The officers or acting officers of the Governing Body are authorized to execute and deliver on behalf of the Governing Body such Bonds and instruments as may be necessary to accomplish or in furtherance of the delivery of the Bonds to and payment therefor by the Purchasers.

All Bonds registered and delivered by the Paying Agent hereunder are to be dated by the Paying Agent the date of their registration.

No Bond is entitled to any right or benefit under this Ordinance, or is valid or obligatory for any purpose, unless there appears on such Bond either a Bond of registration substantially in the form provided in **Section 3.3**, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a Bond of registration substantially in the form provided in **Section 3.4**, executed by the Paying Agent by manual signature, and either such Bond upon any Bond is conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 1.4 *Registration, Transfer, and Exchange.*

The Issuer shall cause to be kept with the Paying Agent at the Place of Payment a register (herein referred to as the “*Security Register*”) in which, subject to such reasonable regulations as the Issuer or the Paying Agent may prescribe, the Paying Agent shall provide for the registration of the Bonds and of transfers of the Bonds as herein provided.

Upon surrender for transfer of any Bond with the Paying Agent at the Place of Payment, the Issuer shall execute, and the Paying Agent shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Stated Maturity, of any authorized denominations, and of a like aggregate principal amount.

At the option of the Registered Owner, Bonds may be exchanged for other Bonds of the same Stated Maturity, of any authorized denominations, and of like aggregate principal amount, upon surrender of the Bonds to be exchanged at the Place of Payment. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Paying Agent shall register and deliver, the Bonds which the Registered Owner of Bonds making the exchange is entitled to receive.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Registered Owners at the principal corporate trust office of the Paying Agent or sent by United States Mail, first class, postage prepaid to the Registered Owners at the Registered Owner’s written request, risk, and expense, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange must be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Paying Agent duly executed, by the Registered Owner thereof or his attorney duly authorized in writing.

No service charge may be made to the Registered Owner for any registration, transfer, or exchange of Bonds, but the Issuer or the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Paying Agent is required (1) to transfer or exchange any Bond during a period beginning 45 days prior to a Redemption Date hereunder and ending at the close of business on the day of mailing of a notice of redemption or (2) thereafter to transfer or exchange in whole or in part any Bond so selected for redemption.

SECTION 1.5 *Mutilated, Destroyed, Lost, and Stolen Bonds.*

If (1) any mutilated Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent such security or indemnity as they require to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond under this Section, the Issuer or the Paying Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond constitutes an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond is at any time enforceable by anyone, and the new Bond is entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 1.6 *Persons Deemed Owners.*

The Issuer and the Paying Agent, and any agent of either, may treat the Registered Owner as the owner of a Bond for purposes of receiving payment of principal and Redemption Price of and (*subject to Section 1.1*) interest on the Bond and for all other purposes whatsoever, whether or not the Bond is due or overdue, and neither the Issuer nor the Paying Agent, or any agent of either, is affected by notice to the contrary.

SECTION 1.7 *Cancellation.*

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent, are to be promptly canceled by it and, if surrendered to the Issuer, are to be delivered to the Paying Agent and, if not already canceled, are to promptly be

canceled by the Paying Agent. The Issuer may at any time deliver to the Paying Agent for cancellation any Bonds previously certified and delivered which the Issuer acquires in any manner whatsoever, and all Bonds so delivered are to be promptly canceled by the Paying Agent. No Bond may be certified in lieu of or in exchange for any Bond canceled as provided in this Section, except as expressly provided by this Ordinance. All canceled Bonds held by the Paying Agent are to be disposed of in accordance with the standard document retention policies of the Issuer.

SECTION 1.8 *Book-Entry Only.*

Notwithstanding the provisions contained in **Sections 1.3, 1.4 and 1.5** relating to the payment, redemption and transfer/exchange of the Bonds, the Issuer hereby approves and authorizes the use of “Book-Entry Only” securities clearance, settlement and transfer system provided by The Depository Trust Company (“DTC”), a limited purpose trust company organized under the laws of the State of New York, in accordance with DTC’s requirements and procedures, and authorizes the Issuer and the Paying Agent to take such as actions as are necessary to qualify the Bonds with DTC and to deliver the Bonds through DTC.

Pursuant to the rules and procedures of DTC now in effect, the Bonds shall be deposited with DTC (or with the Paying Agent on behalf of DTC) who shall hold said Bonds for its participants (the “DTC Participants”). While the Bonds are so held, the Registered Owner of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the “Beneficial Owners”) being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the Issuer determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the Issuer covenants and agrees with the Registered Owners of the Bonds to cause Bonds to be printed in definitive form and provide for the Bonds to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent and payment of such Bonds shall be made in accordance with the provisions of **Sections 1.3, 1.4 and 1.5**.

