

Sherry Garrison, Council Position 1
TJ Haight, Council Position 2
Tommy Ginn, Council Position 3



Bill Patterson, Council Position 4
Ron Martin, Council Position 5
Georgette Ford, Council Position 6

James Stokes, City Manager
Gary Jackson, Assistant City Manager

Jerry Mouton Jr., Mayor

Angela Smith, City Secretary
Jim Fox, City Attorney

CALL TO ORDER

COMMENTS FROM AUDIENCE

1. Discussion of issues relating to the sale of Certificates of Obligation, Series 2022, for the construction of Deer Park Community Development Corporation (DPCDC) improvements (Community/Recreation Center), General Obligation Bonds, Series 2022, and Cash Defeasance of Certificates of Obligation, Series 2017.

[DIS 22-078](#)

Recommended Action: Discussion only.

Department: City Manager's Office and Finance

Attachments: [Financing Plan and Schedule of Events Overview - Series 2022 GO Series 2022](#)
[City of Deer Park - Overview of Potential Refunding Opportunity \(7-19-22\)](#)
[Notice of Intent Resolution -- Deer Park \(Series 2022 COs\)-8277596-v3 \(002\)](#)
[Ord - Amend Budget FY22 CDC - 2017 Defeasance](#)
[Cash Defeasance Ordinance \(2017 CO Term PP - DPCDC\) \(2022\)](#)
[Bond Ordinance \(Ltd Tax Ref Series 2022\)](#)
[Acknowledgement of Services 2021](#)

2. Presentation on the Parks and Recreation Department proposed Revenue Management Policy Philosophy.

[PRE 22-036](#)

Recommended Action: Discussion only.

Attachments: [revenue management plan](#)

ADJOURN

The Mission of the City of Deer Park is to deliver exemplary municipal services that provide the community a high quality of life consistent with our history, culture and unique character.

I, City Secretary, certify that a copy of the August 02, 2022 agenda was posted in the glass case outside City Hall convenient and accessible to the general public at all times and to the City's website at www.deerparktx.gov in compliance with Chapter 551, Texas Government Code

Date and time posted _____

Date removed _____

Angela Smith, TRMC

City Secretary

City Hall is wheelchair accessible and accessible parking spaces are available. Hearing assistance devices are available. Requests for accommodation services must be made 72 hours prior to any meeting. Please contact the City Secretary's office at 281-478-7248 for further information.

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Legislation Details (With Text)

File #: DIS 22-078 **Version:** 1 **Name:**
Type: Discussion **Status:** Agenda Ready
File created: 7/22/2022 **In control:** City Council Workshop
On agenda: 8/2/2022 **Final action:**
Title: Discussion of issues relating to the sale of Certificates of Obligation, Series 2022, for the construction of Deer Park Community Development Corporation (DPCDC) improvements (Community/Recreation Center), General Obligation Bonds, Series 2022, and Cash Defeasance of Certificates of Obligation, Series 2017.
Sponsors: City Manager's Office, Finance

Indexes:

Code sections:

Attachments: [Financing Plan and Schedule of Events Overview - Series 2022 GO Series 2022 CO and Cash City of Deer Park - Overview of Potential Refunding Opportunity \(7-19-22\)](#)
[Notice of Intent Resolution -- Deer Park \(Series 2022 COs\)-8277596-v3 \(002\)](#)
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[Acknowledgement of Services 2021](#)

Date	Ver.	Action By	Action	Result
8/2/2022	1	City Council Workshop		

Discussion of issues relating to the sale of Certificates of Obligation, Series 2022, for the construction of Deer Park Community Development Corporation (DPCDC) improvements (Community/Recreation Center), General Obligation Bonds, Series 2022, and Cash Defeasance of Certificates of Obligation, Series 2017.

Summary:

Discussion of the attached presentation by BOK Financial Securities, Inc. and Bracewell LLP related to:

-Financings Plans and Schedule of Events Overview, Certificates of Obligation, Series 2022, \$15,000,000

-Financings Plans and Schedule of Events Overview, General Obligation Bonds, Series 2022, \$15,280,000

-Overview of Cash Defeasance, Certificates of Obligation, Series 2017, \$915,000

-Overview of potential refunding opportunity, Certificates of Obligation, Series 2014 and General Obligation and Refunding Bonds, Series 2014

-First supplement to the agreement regarding the construction of improvements with DPCDC

The Certificates of Obligation, Series 2022 will require a resolution of intent.

The cash defeasance of Certificates of Obligation, Series 2017 will require a budget amendment in FY 2021-2022 and a cash redemption ordinance.

The Limited Tax Refunding, Series 2022 will require a refunding ordinance.

On May 1, 2021, the Deer Park voters approved General Obligation bond propositions A-D and the continuation of the one-half of one percent economic development Type B sales and use tax (proposition E) as follows:

- A) \$19,500,000 for the purpose of providing funds for the design, construction, acquisition, and equipment of drainage improvements and the acquisition of land, easements, and rights-of-way in connection therewith.
- B) \$16,900,000 for the purpose of providing funds for the design, construction, acquisition, and equipment of fire department facilities, including a new Fire Station #1, Fire Station #2, and training room.
- C) \$7,200,000 for the purpose of providing funds for the design, construction, acquisition, and equipment of streets and sidewalks, including related storm drainage and paving improvements, and the acquisition of easements and rights-of-way in connection therewith.
- D) \$22,300,000 for the purpose of providing funds for the design, construction, acquisition, and equipment of a new Jimmy Burke Activity Center, which will include a visitor center and museum.
- E) Type B economic development sales and use tax within the City at the rate of one-half of one percent, as authorized by chapters 501 and 505 of the Texas Local Government Code for the promotion and development of the additional purpose of land, buildings, equipment, facilities, and improvements (including the maintenance and operating costs thereof) found by the board of directors of the Deer Park Community Development Corporation to be required or suitable for use for the following: amateur sports, children's sports, athletic, entertainment and public park purposes and events, including ball parks, parks and park facilities, and open space improvements (including (i) a community/recreation center complex with indoor pool, gymnasium, and indoor track and (ii) an outdoor pool and/or pool related facilities); related concession and automobile parking facilities; related roads, streets, and water and sewer facilities; and other related improvements that enhance any of the above.

Attached is a copy of the agreement signed August 3, 2021 between the City of Deer Park and the DPCDC, whereby the City agrees to issue and sell one or more series of certificates and to use the proceeds to pay the costs of the projects (Section 1.03), and the DPCDC agrees to make payments to the City in amounts sufficient to pay the principal of and interest on the certificates (Section 1.04).

At the July 25, 2022 Deer Park Community Development Corporation (DPCDC) meeting, the City's Financial Advisor, John Robuck, from BOK Financial Securities, Inc., and the City's Bond Counsel,

Jonathan Frels, from Bracewell LLP, attended the meeting and presented a financing plan and tentative schedule of events regarding the proposed issuance of the Certificates of Obligation for the construction of DPCDC improvements (Community/Recreation Center). The DPCDC approved a recommendation to City Council to approve a resolution authorizing publication of the Notice of Intention to Issue Certificates of Obligation, approving the preparation of the Preliminary Official Statement for these Certificates of Obligation, and approving other matters incidental thereto.

At the August 2, 2022 Council Workshop, Mr. Robuck and Mr. Frels will make a presentation regarding the following:

- 1) A financing plan and schedule of events for the issuance of Certificates of Obligation, Series 2022, in the amount of \$15,000,000 for the construction of DPCDC improvements (Community/Recreation Center);
- 2) A financing plan and schedule of events for the issuance General Obligation Bonds, Series 2022, in the amount of \$15,280,000 for the following:
 - a. Drainage Improvements: \$9,700,000
 - b. Jimmy Burke Activity Center Facilities: \$2,380,000
 - c. Street Improvements: \$3,200,000; and
- 3) An overview of the \$915,000 cash defeasance of the Certificates of Obligation, Series 2017.

Mr. Robuck and Mr. Frels will be in attendance at the meeting to present a tentative schedule of events and to answer any questions related to this planned debt issuance.

Fiscal/Budgetary Impact:

-In accordance with the agreement between the City and the DPCDC, funding of the debt service payments and the associated issuance costs for the certificates will be from the dedicated 0.50% sales and use tax revenues of the DPCDC.

-Addition of \$928,647 to the Fiscal Year 2021-2022 budget for the Community Development Corporation (Account No. 850-432-45300, Operating Transfers) to be funded by prior year revenue, which is available for this purpose.

-Payment of the debt service and issuance costs related to the General Obligation Bonds will be funded by ad valorem tax revenues.

Discussion only.



City of Deer Park

Financings Plan and Schedule of Events Overview:

\$15,280,000* General Obligation Bonds, Series 2022

\$15,000,000* Certificates of Obligation, Series 2022

Overview of Cash Defeasance:

\$915,000 Certificates of Obligation, Series 2017

August 2, 2022

* Preliminary, subject to change.