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ARTICLE TWO
DEFINITIONS AND OTHER PROVISIONS OF
GENERAL APPLICATION

SECTION 2.1 *Definitions.*

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

(1) The terms defined in this Section have the meanings assigned to them in this Section.

(2) All terms defined herein include the plural as well as the singular.

(3) All references in this Ordinance to designated “*Articles*”, “*Sections*”, “*Exhibits*”, and other subdivisions are to the designated Articles, Sections, Exhibits, and other subdivisions of this Ordinance as originally adopted.

(4) The words “*herein*”, “*hereof*”, and “*hereunder*” and other words of similar import refer to this Ordinance as a whole and not to any particular Article, Section, Exhibit, or other subdivision.

“*Bond Fund*” means the special fund of the Issuer created and established by the provisions of **Section 4.1**.

“*Bonds*” means any obligation of the Issuer authorized to be issued by **Article One**, whether initially delivered or issued in exchange for or upon transfer or in lieu of any Predecessor Bond.

“*Collection Date*” means, for any year, the date that annual ad valorem taxes levied by the Issuer in that year become delinquent.

“*Debt Service Requirement*” has the meaning stated in **Section 4.6**.

“*Fiscal Year*” means the annual financial accounting period for the Issuer as established by the Issuer on or prior to the date of this Ordinance; provided, however, the Governing Body may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

“*Governing Body*” means the City Council of the Issuer.

“*Governmental Obligations*” means (1) direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America, or (2) obligations authorized under Texas law from time to time for discharge and final payment of political or governmental obligations which, at the time of deposit have been assigned ratings in the highest rating category by a nationally recognized

investment rating firm, *but* in the case of both *Clauses* (1) and (2) only if such obligations may not be called for redemption prior to maturity.

“*Interest Payment Date*” means a date specified in the Bonds as a fixed date on which an installment of interest thereon is due and payable.

“*Issue Date*” means the date on which Bonds are first registered and delivered to the Purchasers in exchange for the purchase price therefor.

“*Issuer*” has the meaning stated in the Recitals.

“*Maturity*” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein provided, whether at the Stated Maturity, by call for redemption, or otherwise.

“*Ordinance*” means this Ordinance as finally passed and adopted by the Governing Body or as it may from time to time be supplemented, modified, or amended in accordance with the provisions hereof.

“*Outstanding*” when used with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except, without duplication:

(1) *Canceled Bonds*: Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(2) *Gross Cash Defeasance*: Bonds for whose payment or redemption money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the Registered Owner of such Bonds, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Ordinance, irrevocably provided for to the satisfaction of the Paying Agent, or waived;

(3) *Replaced Bonds*: Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Ordinance;

(4) *Paid Missing Bonds*: Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in **Section 1.5**; and

(5) *Net Cash Defeasance* : Bonds for the payment of the principal (or Redemption Price) of and interest on which money or Governmental Obligations or both are held by the Paying Agent or other bank or trust company and with the effect specified in **Section 6.1**;

provided, however, that in determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bonds owned by the Issuer or any other obligor upon the Bonds are disregarded and deemed not Outstanding, except that, in determining whether the Paying Agent is protected in relying upon any such request, demand, authorization, direction, notice,

consent, or waiver, only Bonds which the Paying Agent knows to be so owned are required to be so disregarded.

“Paying Agent” means the corporation named as the *“Paying Agent”* herein until a successor Paying Agent becomes such pursuant to the applicable provisions of this Ordinance, and thereafter *“Paying Agent”* means such successor Paying Agent.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“Place of Payment” means a corporate trust office of the Paying Agent in the State of Texas, as established in **Section 1.1**.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond registered and delivered under **Section 1.5** in lieu of a mutilated, lost, destroyed, or stolen Bond is deemed to evidence the same debt as the mutilated, lost, destroyed, or stolen Bond.

“Purchaser” means the initial purchaser or purchasers of the Bonds named in **Section 7.1** of this Ordinance.

“Redemption Date” means the date fixed for redemption of a Bond pursuant to the terms of this Ordinance.

“Redemption Price” means the price specified in the Form of Bond in **Section 3.2** as the price at which a Bond may be redeemed pursuant to the terms of the Ordinance.

“Registered Owner” mean the registered owner, whose name appears in the Security Register, for any Bond.

“Regular Record Date” for the interest payable on any Interest Payment Date means the last business day of the calendar month next preceding such Interest Payment Date.

“Security Register” has the meaning stated in **Section 1.4**.

“Stated Maturity” when used with respect to any Bonds means the date specified in such Certificate as the fixed date on which the principal of such Bond is due and payable.

SECTION 2.2 *Notices.*

Where this Ordinance provides for notice to Registered Owners of any event, such notice is sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Registered Owner, at the address of such Registered Owner as it appears in the Security Register. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Registered Owner affects the sufficiency of such notice with

respect to all other Registered Owners. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver is the equivalent of such notice. Waivers of notice by Registered Owners are to be filed with the Issuer, but such filing is not a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 2.3 *Effect of Headings and Table of Contents; Recitals.*

The section headings herein and in the Table of Contents are for convenience only and do not affect the construction hereof.

The Recitals contained in the preamble hereof are hereby found to be true, and such Recitals are hereby made a part hereof for all purposes and are adopted as part of the judgment and findings of the Governing Body.

SECTION 2.4 *Ordinance a Contract; Amendments.*

This Ordinance constitutes a contract with the Registered Owners entered into upon the initial purchase of the Bonds, is binding on the Issuer and its successors and assigns whether or not so expressed, and may not be amended or repealed by the Issuer so long as any Bond remains Outstanding except as permitted in this Section.

The Issuer may, without the consent of or notice to any Registered Owner, from time to time and at any time amend this Ordinance in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein or therein. In addition, the Issuer may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of the Registered Owners of all of the affected Outstanding Bonds, no such amendment, addition, or rescission may (1) change the Stated Maturity of the Bonds or any Interest Payment Date for an installment of interest thereon, reduce the principal amount thereof, the Redemption Price therefor, or the rate of interest thereon, change the place or places at, or the coin or currency in, which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, (3) modify any of the provisions of the proviso to the definition of the term “*Outstanding*”, or (4) modify any of the provisions of this Section, except to increase the percentage provided hereby or to provide that certain other provisions of this Ordinance cannot be modified or waived without the consent of the Registered Owner of each Bond affected thereby.

Any consent to any amendment hereof by the Registered Owner of any Bond binds every future Registered Owner of the same Bond and the Registered Owner of every Bond issued upon transfer or in lieu thereof or in exchange therefor, in respect of anything done or suffered to be

done by the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

SECTION 2.5 *Benefits of Ordinance.*

Subject to **Section 8.3**, nothing in this Ordinance, expressed or implied, is intended or may be construed to confer upon any Person (other than the Issuer and Registered Owners) any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer and the Registered Owners.

SECTION 2.6 *Repealer.*

All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable to the extent of such conflict, and the provisions of this Ordinance are controlling as to the matters prescribed herein.

SECTION 2.7 *Governing Law.*

This Ordinance is to be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

SECTION 2.8 *Severability.*

If any provision of this Ordinance or the application thereof to any Person or circumstance is held to be invalid, illegal, or unenforceable, the remainder of this Ordinance and the application of such provision to other Persons and circumstances is nevertheless valid, legal, and enforceable and the Governing Body hereby declares that this Ordinance would have been enacted without such invalid provision or application.

SECTION 2.9 *Public Meeting.*

The Governing Body officially finds, determines, and declares that notice of the adoption of this Ordinance was posted as required by law at a location within the Issuer in a place readily accessible to the general public at all times for at least 72 hours preceding the scheduled time of the meetings at which this Ordinance is read and approved; that such meetings were open to the public; and that public notice of the time, place, and purpose of such meetings was given as required by Texas Government Code chapter 551, as amended.

SECTION 2.10 *Authority of Officers.*

The Mayor, the Mayor Pro Tem, the Secretary or any assistant secretary, Manager, Attorney, or Director of Finance of the Issuer, or any of them, are authorized to evidence adoption of this Ordinance and to do any and all things proper and necessary to carry out the intent hereof.

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ARTICLE THREE FORMS

SECTION 3.1 *Forms Generally.*

The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be reproduced on the initial Bonds, the Registration Certificate of the Paying Agent to be reproduced on subsequently delivered Bonds, and the form of Assignment to be reproduced on each of the Bonds are to be substantially in the forms set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and the Bonds may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel or notice of insurance) thereon as may, consistently herewith, be determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds may be printed, lithographed, engraved, typewritten, photocopied, or produced by any combination of these methods, or produced in any other manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof. The initial Bonds to be delivered to the Attorney General may be issued either (i) as a single fully registered Bond in the total principal amount of the Bonds with principal installments to become due and payable as provided in **Section 1.1** hereof and numbered consecutively T-1 and upward, or (ii) as fully registered Bonds, being one note for each stated maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the “Initial Bond(s)”).

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SECTION 3.2 *Form of Definitive Bond.*

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
NO.