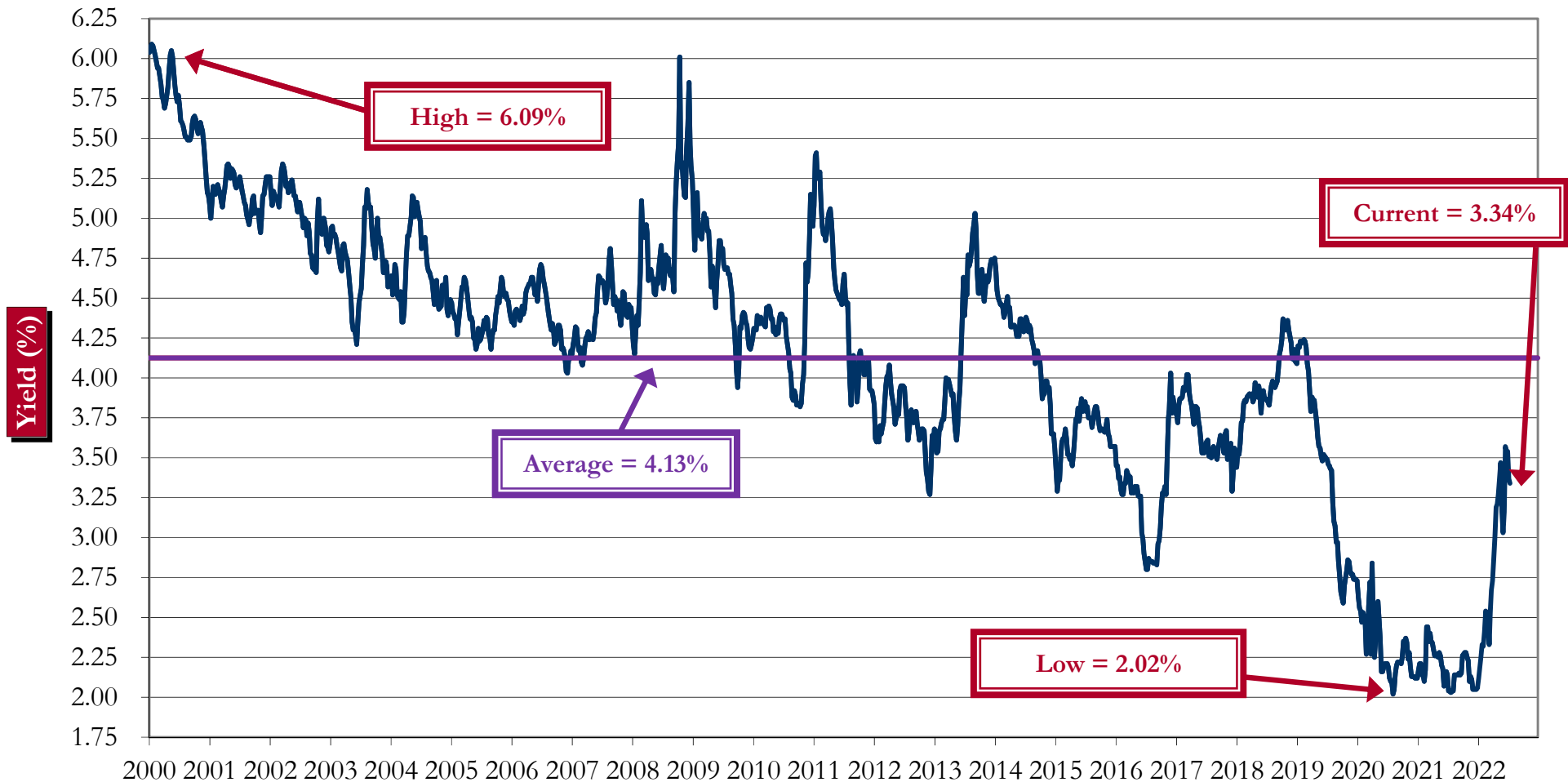
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Overview of Current Bond Market – Bond Buyer Index

**The Bond Buyer Index
January 1, 2000 To The Present**



The Bond Buyer Index is published every Thursday. The rate consists of general obligation bonds maturing in 20 years with an average rating equivalent to Moody's "Aa2" and S&P's "AA."



General Obligation Bonds, Series 2022

Estimated Debt Service Requirements

FY Ending (9/30)	Current Total Debt Service (a)	Plus: The Series 2022 Bonds			Total Debt Service Requirements
		Principal (b)	Interest (c)	Total	
2022	\$10,929,933				\$10,929,933
2023	11,286,203		\$541,167	\$541,167	11,827,369
2024	10,665,042	\$210,000	644,938	854,938	11,519,979
2025	9,672,525	270,000	634,738	904,738	10,577,263
2026	9,081,134	440,000	619,650	1,059,650	10,140,784
2027	8,660,505	460,000	600,525	1,060,525	9,721,030
2028	7,672,993	605,000	577,894	1,182,894	8,855,886
2029	7,669,343	630,000	551,650	1,181,650	8,850,993
2030	7,668,436	655,000	524,344	1,179,344	8,847,780
2031	7,180,980	755,000	494,381	1,249,381	8,430,361
2032	7,177,610	790,000	461,550	1,251,550	8,429,160
2033	6,650,263	825,000	427,231	1,252,231	7,902,494
2034	6,023,080	865,000	391,319	1,256,319	7,279,399
2035	5,497,323	890,000	354,025	1,244,025	6,741,348
2036	4,905,210	970,000	314,500	1,284,500	6,189,710
2037	4,381,415	1,020,000	272,213	1,292,213	5,673,628
2038	4,033,090	1,085,000	227,481	1,312,481	5,345,571
2039	3,505,575	1,125,000	180,519	1,305,519	4,811,094
2040	3,209,950	1,175,000	131,644	1,306,644	4,516,594
2041	2,859,600	1,240,000	80,325	1,320,325	4,179,925
2042	1,379,225	1,270,000	26,988	1,296,988	2,676,213
2043	1,382,475				1,382,475
2044	1,379,600				1,379,600
2045	1,380,600				1,380,600
2046	1,380,400				1,380,400
Totals	\$145,632,507	\$15,280,000	\$8,057,079	\$23,337,079	\$168,969,586

(a) Includes the debt service requirements paid by the Waterworks and Sewer System and the Community Development Corporation.

(b) Preliminary, subject to change. Generates \$15,280,000 in proceed for the City.

(c) Interest estimated at 4.25%, for illustrative purposes only.



Certificates of Obligation, Series 2022 (DPCDC)

Estimated Debt Service Requirements

Year Ending 9/30	Total Sales Tax Collections	Estimated Interest Earnings	Operating Expenses(b)	Existing Debt Service	Cash Defeasance of Series 2017 CO's (c)		\$15,000,000 in Proceeds Series 2022 Bonds (d)			Total Debt Service	Total Expenditures	Remaining Funds	Less: Existing Project & Design	Cumulative Remaining Funds
					Plus: Cost of Defeasance	Less: CO's to be Defeased								
2020	\$3,539,031	\$3,340	\$2,000	\$1,216,797						\$1,216,797	\$1,218,797	\$2,323,574		\$8,507,342
2021	3,519,586	3,241	270,429	1,217,779						1,217,779	1,488,208	2,034,619		10,541,961
2022	3,250,000 (a)	15,813	250,000	2,357,102	\$923,647	\$8,647				2,348,456	2,598,456	667,357	\$8,500,000	1,785,672 (c)
2023	3,250,000	2,679	250,000	2,733,973		467,994		\$562,500	\$562,500	2,828,479	3,078,479	174,200		1,959,871
2024	3,250,000	2,940	250,000	2,127,293		464,347	\$265,000	669,038	934,038	2,596,983	2,846,983	405,957		2,365,828
2025	3,250,000	3,549	250,000	1,805,464			135,000	660,038	795,038	2,600,501	2,850,501	403,047		2,768,875
2026	3,250,000	4,153	250,000	1,803,573			140,000	653,850	793,850	2,597,423	2,847,423	406,731		3,175,606
2027	3,250,000	4,763	250,000	1,378,400			395,000	641,813	1,036,813	2,415,213	2,665,213	589,551		3,765,157
2028	3,250,000	5,648	250,000	1,379,525			415,000	623,588	1,038,588	2,418,113	2,668,113	587,535		4,352,692
2029	3,250,000	6,529	250,000	1,378,900			430,000	604,575	1,034,575	2,413,475	2,663,475	593,054		4,945,746
2030	3,250,000	7,419	250,000	1,381,400			450,000	584,775	1,034,775	2,416,175	2,666,175	591,244		5,536,990
2031	3,250,000	8,305	250,000	1,381,900			470,000	564,075	1,034,075	2,415,975	2,665,975	592,330		6,129,320
2032	3,250,000	9,194	250,000	1,379,750			495,000	542,363	1,037,363	2,417,113	2,667,113	592,081		6,721,402
2033	3,250,000	10,082	250,000	1,380,250			515,000	519,638	1,034,638	2,414,888	2,664,888	595,195		7,316,596
2034	3,250,000	10,975	250,000	1,379,350			540,000	495,900	1,035,900	2,415,250	2,665,250	595,725		7,912,321
2035	3,250,000	11,868	250,000	1,381,950			565,000	471,038	1,036,038	2,417,988	2,667,988	593,881		8,506,202
2036	3,250,000	12,759	250,000	1,382,950			585,000	445,163	1,030,163	2,413,113	2,663,113	599,647		9,105,849
2037	3,250,000	13,659	250,000	1,382,600			615,000	418,163	1,033,163	2,415,763	2,665,763	597,896		9,703,745
2038	3,250,000	14,556	250,000	1,381,250			645,000	389,813	1,034,813	2,416,063	2,666,063	598,493		10,302,238
2039	3,250,000	15,453	250,000	1,379,000			675,000	360,113	1,035,113	2,414,113	2,664,113	601,341		10,903,579
2040	3,250,000	16,355	250,000	1,380,775			705,000	329,063	1,034,063	2,414,838	2,664,838	601,518		11,505,097
2041	3,250,000	17,258	250,000	1,380,600			740,000	296,550	1,036,550	2,417,150	2,667,150	600,108		12,105,205
2042	3,250,000	18,158	250,000	1,379,225			775,000	262,463	1,037,463	2,416,688	2,666,688	601,470		12,706,675
2043	3,250,000	19,060	250,000	1,382,475			805,000	226,913	1,031,913	2,414,388	2,664,388	604,673		13,311,347
2044	3,250,000	19,967	250,000	1,379,600			845,000	189,788	1,034,788	2,414,388	2,664,388	605,580		13,916,927
2045	3,250,000	20,875	250,000	1,380,600			885,000	150,863	1,035,863	2,416,463	2,666,463	604,413		14,521,340
2046	3,250,000	21,782	250,000	1,380,400			925,000	110,138	1,035,138	2,415,538	2,665,538	606,245		15,127,584
2047	3,250,000	22,691	250,000				970,000	67,500	1,037,500	1,037,500	1,287,500	1,985,191		17,112,776
2048	3,250,000	25,669	250,000				1,015,000	22,838	1,037,838	1,037,838	1,287,838	1,987,832		19,100,607
			\$7,022,429	\$40,872,880	\$923,647	\$940,988	\$15,000,000	\$10,862,550	\$25,862,550	\$65,794,443	\$72,816,872	\$22,340,486	\$8,500,000	