REGISTERED
\$

United States of America
State of Texas
CITY OF RICHWOOD, TEXAS
GENERAL OBLIGATION BONDS,
SERIES 2019B

Interest Rate:	Dated Date:	Stated Maturity:	CUSIP NO:
.....	<u>July 15, 2019</u>		

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The City of Richwood, Texas (hereinafter together with its successors referred to as the “*Issuer*”), a body politic and municipal corporation duly organized and existing under and by virtue of the laws of the State of Texas, for value received, hereby promises to pay, but solely to and from the extent of the sources described herein, to the Registered Owner specified above or registered assigns, on the Stated Maturity specified above, the Principal Amount specified above, and to pay interest thereon to the Person herein specified from the date of initial delivery hereof (July 16, 2019), or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until such principal is paid or duly provided for on or after such Stated Maturity or any earlier Redemption Date, semiannually on February 15 and August 15 in each year commencing February 15, 2020, at the per annum Interest Rate specified above, computed on the basis of a 360-day year of twelve 30-day months and, except as otherwise permitted by the Ordinance hereinafter referred to, to make the payments to the United States of America in the amounts and on the date therein described when due. Principal of this Bond is payable at its Stated Maturity to the Registered Owner hereof, upon presentation and surrender, at the principal payment office of the Paying Agent executing the Registration Bond of Paying Agent appearing hereon, which shall initially be The Bank of New York Mellon Trust Company, N.A., or its successor in its designated place of payment, initially Dallas, Texas (the “*Place of Payment*”).

The interest so payable on, and paid or duly provided for on or within 10 days after, any Interest Payment Date will be paid to the Person in whose name this Bond (or one or more Predecessor Bonds evidencing the same debt) is registered at the close of business on the Regular Record Date for such interest, which is the last business day of the calendar month next preceding such Interest Payment Date. Any such interest not so paid or duly provided for ceases to be payable to the Person in whose name such Bond is registered on such Regular Record Date, and shall be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Paying Agent, notice whereof being sent to the Registered Owners of the Bonds not less than five business days prior to the Special Record Date. All such interest is payable at the Place of Payment. Such interest is payable (1) by check or draft mailed to the address of the Registered Owner as the same appears on the Security Register of the Issuer kept by the Paying Agent, as Registrar, or (2) in accordance with other customary arrangements acceptable to the Paying Agent made by the Registered Owner. The principal or Redemption Price of this Bond is payable at the Place of Payment upon presentation and surrender of this Bond. All such payments must be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment is a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally in the city in which the Place of Payment is located, such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$4,000,000 (the “*Bonds*”) pursuant to an Ordinance adopted by the governing body of the Issuer (the “*Ordinance*”), to pay contractual obligations of the Issuer incurred to make permanent public improvements and for other public purposes, to wit: the acquisition, design, construction, equipping, and improvements of water and wastewater facilities, and for the purchase of materials, supplies, machinery, and rights-of-way related thereto, and to pay for professional services relating thereto and the issuance costs of the Bonds, under and in strict conformity with the laws of the State of Texas, particularly Texas Government Code chapter 1331.

The Bonds with a Stated Maturity on or after August 15, 2030, may be redeemed at the option of the Issuer, on notice mailed to the Registered Owners thereof not less than 30 days prior to the Redemption Date as provided in the Ordinance, as a whole or from time to time in part in integral multiples of \$5,000 principal on any date prior to their Stated Maturity, but not before August 15, 2029, upon payment of the Redemption Price, which is the principal amount thereof together with interest, if any, accrued from the most recent Interest Payment Date to the Redemption Date.

[Certificates maturing on the dates specified below are subject to mandatory redemption prior to maturity in the principal amounts and on the redemption dates set out below, at a price equal to such principal amounts plus accrued interest from the most recent interest payment date to such redemption dates:

Certificates maturing [Stated Maturity]

Redemption Date <u>([Maturity Date])</u>	Principal <u>Amount</u> \$
(Stated Maturity)	

Certificates maturing [Stated Maturity]

Redemption Date <u>([Maturity Date])</u>	Principal <u>Amount</u> \$
(Stated Maturity)	

Certificates maturing [Stated Maturity]

Redemption Date <u>([Maturity Date])</u>	Principal <u>Amount</u> \$
(Stated Maturity)	

Such Certificates to be redeemed shall be selected by lot from and among the Certificates of such maturity then subject to redemption. The Issuer, at its option, may credit against any mandatory sinking fund redemption requirement Certificates of the maturity then subject to redemption which have been purchased and canceled by the Issuer or have been redeemed and theretofore applied as a credit against any mandatory sinking fund redemption requirement.]

Bonds of a denomination larger than \$5,000 may be redeemed in part (in, and leaving unredeemed, an authorized denomination) and upon any partial redemption of any such Bond the same must be surrendered in exchange for one or more new Bonds of the same Stated Maturity in authorized denominations for the unredeemed portion of principal. Bonds (or portions thereof) for whose redemption and payment provision is made in accordance with the Ordinance cease to bear interest from and after the Redemption Date.

If this Bond (or any portion of the principal sum hereof) has been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) is due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent, interest ceases to accrue and to be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

The Bonds of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the Issuer, within the limitations prescribed by law.

Reference is hereby made to the Ordinance, copies of which are on file in the principal corporate trust office of the Paying Agent, and to all of the provisions of which the Registered Owner by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owner; the rights, duties, and obligations of the Issuer and the Paying Agent; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

The Ordinance permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Registered Owners of the Bonds under the Ordinance at any time by the Issuer with the consent of the Registered Owners of a majority in aggregate principal amount of such Bonds at the time outstanding affected by such modification. Any such consent by the Registered Owners of this Bond or any Predecessor Bond herefor evidencing the same debt is conclusive and binding upon such Registered Owner and all future Registered Owners of this Bond and of any Bond issued upon the transfer or in lieu hereof or in exchange herefor, whether or not notation of such consent is made upon this Bond.

As provided in the Ordinance and subject to certain limitations therein set forth, this Bond is transferable on the Security Register of the Issuer, upon surrender of this Bond for transfer to the Paying Agent at the Place of Payment, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent duly executed by, the registered Owner hereof or its attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Bonds are issuable as fully registered Bonds in denominations of principal, equal to \$5,000 and any integral multiple thereof. Upon surrender of this Bond for exchange to the Paying Agent at the Place of Payment, and subject to certain limitations set forth in the Ordinance, one or more new fully registered Bonds of the same Stated Maturity, of designated authorized denominations, and for the same aggregate principal amount will be issued to the registered Owner of this Bond.

No service charge may be made for any transfer or exchange hereinabove referred to, but the Issuer or the Paying Agent may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Issuer, the Paying Agent, and any agent of either of them may treat the Person in whose name this Bond is registered as the Registered Owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and none of the Issuer, the Paying Agent, and any such agent is affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Bond in order to render the same a legal, valid, and binding obligation of the Issuer have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof is deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications is not in any way affected or impaired thereby. The terms and provisions of this Bond and the Ordinance are to be construed in accordance with and governed by the laws of the State of Texas.

Unless either a Registration Certificate hereon has been executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent or by the Paying Agent, respectively, by manual signature, this Bond shall not be entitled to any benefit under the Ordinance or be valid or obligatory for any purpose.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

CITY OF RICHWOOD, TEXAS

By.....
Mayor

ATTEST:

.....
City Secretary

[The remainder of this page is intentionally left blank.]

SECTION 3.3 *Form of Registration Bond of Comptroller of Public Accounts.*

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS*

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

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

WITNESS my signature and seal of office this

(SEAL)

.....
Comptroller of Public Accounts
of the State of Texas

*** Note to Printer: Not to appear on printed Bonds**

SECTION 3.4 *Form of Bond of Paying Agent.*

CERTIFICATE OF PAYING AGENT*

This Bond has been duly issued under the provisions of the within-mentioned Ordinance; the Bond or Bonds of the above-entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent.

.....
The Bank of New York Mellon Trust
Company, N.A.,
as Paying Agent

By.....
Authorized Officer

*** Note to Printer: Not to appear on initial Bonds**

SECTION 3.5 *Form of Assignment.*

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee):
.....
.....
(Social Security or other identifying number:)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
.....
attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

DATED:

Signature guaranteed:
.....

.....
NOTICE: The signature on this assignment
must correspond with the name of the
registered owner as it appears on the face of
the within Bond in every particular.

SECTION 3.6 *Form of Initial Bond.*

The Initial Bond shall be in the form set forth in **Section 3.2** except that the form of a
single fully registered Bond shall be modified as follows:

- (i) immediately under the name of the Bond the headings “Interest Rate
_____”, “Stated Maturity_____”, and “CUSIP No.” will be omitted;
- (ii) Paragraph one will read as follows:

The City of Richwood, Texas (hereinafter together with its successors referred to as the
“*Issuer*”), a body politic and municipal corporation duly organized and existing under and by
virtue of the laws of the State of Texas, for value received, hereby promises to pay, but solely to
and from the extent of the sources described herein, to the Registered Owner specified above or
registered assigns, the hereinabove stated the Principal Amount on August 15 in each of the
years and in principal amounts and bearing interest at per annum rates in accordance with the
following schedule:

YEAR	PRINCIPAL INSTALLMENTS	INTEREST RATE
------	---------------------------	------------------

(Information to be inserted from schedule in **Section 1.1** hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest thereon computed on the basis of a 360-day year of twelve 30-day months to the Person herein specified from the date of initial delivery hereof (July 16, 2019), or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until such principal is paid or duly provided for on or after such Stated Maturity or any earlier Redemption Date, semiannually on February 15 and August 15 in each year commencing February 15, 2020, at the per annum Interest Rates specified above, computed on the basis of a 360-day year of twelve 30-day months. Principal installments of this Bond are payable at its Stated Maturity or on a prepayment date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A. (the “Paying Agent”), upon its presentation and surrender, at its designated offices in Dallas, Texas (the “Place of Payment”).