(a) Estimated future sales tax collections of \$3,250,000 pursuant to the discussion with City staff.

(b) Operating expenses include ongoing maintenance of the projects, bond fees, audit fees, public notice fees and printing fees.

(c) The Series 2017 CO's will be fully defeased/paid-off with excess Fund Balance on September 14, 2022.

(d) Generates \$15,000,000 in proceeds to the DPCDC. Sold and Delivered in October/November 2022.

(e) Interest estimated at 4.50% for illustrative purposes only.



Overview of Cash Defeasance of DPCDC Debt

Cash Defeasance of \$915,000 Certificates of Obligation, Series 2017

Fiscal Year Ending (9/30)	Current Total Debt Service (a)	Less: Proposed Cash Defeasance (Series 2017 CO's)			Total Debt Service	Estimated Debt Service Difference
		Principal	Interest	Debt Service to Call		
2022	\$2,348,456		\$8,647	\$923,647	\$2,339,809	\$8,647
2023	2,828,479	\$455,000	12,994		2,360,485	467,994
2024	2,596,983	460,000	4,347		2,132,636	464,347
2025	2,600,501				2,600,501	
2026	2,597,423				2,597,423	
2027	2,415,213				2,415,213	
2028	2,418,113				2,418,113	
2029	2,413,475				2,413,475	
2030	2,416,175				2,416,175	
2031	2,415,975				2,415,975	
2032	2,417,113				2,417,113	
2033	2,414,888				2,414,888	
2034	2,415,250				2,415,250	
2035	2,417,988				2,417,988	
2036	2,413,113				2,413,113	
2037	2,415,763				2,415,763	
2038	2,416,063				2,416,063	
2039	2,414,113				2,414,113	
2040	2,414,838				2,414,838	
2041	2,417,150				2,417,150	
2042	2,416,688				2,416,688	
2043	2,414,388				2,414,388	
2044	2,414,388				2,414,388	
2045	2,416,463				2,416,463	
2046	2,415,538				2,415,538	
2047	1,037,500				1,037,500	
2048	1,037,838				1,037,838	
Totals	\$63,359,867	\$915,000	\$25,988	\$923,647	\$62,418,879	\$940,988
Cost of Defeasance (b):						\$928,647
Estimated Debt Service Savings:						\$12,341

(a) Includes the estimated debt service requirements on the proposed \$15,000,000* Certificates of Obligation, Series 2022.

(b) Includes a cash deposit of approximately \$923,647 and estimated expenses of \$5,000.



Tentative Schedule of Events

\$15,280,000* General Obligation Bonds, Series 2022

\$15,000,000* Certificates of Obligation, Series 2022

\$915,000* Certificates of Obligation, Series 2017 (Bonds to be Cash Defeased)

July - 2022						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

August - 2022						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September - 2022						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October - 2022						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

November - 2022						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Date

Action

Role

Monday, July 25, 2022

Deer Park CDC Board Meeting

Review Financing Plan, Approve Publication of Notice of Project,
Approve Recommendation for City Council to Approve
Notice of Intent to Issue Certificates of Obligation ("CO's") and
Approve Defeasance Resolution to Pay-Off Series 2017 CO's

DPCDC, FA, BC

Tuesday, August 2, 2022

City Council Meeting

Review Financing Plan for CO's and General Obligation Bonds
("GO Bonds"), Approve Notice of Intent to Issue CO's and
Approve Defeasance Resolution to Pay-Off Series 2017 CO's

City, FA, BC

Wednesday, August 10, 2022

Publish 1st Notice of Intent to Issue CO's and Post on City's Website

City

Friday, August 12, 2022

Provide Notice of Defeasance and Redemption to First National Bank Texas

BC, Bank

Wednesday, August 17, 2022

Publish 2nd Notice of Intent to Issue CO's

City

Thursday, August 18, 2022

First Draft of Preliminary Official Statement ("POS")

FA



Tentative Schedule of Events (Continued)

Date	Action	Role
Friday, August 26, 2022	Second Draft POS	City, FA, BC
Week of September 12, 2022	Rating and Diligence Calls	City, FA, UW
Wednesday, September 14, 2022	Closing on Cash Defeasance of Series 2017 Certificates of Obligation	City, FA, BC, Bank
Thursday, September 15, 2022	Series 2017 Certificates of Obligation Defeased/Paid Off	Bank
Friday, September 16, 2022	Third Draft POS	City, FA, BC, UW
Friday, September 30, 2022	Final Draft POS	City, FA, BC, UW
Monday, October 10, 2022	Post/Distribute Final POS	BOKFS
Tuesday, October 18, 2022	Sale of General Obligation Bonds and Certificates of Obligation City Council Meeting City Council to Approve Sale of GO Bonds and CO's DPCDC President Approves Final Pricing Exhibit	City, DPCDC, FA, BC, UW
Tuesday, November 15, 2022	Closing/Delivery of GO Bonds and CO's	City, DPCDC, FA, BC, UW
Participants		
City - City of Deer Park, Texas		
DPCDC - Deer Park Community Development Corporation		
FA - BOK Financial Securities, Inc. (Financial Advisor)		
BC - Bracewell LLP (Bond Counsel)		
Bank - First National Bank Texas (Purchaser of Series 2017 CO's)		
UW - Underwriters (To Be Determined)		



City of Deer Park

Overview of Potential Refunding Opportunity for Debt Service Savings

August 2, 2022

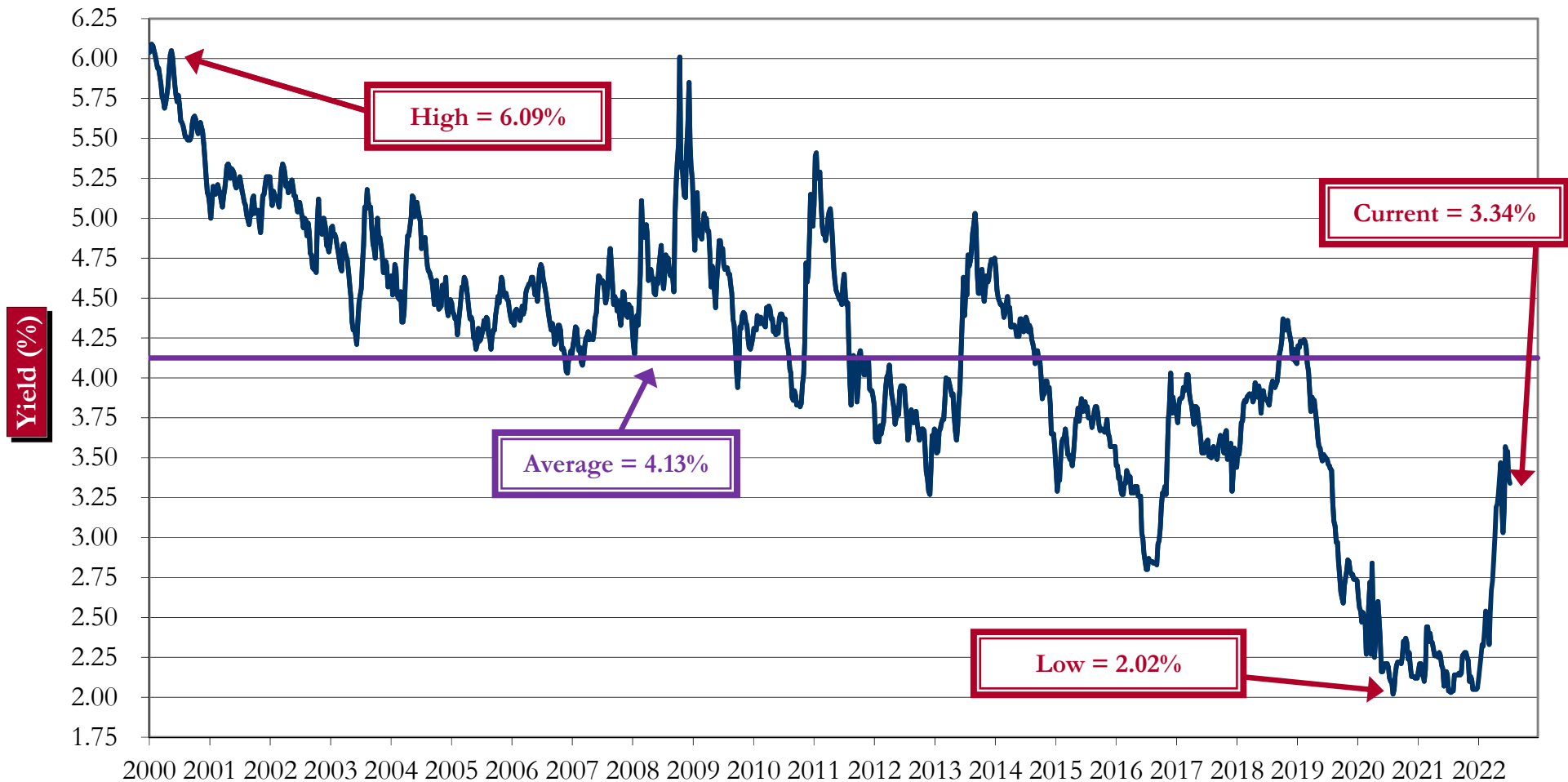
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Overview of Current Bond Market – Bond Buyer Index