SECTION 3.7 *Insurance Legend.*

If bond insurance is obtained by the Issuer or the Purchaser for the Bonds, the Definitive Bonds and the Initial Bond(s) shall bear an appropriate legend as provided by the insurer.

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ARTICLE FOUR
TAXES, REVENUES, AND FUNDS;
INVESTMENTS

SECTION 4.1 *Bond Fund.*

To pay interest on and to provide a sinking fund for the payment, redemption, and retirement of the Bonds, the Issuer hereby creates and shall maintain solely for such purposes (subject to the provisions of **Section 5.5**) a special fund designated as its “GENERAL OBLIGATION BONDS, SERIES 2019B, INTEREST AND SINKING FUND” (the “*Bond Fund*”). The Issuer authorizes and directs its authorized officials to withdraw from the Bond Fund and to transfer to the Paying Agent money on deposit in the Bond Fund sufficient to pay the amount of principal or interest falling due on the Bonds, such transfer of funds to the Paying Agent to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent on or before the last business day next preceding each Maturity or Interest Payment Date for the Bonds.

SECTION 4.2 *Deposits to Bond Fund; Excess Bond Proceeds.*

The Issuer shall deposit accrued interest and premium, if any, received from the Purchaser and ad valorem taxes levied and collected to pay principal or Redemption Price of or interest on the Bonds to the Bond Fund. In addition, the Issuer shall deposit any surplus proceeds, including investment income therefrom, from the sale of the Bonds not expended for authorized purposes to the Bond Fund.

SECTION 4.3 *Construction Accounts.*

Except as provided in **Section 4.2**, the Issuer will deposit proceeds derived from the sale of the Bonds (after paying costs of issuance) into special construction account or accounts created for the projects to be constructed with such proceeds. Pending completion of construction of the projects financed with such proceeds interest earned on the such proceeds must be accounted for, maintained, deposited, and expended as permitted by the provisions of Texas Government Code section 1201.043, as from time to time in effect, or as otherwise required by applicable law. Thereafter, such interest must be accounted for, maintained, deposited, and expended in accordance with **Section 4.4**.

SECTION 4.4 *Investments and Security For Funds.*

The Issuer is required to keep all money in such funds and accounts at a depository of the Issuer except when invested pursuant to this Section. Subject to **Section 5.6**, money in any fund established by this Ordinance may, at the option of the Issuer, be invested in a manner permitted by the provisions of the Public Funds Investment Act of 1987, Texas Government Code chapter 2256, subchapter A, as then in effect, the Public Funds Collateral Act, Texas Government Code chapter 2257, as then in effect, or by any other law applicable to the Issuer; provided that all such investments must be made so that money required to be expended will be available at the proper time or times. The Issuer shall credit or debit all interest and income or losses from deposits and investments in any fund or account established pursuant to the provisions of this Ordinance shall

be credited to such fund or account. The Issuer shall sell investments promptly as necessary to prevent any default in connection with the Bonds.

All money on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 4.5 *Tax Levy.*

To provide for the payment of the Debt Service Requirements, which are defined to be (i) the interest on the Bonds and (ii) a sinking fund for payment of principal of the Bonds at Stated Maturity or earlier redemption or a sinking fund of 2% (whichever amount is greater), the Issuer levies and shall levy for the current year and each succeeding year thereafter while the Bonds or any interest thereon is Outstanding, a sufficient tax on each \$100 of taxable property in the Issuer, adequate to pay such amounts, full allowance being made for delinquencies and costs of collection. Such tax shall be assessed and collected each year, and the same may not be diverted to any other purpose. The Issuer shall pay the taxes so levied and collected into the Bond Fund. The Governing Body hereby declares its purpose and intent to provide and levy such tax, it having been determined that the existing and available taxing authority of the Issuer for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The Issuer shall determine the amount of taxes to be provided annually for the Debt Service Requirement in the following manner:

A. Prior to establishing the annual tax rate, the Governing Body shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Bonds between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Bond Fund (including surplus Bond proceeds transferred to the Bond Fund under **Section 4.2**) after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Bonds prior to the Collection Date for the ad valorem taxes then to be levied and (b) adding thereto the amount of the Net Revenues, if any, to be appropriated and allocated to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes then to be levied; and