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Historical Refunding Results

Summary of City's Bond Refunding Strategies

Summary of Interest Cost Savings Since 2008			
Issue	Series Refunded	Principal Amount Refunded	Total Savings
General Obligation Refunding Bonds, Series 2008	1997 GO, 1997 CO	\$ 4,470,000	\$ 268,462
General Obligation Refunding Bonds, Series 2010	1997, 2000, 2001	6,375,000	429,443
General Obligation Refunding Bonds, Series 2011	2002A	3,460,000	528,786
General Obligation Refunding Bonds, Series 2012	2005	4,525,000	485,421
General Obligation & Refunding Bonds, Series 201	2002, 2005	2,025,000	213,559
Limited Tax Refunding Bonds, Series 2016	2007 C/O, 2007 Bonds	6,480,000	710,601
Limited Tax Refunding Bonds, Series 2019	2010	4,825,000	690,125
Limited Tax Refunding Bonds, Series 2020	2011 CO, 2012 CO, 2012	7,280,000	700,016
Limited Tax Refunding Bonds, Series 2021	2013	5,750,000	641,772
Grand Total:		\$ 45,190,000	\$ 4,668,185

Since 2008, the City's debt management bond refunding strategies have generated \$4,668,185 of savings for City taxpayers!



Summary of Callable Bonds Outstanding

Summary of City's Call Provisions on Outstanding Bond Issues

City of Deer Park - Summary of Callable Bonds Outstanding - As of July 1, 2022

Issue Description	Type	Principal Amount Outstanding	Call Date	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons: Callable Maturities
General Obligation Refunding Bonds, Series 2011	City	\$ 275,000	Non-Callable	-	-	2023	-
General Obligation and Refunding Bonds, Series 2014	City	1,655,000	03/15/2023	1,380,000	2024-2034	2034	3.000% - 4.000%
Certificates of Obligation, Series 2014	City	4,705,000	03/15/2023	4,360,000	2024-2034	2034	3.000% - 4.000%
Certificates of Obligation, Series 2015	City	2,420,000	Non-Callable	-	-	2025	-
Certificates of Obligation, Series 2015-A	City	5,630,000	03/15/2024	4,980,000	2025-2035	2035	3.000% - 3.500%
Certificates of Obligation, Series 2016	DPCDC	2,915,000	Anytime	2,915,000	2022-2026	2026	1.590%
Limited Tax Refunding Bonds, Series 2016	City	4,135,000	03/15/2026	975,000	2027	2027	4.000%
Certificates of Obligation, Series 2016A	City	5,790,000	03/15/2026	4,535,000	2027-2036	2036	3.000% - 4.000%
Certificates of Obligation, Series 2017	DPCDC	915,000	Anytime	915,000	2024	2024	1.890%
Certificates of Obligation, Series 2017-A	City	4,310,000	03/15/2026	3,345,000	2037	2037	3.000%
Certificates of Obligation, Series 2018	City	5,585,000	03/15/2028	4,030,000	2029-2038	2038	3.250% - 3.500%
Limited Tax Refunding Bonds, Series 2019	City	3,460,000	03/15/2029	480,000	2030	2030	4.000%
Certificates of Obligation, Series 2019	City	3,765,000	03/15/2029	2,500,000	2031-2039	2039	3.000% - 4.000%
Limited Tax Refunding Bonds, Series 2020	City	5,545,000	03/15/2030	1,100,000	2031-2032	2032	3.000%
Certificates of Obligation, Series 2020	City	4,660,000	03/15/2030	2,935,000	2031-2040	2040	3.000%
Certificates of Obligation, Series 2021	DPCDC	21,605,000	03/15/2031	16,470,000	2032-2046	2046	3.000% - 4.000%
General Obligation Refunding Bonds, Series 2021	City	20,240,000	03/15/2031	12,865,000	2032-2041	2041	3.000% - 4.000%
Limited Tax Refunding Bonds, Series 2021	City	5,055,000	03/15/2031	1,205,000	2033	2033	4.000%
Totals		\$ 102,665,000	---	\$ 64,990,000	---	---	---

The City currently has \$64,990,000 of existing bonds eligible to be repaid/refinanced prior to final maturity, of which \$14,550,000 are callable within the next 3 years.



Bonds to be Refunded*

Summary of Potential Bonds to be Refunded

Series	Maturity Date	Principal Amount *	Call Date/Price	Interest Rate
Certificates of Obligation Series 2014	3/15/2024	\$310,000	3/15/2023 @ 100	3.000%
	3/15/2025	320,000	3/15/2023 @ 100	3.500%
	3/15/2026	335,000	3/15/2023 @ 100	3.500%
	3/15/2027	350,000	3/15/2023 @ 100	3.500%
	3/15/2028	430,000	3/15/2023 @ 100	4.000%
	3/15/2029	445,000	3/15/2023 @ 100	4.000%
	3/15/2030	460,000	3/15/2023 @ 100	4.000%
	3/15/2031	400,000	3/15/2023 @ 100	4.000%
	3/15/2032	420,000	3/15/2023 @ 100	4.000%
	3/15/2033	435,000	3/15/2023 @ 100	4.000%
	3/15/2034	455,000	3/15/2023 @ 100	4.000%
General Obligation and Refunding Bonds, Series 2014	3/15/2024	795,000	3/15/2023 @ 100	3.000%
	3/15/2025 (a)	50,000	3/15/2023 @ 100	3.500%
	3/15/2026 (a)	50,000	3/15/2023 @ 100	3.500%
	3/15/2027 (a)	55,000	3/15/2023 @ 100	3.500%
	3/15/2028 (a)	55,000	3/15/2023 @ 100	4.000%
	3/15/2029 (a)	55,000	3/15/2023 @ 100	4.000%
	3/15/2030 (a)	60,000	3/15/2023 @ 100	4.000%
	3/15/2031 (a)	60,000	3/15/2023 @ 100	4.000%
	3/15/2032 (a)	65,000	3/15/2023 @ 100	4.000%
	3/15/2033 (a)	65,000	3/15/2023 @ 100	4.000%
	3/15/2034 (a)	70,000	3/15/2023 @ 100	4.000%
Totals:		<u>\$5,740,000</u>		

- Preliminary, subject to change. Based on current federal tax law, represents the City's debt obligations that can be refunded on a tax-exempt basis on or after December 15, 2021.

(a) Represents a Term Bond maturing in 2027, 2030 and 2034.



Debt Service Requirements

Estimated Debt Service Requirements and Interest Cost Savings

Fiscal Year Ending (9/30)	Current Total Debt Service (a)	Less: Debt Service on the Refunded Bonds*	Plus: The Series 2022 Refunding Bonds		Total Debt Service	Estimated Savings (c)
			Principal*	Interest (b)		
2022	\$10,929,933				\$10,929,933	
2023	12,389,869	\$212,750		195,438	12,372,557	
2024	12,454,017	1,301,175	\$1,040,000	239,500	12,432,342	\$21,675
2025	11,372,300	543,125	320,000	205,500	11,354,675	17,625
2026	10,934,634	544,913	335,000	189,125	10,913,847	20,788
2027	10,757,843	551,088	360,000	171,750	10,738,505	19,338
2028	9,894,474	614,300	445,000	151,625	9,876,799	17,675
2029	9,885,568	609,600	460,000	129,000	9,864,968	20,600
2030	9,882,555	609,200	485,000	105,375	9,863,730	18,825
2031	9,464,436	529,600	430,000	82,500	9,447,336	17,100
2032	9,466,523	535,700	455,000	60,375	9,446,198	20,325
2033	8,937,131	531,000	475,000	37,125	8,918,256	18,875
2034	8,315,299	535,500	505,000	12,625	8,297,424	17,875
2035	7,777,385				7,777,385	
2036	7,219,873				7,219,873	
2037	6,706,790				6,706,790	
2038	6,380,384				6,380,384	
2039	5,846,206				5,846,206	
2040	5,550,656				5,550,656	
2041	5,216,475				5,216,475	
2042	3,713,675				3,713,675	
2043	2,414,388				2,414,388	
2044	2,414,388				2,414,388	
2045	2,416,463					
2046	2,415,538					
2047	1,037,500				1,037,500	
2048	1,037,838				1,037,838	
Totals	\$194,832,136	\$7,117,950	\$5,310,000	\$1,579,938	\$189,772,124	\$210,700

Present Value Savings: 3.150%

- * Preliminary, subject to change.
- (a) Includes the estimated results of the City's General Obligation Bonds, Series 2022 and Certificates of Obligation, Series 2022. Also includes the debt service requirements paid by the Waterworks and Sewer System and the Community Development Corporation.
- (b) Interest estimated at current market tax-exempt interest rates, for illustrative purposes only.
- (c) Includes estimated transaction costs and any necessary debt service fund transfers.



Tentative Schedule of Events

August - 2022						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September - 2022						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October - 2022						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

November - 2022						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December - 2022						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

\$5,310,000* Limited Tax Refunding Bonds, Series 2022

Date	Action	Role
Tuesday, August 2, 2022	City Council Meeting Review Schedule of Events, Plan of Finance and Approve Parameter Ordinance	City, FA, BC
Monday, September 19, 2022	First Draft of Preliminary Official Statement ("POS")	FA, BC
Monday, October 3, 2022	Second Draft of POS	City, FA, BC
Friday, October 14, 2022	Third Draft of POS	City, FA, BC, UW
Week of October 17, 2022	Rating Agency and Diligence Calls	City, FA, BC, UW
Monday, October 24, 2022	Final Draft of POS	City, FA, BC, UW
Monday, November 7, 2022	Print/Distribute POS	FA
Week of November 14, 2022	Bond Sale - Lock in Interest Rates Approval of Bond Sale by Pricing Officer	City, FA, BC, UW
Tuesday, December 20, 2022	Closing/Delivery	City, FA, BC, UW

PARTICIPANTS

City – City of Deer Park
FA – BOK Financial Securities, Inc.
BC – Bracewell LLP
UW - Underwriters

* Preliminary, subject to change.

RESOLUTION NO. 2022-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS, AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; APPROVING THE PREPARATION OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF

WHEREAS, the City Council of the City of Deer Park, Texas (the “City”), deems it advisable to issue certificates of obligation (the “Certificates”) of the City in accordance with the notice hereinafter set forth;

WHEREAS, concurrently with the issuance of the Certificates the City intends to issue a series of general obligation bonds (the “GO Bonds”) utilizing voted authority from the May 1, 2021 election; and

WHEREAS, the City desires to approve the preparation of one or more preliminary official statements (each a “Preliminary Official Statement”) in anticipation of its issuance of the Certificates and the GO Bonds; NOW, THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS:

Section 1. The findings, definitions and recitations set out in the preamble to this resolution are found to be true and correct and are hereby adopted by City Council of the City (the “City Council”) and made a part hereof for all purposes.

Section 2. The City Secretary is hereby authorized and directed to cause to be published and posted in the manner required by law and in substantially the form attached hereto as Exhibit A, notice of the City’s intention to issue the Certificates (the “Notice”).

Section 3. The Notice shall be published once a week for two (2) consecutive weeks in a newspaper that is of general circulation in the City, the date of the first publication to be at least forty-six (46) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates. In addition, the Notice shall be posted continuously on the City’s website for at least forty-five (45) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates.

Section 4. For the purposes of the Notice, the City hereby designates as self-supporting those public securities listed in the attached Exhibit B, the debt service on which the City currently pays from sources other than ad valorem tax collections. The City plans to continue to pay these public securities based on this practice; however, there is no guarantee this practice will continue in future years.

Section 5. For purposes of section 1.150-2(d) of the Treasury Regulations, this Resolution and the Notice serve as the City’s official declaration of intent to reimburse itself from proceeds of the Certificates in the maximum principal amount and for expenditures paid in connection with the projects, each as set forth in Exhibit A hereof. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof

and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date of which the project to which such expenditure relates is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

Section 6. The Mayor, City Manager, Assistant City Manager, Finance Director and other appropriate officials of the City, the City's financial advisor, BOK Financial Securities, Inc., and bond counsel, Bracewell LLP, are authorized and directed to proceed with the preparation of one or more Preliminary Official Statements and to make other necessary arrangements for the sale of the Certificates and GO Bonds at a future meeting of the City Council.

Section 7. The City hereby authorizes the preparation and distribution of one or more Preliminary Official Statements relating to the Certificates and the GO Bonds and authorizes the Finance Director, Assistant City Manager or City Manager to approve the final form of and deem final each such Preliminary Official Statement within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 of the United States Securities and Exchange Commission.

Section 8. The Mayor, City Manager, Assistant City Manager, Finance Director, City Secretary and other officers and agents of the City are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this resolution.

Section 9. This resolution shall take effect immediately from and after its passage by the City Council.

(Signature page follows)

INTRODUCED, READ AND PASSED by the affirmative vote of the City Council of the City of Deer Park, Texas this 2nd day of August, 2022.

City Secretary
City of Deer Park, Texas

Mayor
City of Deer Park, Texas

[SEAL]

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Deer Park, Texas (the “City”), will meet at City Hall, 710 East San Augustine Street, Deer Park, Texas, 77536 at 7:30 p.m. on the 18th of October, 2022, which is the time and place tentatively set for the passage of an ordinance and such other action as may be deemed necessary to authorize the issuance of the City’s certificates of obligation (the “Certificates”), in the maximum aggregate principal amount not to exceed \$15,000,000, payable from ad valorem taxes and from a limited pledge of a subordinate lien on the net revenues of the City’s waterworks and sanitary sewer system, bearing interest at any rate or rates not to exceed the maximum interest rate authorized by law, as shall be determined within the discretion of the City Council of the City at the time of issuance of the Certificates, and maturing over a period not to exceed forty (40) years from the date of issuance, for the purposes of evidencing the indebtedness of the City for all or any part of the costs associated with the (i) the design, construction, improvement and equipment of parks and recreational facilities, including a community and recreation center and associated pool house, and (ii) the costs of professional services related thereto. The estimated combined principal and interest required to pay the Certificates on time and in full is \$25,862,550. Such estimate is provided for illustrative purposes only, and is based on an assumed interest rate of 4.50%. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with the Certificates. As of the date of this notice, the aggregate principal amount outstanding of tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting in Resolution No. 2022-___, dated August 2, 2022, which resolution is available from the City upon request) is \$42,996,250, and based on the City’s expectations, as of the date of this notice the combined principal and interest required to pay all of the outstanding tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting) on time and in full is \$55,790,225.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY, this 2nd day of August, 2022.

Angela Smith
City Secretary
City of Deer Park, Texas

EXHIBIT B

SELF-SUPPORTING DEBT

Total Principal Amount Designated as Self-Supporting: \$59,668,750

The total principal amount of self-supporting debt is comprised of some or all of the debt from the following series of obligations:

Series Designation

General Obligation Refunding Bonds, Series 2011
Certificates of Obligation, Series 2014
General Obligation and Refunding Bonds, Series 2014
Certificates of Obligation, Series 2015-A
Certificates of Obligation, Series 2016
Certificates of Obligation, Series 2016-A
Certificate of Obligation, Series 2017
Certificates of Obligation, Series 2017-A
Certificates of Obligation, Series 2018
Certificates of Obligation, Series 2019
Limited Tax Refunding Bonds, Series 2020
Certificates of Obligation, Series 2020
Limited Tax Refunding Bonds, Series 2021
Certificates of Obligation, Series 2021

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF HARRIS §

I, the undersigned officer of the City Council of the City of Deer Park, Texas, hereby certify as follows:

1. The City Council of the City of Deer Park, Texas, convened in a regular meeting on the 2nd day of August, 2022, at the regular meeting place thereof, within said City, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Jerry Mouton, Jr.	Mayor
Sherry Garrison	Council Member, Position 1
TJ Haight	Council Member, Position 2
Tommy Ginn	Council Member, Position 3
Bill Patterson	Council Member, Position 4
Ron Martin	Council Member, Position 5
Georgette Ford	Council Member, Position 6

and all of said persons were present, except the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

RESOLUTION NO. 2022-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEER PARK,
TEXAS, AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO
ISSUE CERTIFICATES OF OBLIGATION; APPROVING THE
PREPARATION OF A PRELIMINARY OFFICIAL STATEMENT; AND
PROVIDING FOR THE EFFECTIVE DATE THEREOF

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said resolution, prevailed and carried by the following vote:

_____ Member(s) of City Council shown present voted "Aye."

_____ Member(s) of City Council shown present voted "No."

_____ Member(s) of City Council abstained from voting.

2. A true, full and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said resolution has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said resolution; that the persons named in the above and

foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 2nd day of August, 2022.

[SEAL]

City Secretary
City of Deer Park, Texas

ORDINANCE NO. ____

AN AMENDMENT TO THE 2021-2022 BUDGET FOR THE COMMUNITY DEVELOPMENT CORPORATION, AND APPROPRIATING THE SUMS SET UP THEREIN TO THE OBJECTS AND PURPOSES THEREIN NAMED.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEER PARK:

I.

That the City of Deer Park's budget for the fiscal year ending September 30, 2022 was duly prepared and filed with the City Secretary, where it was available for inspection by any taxpayer.