(3) the amount of Net Revenues, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Bonds between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The Issuer shall assess and levy annually each year a tax to pay the Debt Service Requirements sufficient to provide tax revenues in the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

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ARTICLE FIVE COVENANTS

SECTION 5.1 *To Maintain Agency.*

The Issuer will at all times until the Bonds are duly paid maintain an agency meeting the qualifications herein described, for the performance of the duties of the Paying Agent hereunder. The Bank of New York Trust Company, N.A., is hereby appointed Paying Agent for such purposes. The Issuer retains the right to replace the Paying Agent, and the Paying Agent may be removed from its duties hereunder at any time upon not less than 30 days' notice with or without cause by action of the Governing Body entered in its minutes, but no such removal is effective until a successor has accepted the duties of the Paying Agent hereunder by written instrument.

Every Paying Agent appointed hereunder must at all times be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$10,000,000, subject to supervision or examination by federal or state authority, registered as a transfer agent with the Securities and Exchange Commission. If such corporation publishes reports of condition at least annually pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Upon any change in the Paying Agent, the Issuer agrees to promptly cause a written notice thereof to be sent to each Registered Owner affected by the change, which notice shall also give the address of the new Paying Agent, which shall be the designated Place of Payment.

This Section is subject to the provisions of **Section 8.2**.

The terms of the Transfer and Paying Agency Agreement with the initial Paying Agent are hereby approved in substantially the form and to the effect presented to the Governing Body on this date, and the Mayor and the Mayor Pro Tem of the Issuer, or either of them, and the City Clerk and any Assistant or Acting City Clerk of the Issuer, or any of them, are hereby authorized to execute and deliver such Transfer and Paying Agency Agreement.

SECTION 5.2 *Covenants to Maintain Tax-Exempt Status.*

A. Definitions. When used in this Section, the following terms have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"*Computation Date*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of

- (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and
- (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The Issuer shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Issuer receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Issuer shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall at all times prior to the last Stated Maturity of Bonds:

- (1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Issuer or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, exceeds the Yield of the Bonds.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the Issuer shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The Issuer shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The Issuer shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the Issuer may commingle Gross Proceeds of the Bonds with other money of the Issuer, provided that the Issuer separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Issuer shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The Issuer shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Issuer shall pay to the United States out of its general fund, other appropriate fund, or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Bond Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The Issuer shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to *Subsection H* of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

J. Elections. The Issuer hereby directs and authorizes the Mayor Mayor Pro Tem, Secretary, Manger, Attorney, or Director of Finance of the Issuer, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Bonds as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 5.3 *Remedies in Event of Default.*

In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Bond Fund, or (b) defaults in the observance or performance of any other of

the covenants, conditions, or obligations set forth in this Ordinance, the Registered Owners of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

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ARTICLE SIX DISCHARGE OF BONDS

SECTION 6.1 *Discharge of Obligations.*

Any Bond is deemed paid and is no longer considered to be Outstanding within the meaning of this Ordinance when payment of the principal of and interest on such Bond to the Stated Maturity thereof or (if notice of redemption has been duly given, irrevocably provided for, or waived as provided herein) to the Redemption Date has been made or has been provided for by deposit with the Paying Agent for such payment (or with any other bank or trust company which has agreed to hold the same for such purpose) (1) money sufficient to make such payment, (2) Governmental Obligations certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, or (3) a combination of money and Governmental Obligations together so certified sufficient to make such payment, provided that all the expenses pertaining to the Bonds with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Paying Agent (and to such other bank or trust company).

If such deposit is made with respect to some but not all of the Bonds then Outstanding, the Issuer shall designate the Stated Maturities of Bonds with respect to which such deposit is made. If such deposit is sufficient so to provide for the payment of the principal of and interest on some but not all Outstanding Bonds of a particular Stated Maturity so designated, the Paying Agent shall select the Outstanding Bonds of such Stated Maturity with respect to which such deposit is made by such random method as the Paying Agent deems fair and appropriate and which may provide for the selection of portions (equal to and leaving undischarged an authorized denomination) of Bonds a denomination larger than \$5,000.

Notwithstanding anything herein to the contrary, no such deposit has the effect described in this Section (a) if made during the subsistence of a default in the payment of any Bond unless made with respect to all of the Bonds then Outstanding or (b) unless accompanied by an opinion of counsel of recognized standing in the field of federal income taxation to the effect that neither such deposit nor the investment thereof adversely affects the excludability of interest on any Bond from the gross income of any owner thereof for federal income tax purposes.