II.

That the Community Development Corporation's budget for the fiscal year ending September 30, 2022 did not include funds for the cash defeasance of Certificates of Obligation, Series 2017.

III.

That unforeseen debt issuance escalations directly related to Type B approved construction improvements are now required to be remitted.

IV.

That because of the aforementioned costs, it is necessary to amend the Community Development Corporation budget for the fiscal year ending September 30, 2022 to include \$928,647 to facilitate these payments.

V.

That this amendment to the expenses of the adopted budget of the Community Development Corporation for the fiscal year ending September 30, 2022 will be submitted to the Deer Park City Council to include the amount of \$928,647 from the prior year revenue of the Community Development Corporation, which is available for this purpose.

VI.

That the budget of the City of Deer Park, Texas, for the fiscal year ending September 30, 2022, be, and the same is hereby, in all respects finally approved and amended as so described and shall be, and is hereby, filed with the City Secretary of said City.

VII.

That the amounts specified are for the purposes named in said budget, and they are hereby appropriated to and for such purposes.

VIII.

That the City Secretary file copies of this Ordinance and of such budget with all public officers as required by the laws of the State of Texas.

IX.

It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551 of the Government Code of the State of Texas.

In accordance with Article VIII, Section 1 of the City Charter, this Ordinance was introduced before the City Council of the City of Deer Park, Texas, **passed, approved and adopted** on this the ____ day of _____, 2022 **by a vote of** _____ **“Ayes” and** _____ **“Noes”**.

MAYOR, City of Deer Park, Texas

ATTEST:

City Secretary

APPROVED:

City Attorney

ORDINANCE NO. _____

ORDINANCE BY THE CITY COUNCIL OF THE CITY OF DEER PARK,
TEXAS AUTHORIZING THE DEFEASANCE AND REDEMPTION OF
CERTAIN OUTSTANDING OBLIGATIONS; AND CONTAINING OTHER
PROVISIONS RELATING THERETO

WHEREAS, the City of Deer Park, Texas (the “City”) has heretofore issued its Certificate of Obligation, Series 2017 (the “Outstanding Obligation”) pursuant to an ordinance adopted by the City Council of the City on January 17, 2017 (the “Outstanding Obligation Ordinance”); and

WHEREAS, pursuant to the Outstanding Obligation Ordinance, the City has the right to defease and redeem all or a portion of the Outstanding Obligation in advance of its stated maturity; and

WHEREAS, the City desires to defease and redeem the Outstanding Obligation, as more specifically described in Section 3 of this Ordinance, in advance of its stated maturity on September 15, 2022 (the “Redemption Date”); and

WHEREAS, the Outstanding Obligation Ordinance authorizes the City to accomplish such defeasance and redemption by providing notice as required in the Outstanding Obligation Ordinance and depositing directly with the paying agent/registrar for the Outstanding Obligation (the “Paying Agent/Registrar”), lawfully available funds of the City in an amount sufficient to provide for the defeasance and redemption of the Outstanding Obligation on the Redemption Date; and

WHEREAS, the City has entered into a First Supplement to Agreement Regarding the Construction of Improvements (the “CDC Agreement”) with the Deer Park Community Development Corporation (the “CDC”) pursuant to which the CDC will provide funds for the redemption of the Outstanding Obligation; and

WHEREAS, the City will obtain a sufficiency certificate verifying the sufficiency of the amounts deposited with the Paying Agent/Registrar to pay the principal of and interest on the Redeemed Obligation (as defined herein) when due on the Redemption Date (the “Sufficiency Certificate”); and

WHEREAS, upon the deposit of funds with the Paying Agent/Registrar as specified in the Sufficiency Certificate, the City will have effected the defeasance of the Redeemed Obligation under Chapter 1207, Texas Government Code, as amended, and the Outstanding Obligation Ordinance, and the Redeemed Obligation shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to the funds deposited with the Paying Agent/Registrar; and

WHEREAS, the City Council hereby finds and declares that the meeting at which this Ordinance is considered is open to the public, and that the public notice of the time, place and purpose of the meeting was given, as required by Chapter 551, Texas Government Code; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS:

Section 1. Findings. It is hereby found and determined that the matters and facts set out in the recitals of this Ordinance are true and correct and incorporated herein for all purposes. All capitalized terms not otherwise defined in the recitals to this Ordinance shall have the meaning set forth in the Outstanding Obligation Ordinance.

Section 2. Approval of Defeasance and Redemption of Redeemed Obligation; Approval of Use of Funds. It is hereby found and determined that taking into account the obligations of the CDC to transfer funds to the City under the CDC Agreement, sufficient lawfully available funds of the City will be available for the purpose of defeasing and redeeming the Redeemed Obligation and to pay the costs relating thereto. It is hereby found and determined that it is in the best interest of the City to use such funds, in an amount not to exceed \$935,000, to effect the defeasance and redemption of the Redeemed Obligation. The City Council hereby authorizes the use of such lawfully available funds (i) in an amount sufficient to provide for the payment of the principal of and interest on the Redeemed Obligation when due on the Redemption Date, as verified in the Sufficiency Certificate, in order to accomplish the defeasance and redemption of the Redeemed Obligation, and (ii) in an amount sufficient to pay any costs relating to the redemption and defeasance of the Redeemed Obligation.

Section 3. Redemption Prior to Stated Maturity of Redeemed Obligation. The City hereby designates the portion of the Outstanding Obligation set forth below to be defeased and/or called for redemption prior to stated maturity on the Redemption Date (the Outstanding Obligation, so designated, is the “Redeemed Obligation”), with such Redeemed Obligation to be redeemed at a price of par plus accrued interest to the Redemption Date, and authorizes and directs notice of such defeasance and redemption to be given in accordance with the terms of the Outstanding Obligation Ordinance.

The Redeemed Obligation

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>
3/15/2024	\$915,000	9/15/2022

Section 4. Related Matters. To satisfy in a timely manner all of the City’s obligations under this Ordinance, the Mayor, City Manager, the Assistant City Manager, the Director of Finance, the City Secretary, the City Attorney and all other appropriate officers and agents of the City are hereby authorized and directed to take all actions that are reasonably necessary to provide for the defeasance and redemption of the Redeemed Obligation, including, without limitation, paying any fees or expenses required in connection with the defeasance and redemption of the Redeemed Obligations and executing and delivering on behalf of the City all notices, consents, receipts, requests, agreements and other documents as may be necessary to direct the application of funds of the City consistent with the provisions of this Ordinance. The City’s bond counsel, Bracewell LLP, Houston, Texas, and financial advisor, BOK Financial Securities, Inc., Houston, Texas, are hereby authorized and directed to assist the City in effectuating the intent of this Ordinance.

Section 5. No Personal Liability. No recourse shall be had for payment of principal of or interest on any Redeemed Obligations or for any claim based thereon against any member of the City Council or employee of the City.

Section 6. Severability. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 7. Effective Date. This Ordinance shall take effect immediately from and after its passage by the City Council of the City.

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

PASSED, APPROVED AND EFFECTIVE this 2nd day of August, 2022.

City Secretary
City of Deer Park, Texas

Mayor
City of Deer Park, Texas

[SEAL]

APPROVED IN ACCORDANCE WITH SECTION 2.06 OF THE CITY OF DEER PARK,
TEXAS CITY CHARTER:

City Attorney
City of Deer Park, Texas

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF HARRIS §

I, the undersigned officer of the City Council of Deer Park, Texas, hereby certify as follows:

1. The City Council of Deer Park, Texas convened in a regular meeting on the 2nd day of August, 2022, at the regular meeting place thereof within said City. The duly constituted officers and members of said City Council, to wit, were as follows:

Jerry Mouton, Jr.	Mayor
Sherry Garrison	Council Member, Position 1
TJ Haight	Council Member, Position 2
Tommy Ginn	Council Member, Position 3
Bill Patterson	Council Member, Position 4
Ron Martin	Council Member, Position 5
Georgette Ford	Council Member, Position 6

and all of said persons were present, except for the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO. _____

ORDINANCE BY THE CITY COUNCIL OF THE CITY OF DEER PARK,
TEXAS AUTHORIZING THE DEFEASANCE AND REDEMPTION OF
CERTAIN OUTSTANDING OBLIGATIONS; AND CONTAINING OTHER
PROVISIONS RELATING THERETO

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

_____ Member(s) shown present voted "Aye."

_____ Member(s) shown present voted "No."

_____ Member(s) present abstained from voting.

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance is on file in the City Council's minutes of said meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of

the City Council as indicated therein; that each of the officers and members of the City Council was duly and sufficiently notified, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 2nd day of August, 2021.

City Secretary
City of Deer Park, Texas

[SEAL]

ORDINANCE NO. ____

AUTHORIZING THE
ISSUANCE OF

CITY OF DEER PARK, TEXAS
LIMITED TAX REFUNDING BONDS
SERIES 2022

Adopted: August 2, 2022

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Schedule I – Refunded Obligation Candidates

Exhibit A – Form of Pricing Certificate

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF DEER PARK,
TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2022; LEVYING A
TAX IN PAYMENT THEREOF; AUTHORIZING THE REDEMPTION PRIOR
TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS;
PROVIDING FOR THE AWARD AND SALE OF SAID BONDS IN
ACCORDANCE WITH CERTAIN PARAMETERS; AND ENACTING OTHER
PROVISIONS RELATING THERETO

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

WHEREAS, the City of Deer Park, Texas (the “City”) desires to issue the bonds hereinafter authorized for the purpose of refunding certain of its outstanding obligations as identified and described on Schedule I attached hereto (the “Refunded Obligation Candidates”) for the purpose of achieving debt service savings; and

WHEREAS, it is intended that all or a portion of the Refunded Obligation Candidates shall be designated as Refunded Obligations (as hereinafter defined) in the Pricing Certificate (as hereinafter defined) and shall be refunded pursuant to this Ordinance and the Pricing Certificate; and

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

WHEREAS, the City desires to authorize the execution of an escrow agreement or a deposit agreement, if necessary, in order to provide for the deposit of proceeds of the refunding bonds and, to the extent specified pursuant hereto, other lawfully available funds of the City and to pay the redemption price of the Refunded Obligations when due; and

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

WHEREAS, the City hereby finds and determines that the issuance and delivery of the refunding bonds hereinafter authorized is necessary and in the public interest and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

WHEREAS, the City hereby finds and determines that the refunding contemplated in this Ordinance will benefit the City by providing a present value savings in the debt service payable by the City, and that such benefit is sufficient consideration for the refunding of the Refunded Obligations; and

WHEREAS, pursuant to Chapter 1207, the City desires to delegate the authority to effect the sale of the Bonds (as defined herein) to the Authorized Officer (as defined herein); and

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

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

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

“Authorized Officer” means the City Manager, the Assistant City Manager, the Finance Director or the Mayor of the City or his designee, who are authorized to act on behalf of the City in selling and delivering the Bonds, or such other officers of the City as designated in writing.

“Bond” means any of the Bonds.

“Bonds” means the City’s bonds authorized to be issued by Section 3.01 of this Ordinance.

“Bond Counsel” means Bracewell LLP.

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

“City” means the City of Deer Park, Texas.

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

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

“Dated Date” means the date of the Bonds as designated in the Pricing Certificate.

“Debt Service Fund” means the debt service fund established by Section 2.02 of this Ordinance.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in the Pricing Certificate, the Designated Payment/Transfer Office as designated in the Paying Agent/Registrar Agreement, or at such other location designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

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

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

“Escrow Agent” means the escrow agent designated in the Pricing Certificate.

“Escrow Agreement” means the escrow agreement by and between the City and the Escrow Agent relating to the Refunded Obligations.

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

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

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

“Fiscal Year” means such fiscal year of the City as shall be set from time to time by the City Council.

“Initial Bond” means the Initial Bond authorized by Section 3.04(d) of this Ordinance.

“Interest Payment Date” means the date or dates on which interest on the Bonds is scheduled to be paid, as designated in the Pricing Certificate.

“Initial Purchaser” means, if the Bonds are sold pursuant to a competitive sale, the initial purchaser or initial purchasers of the Bonds designated in the Pricing Certificate.

“Maturity” means the date on which the principal of the Bonds becomes due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“MSRB” means the Municipal Securities Rulemaking Board.

“Notice of Sale” means the notice of sale in the form approved by the Authorized Officer and utilized in conjunction with the Preliminary Official Statement in the sale of the Bonds, if the Bonds are sold pursuant to a competitive sale.

“Ordinance” means this Ordinance authorizing the Bonds.

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

“Paying Agent/Registrar” means the paying agent/registrar designated in the Pricing Certificate.

“Paying Agent Registrar Agreement” means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the City relating to the Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer, in substantially the form attached hereto as Exhibit A with such variations, omissions and insertions as are approved by the Authorized Officer as indicated by his/her signature.

“Purchase Agreement” means the purchase agreement between the City and the Underwriter providing for the sale of the Bonds, if the Bonds are sold pursuant to a negotiated sale.

“Record Date” means the Record Date set forth in the Pricing Certificate.

“Refunded Obligation Candidates” means the obligations of the City described in Schedule I attached hereto which are hereby authorized to be designated as Refunded Obligations in the Pricing Certificate.

“Refunded Obligations” mean those obligations of the City designated as such in the Pricing Certificate from the list of Refunded Obligation Candidates.

“Representative” means, if the Bonds are sold pursuant to a negotiated sale, the representative of the Underwriters designated in the Purchase Contract.

“Register” means the bond register specified in Section 3.06(a).

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

“Representations Letter” means the Blanket Letter of Representations between the City and DTC.

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

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

“Special Payment Date” means the date that is 15 days after the Special Record Date, as described in Section 3.03(e).

“Special Record Date” means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, as described in Section 3.03(e).

“State” means the State of Texas.

“Stated Maturity” means the respective stated maturity dates of the Bonds specified in the Pricing Certificate.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal, premium, if any, or interest, or money set aside for the payment of Bonds duly called for redemption prior to Stated Maturity and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

“Underwriter” means, if the Bonds are sold pursuant to a negotiated sale, the underwriter or underwriters designated in the Purchase Agreement.

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

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

Section 1.04. Interpretation.

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

(b) Any action required to be taken on a date which is not a Business Day shall be taken on the next succeeding Business Day and have the same effect as if taken on the date so required.

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

(d) References to section numbers shall mean sections in this Ordinance unless designated otherwise.

ARTICLE II

SECURITY FOR THE BONDS; DEBT SERVICE FUND

Section 2.01. Tax Levy.

(a) Pursuant to the authority granted by the Constitution and the laws of the State, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any part of the principal of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on all taxable property within the City, at a rate sufficient, within the limit prescribed by law, to pay the debt service requirements of the Bonds, being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at maturity or a sinking fund of two percent (2%) per annum (whichever amount is greater), when due and payable, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all taxable property appearing on the tax rolls of the City most recently approved in accordance with law, and the money thus collected shall be deposited as collected to the Debt Service Fund.

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

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

Section 2.02. Debt Service Fund.

(a) The City hereby establishes a special fund or account to be designated the “City of Deer Park, Texas, Limited Tax Refunding Bonds, Series 2022, Debt Service Fund” (the “Debt Service Fund”) said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

(b) Money on deposit in or required by this Ordinance to be deposited to the Debt Service Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance.

ARTICLE III
AUTHORIZATION; GENERAL TERMS AND
PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization. The City's Bonds to be designated "City of Deer Park, Texas, Limited Tax Refunding Bonds, Series 2022," unless otherwise designated in the Pricing Certificate, are hereby authorized to be issued and delivered in accordance with the Constitution and the laws of the State, specifically Chapter 1207. The Bonds shall be issued in the aggregate principal amount not to exceed **\$5,850,000** for the purpose of refunding the Refunded Obligations and paying the costs of issuing the Bonds.

Section 3.02. Date, Denomination, Maturities and Interest.

(a) The Bonds shall be dated the Dated Date as set forth in the Pricing Certificate, shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, and shall be numbered separately from R-1 upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered I-1. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in denominations of \$5,000 or any integral multiple thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

(b) The Bonds shall mature on the same day in each of the years and in the principal amounts, and shall bear interest at the per annum rates, all as set forth in the Pricing Certificate.

(c) Interest shall accrue and be paid on each Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of (i) the Dated Date or the Closing Date, as set forth in the Pricing Certificate, or (ii) the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date until Maturity and shall be calculated on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

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

(b) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent United States mail, first class, postage prepaid, by the Paying Agent/Registrar to each Owner as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the Owner; provided, however, that the Owner shall bear all risk and expense of such other banking arrangements.

(c) The principal of each Bond shall be paid to the Owner thereof on the Maturity date thereof at Maturity upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(d) If the date for the payment of the principal of or interest on the Bonds is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a Special Record Date will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the Special Payment Date of the past due interest shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Bonds to which such Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains three (3) years after the retirement of all outstanding Bonds, such money shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6, Texas Property Code.

Section 3.04. Execution and Registration of Bonds.

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

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

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed certificate of Paying Agent/Registrar described above, the Initial Bond delivered at the Closing Date shall

have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State, or by her duly authorized agent, which certificate shall be evidence that the Bond has been duly approved by the Attorney General of the State, and that it is a valid and binding obligation of the City, and that it has been registered by the Comptroller of Public Accounts of the State.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Bonds designated in the Pricing Certificate, payable in stated installments to the Representative or its designee (if the Bonds are sold in a negotiated sale) or the Initial Purchaser or its designee (if the bonds are sold in a competitive sale) to be executed by the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary or Deputy City Secretary, approved by the Attorney General of the State, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the Representative or its designee (if the Bonds are sold in a negotiated sale) or the Initial Purchaser or its designee (if the bonds are sold in a competitive sale). Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds to DTC in accordance with Section 3.09 hereof. To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.05. Ownership.

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

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

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

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other evidence of transfer acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office for a Bond or Bonds of the same maturity and interest rate

and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, any subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

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

Section 3.07. Cancellation. All Bonds paid or redeemed before the Stated Maturity in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of such cancelled Bonds in the manner required by the Securities Exchange Act of 1934, as amended.

Section 3.08. Replacement Bonds.

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

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

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

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

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

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

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

(d) In the event that any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

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

Section 3.09. Book-Entry Only System.