The Paying Agent (or other bank or trust company) with which a deposit is made of money and Governmental Obligations for such purpose shall hold the deposit in a segregated account in trust or escrow for the Registered Owners of the Bonds with respect to which such deposit is made and, together with any investment income therefrom, the deposit may be disbursed solely to pay the principal of and interest on such Bonds when due, except that cash receipts may be withdrawn and paid to the Issuer provided the date and amount of such withdrawals are taken into account in the most recent verification of the accounting firm referred to in this Section. No money or Governmental Obligations so deposited may be invested or reinvested unless in Governmental Obligations and unless such money and Governmental Obligations not invested and such new investments are together certified by an independent

public accounting firm of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment.

When a Bond is deemed paid hereunder, as aforesaid, it is no longer entitled to the benefits of this Ordinance, except for the purposes of any such payment from such money or Governmental Obligations and for the provisions of **Sections 1.4** and **1.5** and for the continuing compliance of the Issuer with the provisions of **Section 5.6**.

Upon such deposit as described above, such Bonds are no longer regarded as outstanding or unpaid. The Issuer has the option, to be reserved when Bonds are discharged, to call for redemption at an earlier date those Bonds which previously have been discharged to their stated maturity date, if the Issuer (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm bank and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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ARTICLE SEVEN SALE

SECTION 7.1 *Sale of the Bonds.*

The sale of the Bonds to SAMCO Capital Markets, Inc., and FTN Financial Capital Markets (collectively, the “*Purchaser*”) at the price of par, plus accrued interest thereon.

Delivery of the Bonds shall be made to the Purchaser as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of sale.

SECTION 7.2 *Payment of Costs of Issuance; Engagement of Bond Counsel.*

The Issuer has in consultation with its financial advisor, BOK Financial Securities, Inc., set aside an amount of the proceeds of the Bonds to pay costs of issuance of the Bonds. The amount of such proceeds will be designated in a closing letter prepared by the financial advisor, and in the absence of contrary written instructions included as part of such closing letter to deposit such proceeds with the Issuer, the Paying Agent will pay such costs of issuance on behalf of the Issuer in accordance with invoices.

The Issuer hereby confirms engagement of Norton Rose Fulbright US LLP as Bond Counsel (“*Bond Counsel*”) for the City in accordance with the terms of the Letter of Engagement between the Issuer and Bond Counsel.

SECTION 7.3 *Official Statement.*

The Issuer hereby approves and ratifies distribution of the Preliminary Official Statement and Notice of Sale and Bidding Instructions relating to the Bonds. The Issuer further approves and authorizes distribution of the Official Statement, dated the date hereof, substantially in the form of the Preliminary Official Statement but completed and modified to reflect the terms of sale of the Bonds and such other changes as the Mayor of the Issuer shall approve. The Mayor of the Issuer and City Secretary of the Issuer are authorized and directed to execute and deliver for and on behalf of the Issuer sufficient copies of such Official Statement, and, in the form and content manually executed by said officials of the Issuer, the same shall be deemed approved by this Governing Body and constitute the Official Statement duly authorized for distribution.

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ARTICLE EIGHT CONTINUING DISCLOSURE UNDERTAKING

SECTION 8.1 *Annual Reports.*

The Issuer shall provide annually to the MSRB via EMMA, within six months after the end of each fiscal year of the Issuer ending in or after September 30, 2019, financial information and operating data with respect to the Issuer of the general type included in the Official Statement for the Bonds, being the information described in *Exhibit A* hereto. If audited financial statements for the Issuer are not available within such period, then the Issuer shall provide its audited financial statements for the applicable fiscal year to the MSRB via EMMA when such audited financial statements become available.

If the Issuer changes its fiscal year, the Issuer will notify the MSRB via EMMA 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 (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB via EMMA or filed with the SEC.

SECTION 8.2 *Material Event Notices.*

The Issuer shall notify the MSRB via EMMA, in a timely manner not in excess of 10 business days, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;

- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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;
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the obligated person, any of which reflect financial difficulties.

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

The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. The Issuer shall notify the MSRB via EMMA, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with *Section 8.1* by the time required by such Section.

SECTION 8.3 *Limitations, Disclaimers, and Amendments.*

The Issuer shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give the notice required by *Section 8.2* of any Bond calls and defeasance that cause the Issuer to be no longer such an “obligated person.”

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

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

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

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

The provisions of this Article 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 or businesses of the Issuer, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in a primary offering of the Bonds in compliance with the Rule, taking

SECTION 8.4 *Definitions.*

“EMMA” means the Electronic Municipal Market Access system.

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

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

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PASSED AND ADOPTED on June 17, 2019.

CITY OF RICHWOOD, TEXAS

Mayor

ATTEST:

City Secretary

EXHIBIT A

In the Preliminary Official Statement dated June 10, 2019, the quantitative financial information and operating data with respect to the Issuer of general type contained in Tables 1 through 3 and 5 through 14 and certain information in the annual financial statements in Appendix B.