(a) Unless otherwise specified in the Pricing Certificate, the definitive Bonds shall be initially issued in the form of a separate fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, including any notice of redemption,, (ii) the delivery to any DTC Participant or any other person, other than an Owner of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than an Owner of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as

the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds for the purpose of giving notices with respect to such Bond, and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register, as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of premium, if any, principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Ordinance with respect to interest payments being mailed to the Owner as shown on the Register on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter previously executed and delivered by the City, and applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Bonds.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City determines that it is in the best interest of the City and of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.11. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter of the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before Stated Maturity only as provided in this Article IV and in the Pricing Certificate.

Section 4.02. Optional Redemption. The Bonds shall be subject to redemption at the option of the City at such times, in such amounts, in such manner and at such redemption prices as may be designated in the Pricing Certificate.

Section 4.03. Mandatory Redemption.

(a) The Bonds designated as “Term Bonds” in the Pricing Certificate (the “Term Bonds”), if any, are subject to scheduled mandatory redemption and will be redeemed by the City, in part, at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Debt Service Fund, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

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

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

Section 4.04. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the City shall determine the maturities (or mandatory sinking fund payment with respect to Term Bonds, if any) and the principal amount thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot or any other customary random selection method such Bonds for redemption.

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

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver exchange Bonds in an aggregate principal amount equal to the unredeemed principal amount of the Bond so surrendered, such exchange being without charge.

Section 4.05. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed,

at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

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

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

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

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

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

Section 4.07. Effect of Redemption.

(a) When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the City.

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

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The Authorized Officer is hereby authorized to select and appoint the initial Paying Agent/Registrar for the Bonds, and the initial Paying Agent/Registrar shall be designated in the Pricing Certificate.

(b) The form of Paying Agent/Registrar Agreement is hereby approved. The Authorized Officer is hereby authorized and directed to execute and deliver, or cause the execution and delivery by the Mayor or Mayor Pro Tem and the City Secretary or Deputy City Secretary, of a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the City and the Paying Agent/Registrar.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

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

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.04. Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by (i) delivering to the entity whose appointment is to be terminated 45 days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided that, no such termination shall be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Bonds.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each

Owner by first class United States mail, postage prepaid, at the address thereof in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

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

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

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State to accompany the Initial Bond, the Certificate of the Paying Agent/Registrar, and the Assignment form which shall accompany, appear on or be attached or affixed to each of the Bonds, (i) shall be substantially in the form set forth in form of the Pricing Certificate attached hereto as Exhibit A, with such appropriate insertions, omissions, substitutions, and other variations as may be necessary or desirable and not prohibited by this Ordinance and the Pricing Certificate, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any legend relating to bond insurance for the Bonds or reproduction of an opinion of counsel) as, consistently herewith, may be determined by the Authorized Officer or by the officers executing such Bonds, as evidenced by their execution thereof.

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

(c) The Initial Bond submitted to the Attorney General of the State may be typewritten and photocopied or otherwise reproduced.

Section 6.02. CUSIP Registration. The City may secure identification numbers through the CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, or another entity that provides securities identification numbers for municipal securities, and may print such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds or any errors or omissions in the printing of such number shall be of no significance or effect in regard to the legality thereof and neither the City nor Bond Counsel to the City are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.03. Legal Opinion. The approving legal opinion of Bond Counsel may be attached to or printed on the reverse side of each Bond.

Section 6.04. Bond Insurance. If it is determined that the purchase of bond insurance would result in savings to the City, the Authorized Officer is hereby authorized to approve the purchase of and payment of the premium for bond insurance by the City and the terms of commitment for such insurance, if any. All officials and representatives of the City are authorized and directed to execute such documents and to do any and all things necessary or desirable to obtain such insurance. A statement relating to the bond insurance obtained for the Bonds, if any, may be printed on or attached to each Bond.

ARTICLE VII

DELEGATION OF AUTHORITY, SALE AND DELIVERY OF BONDS, DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds; Official Statement.

(a) The Bonds shall be sold to the Underwriter or the Initial Purchaser in accordance with the terms of this Ordinance. As authorized by Chapter 1207, the Authorized Officer is authorized to act on behalf of the City in selling and delivering the Bonds and in carrying out the other procedures specified in this Ordinance, including determining whether the Bonds should be sold at a competitive or negotiated sale, the price at which each of the Bonds will be sold, the number and designation of each series or subseries of Bonds to be issued, whether such series of Bonds will be designated as qualified tax-exempt obligations, the form in which the Bonds shall be issued, the years and dates on which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of the Refunded Obligations, the aggregate principal amount of the Bonds to be issued by the City, the rate of interest to be borne by each maturity of the Bonds, the Interest Payment Dates, the Record Date, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption, the final defeasance provisions, the designation of the Refunded Obligations from the Schedule of Refunded Obligation Candidates attached hereto as Schedule I, the selection of Underwriter if the Bonds are sold in a negotiated sale, the award of the Bonds to an Initial Purchaser if the Bonds are sold in a competitive sale, the selection of a paying agent/registrar, the escrow agent, if any, the designation of a verification agent, if any, and bond insurer, if any, and all other matters relating to the issuance, sale and delivery of the Bonds and including the refunding of the Refunded Obligations, all of which shall be specified in the Pricing Certificate; provided that the following conditions can be satisfied:

(i) the true interest cost for the Bonds shall not be a rate greater than 4.00%, which amount is less than the maximum rate allowed under Section 1204.006, Texas Government Code, as amended;

(ii) the aggregate principal amount of the Bonds authorized to be issued for the purposes described in Section 3.01 shall not exceed the limits described in that Section;

(iii) the refunding of the Refunded Obligations shall produce a present value debt service savings of at least 3.00% of the principal amount of the Refunded Obligations; and

(iv) no Bond shall mature later than the latest maturity date of the Refunded Obligations.

(b) If the Bonds are sold pursuant to a negotiated sale, the Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the City a Purchase Agreement providing for the sale of the Bonds to the Underwriter, in such form as determined by the Authorized Officer. The Authorized Officer is hereby authorized and directed to approve the final terms and provisions of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Ordinance, which final terms shall be determined to be the most advantageous reasonably attainable by the City, such approval and determination being evidenced by its execution thereof by the Authorized Officer. If the Bonds are sold in a competitive sale, the Authorized Officer is hereby authorized and directed to approve, in conformity with this Ordinance and the Notice of Sale, the terms, conditions and specifications for the sale of the Bonds, and is further authorized to award the sale of the Bonds to one or more purchasers submitting the bid or bids conforming to the specifications set forth in the Notice of Sale that produce the lowest true interest cost to the City. All officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Initial Bond shall initially be registered in the name of the Representative (if the Bonds are sold in a negotiated sale) or such other entity as may be specified in the Purchase or the Initial Purchaser (if the Bonds are sold in a competitive sale) or such other entity as may be specified in the bid form(s).

(c) The authority granted to the Authorized Officer under Sections 7.01(a) through Section 7.01(c) shall expire at 11:59 p.m. on a date 180 days from the date of this Ordinance, unless otherwise extended by the City by separate action. For purposes of clarity, if the award of sale is made within such period, the closing on the Bonds may take place after the expiration of such period.

(d) The City hereby authorizes the preparation of a Preliminary Official Statement for use in the initial offering and sale of the Bonds and authorizes the Authorized Officer to approve the final form of and deem the Preliminary Official Statement (with such addenda, supplements or amendments as may be approved by the Authorized Officer) final within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities and Exchange Act of 1934 on behalf of the City. The City hereby authorizes the preparation of an Official Statement reflecting the terms of the Purchase Agreement (if the Bonds are sold in a negotiated sale) or winning bid form (if the Bonds are sold in a competitive sale) and other relevant information. The use of such final Official Statement by the Underwriter (in the form and with such appropriate variations as shall be approved by the Authorized Officer and the Representative) is hereby approved and authorized and the proper officials of the City are authorized to sign such Official Statement.

(e) The Authorized Officer and all other officers of the City are authorized to take such actions, to obtain such consents or approvals and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the

Bonds, pay the costs of issuance of the Bonds, and effectuate the terms and provisions of this Ordinance.

Section 7.02. Control and Delivery of Bonds.

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

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to either the Underwriter or the Purchaser under and subject to the general supervision and direction of the Authorized Officer, against receipt by the City of all amounts due to the City under the terms of sale.

Section 7.03. Deposit of Proceeds; Transfer of Funds. Proceeds from the sale of the Bonds, together with other funds of the City, if any, shall, promptly upon receipt by the City, be applied as set out in the Pricing Certificate. Any proceeds remaining after the accomplishment of such purposes, including interest earnings on the investment of such proceeds, shall be deposited to the Debt Service Fund.

ARTICLE VIII

REPRESENTATIONS AND COVENANTS

Section 8.01. Payment of the Bonds. On or before each date on which principal, premium, if any, or interest is due on the Bonds, there shall be made available to the Paying Agent/Registrar, out of the Debt Service Fund, money sufficient to pay such principal, premium, if any, or interest when due.

Section 8.02. Other Representations and Covenants.

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

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

ARTICLE IX

PROVISIONS CONCERNING FEDERAL INCOME TAX MATTERS

Section 9.01. General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Bonds.

Section 9.02. No Private Activity Bonds. The City covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

Section 9.03. No Federal Guarantee. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

Section 9.04. No Hedge Bonds. The City covenants not to take any action or omit to take action that, if taken or omitted, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

Section 9.05. No Arbitrage Bonds. The City covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

Section 9.06. Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, be rebated to the United States.

Section 9.07. Information Reporting. The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

Section 9.08. Record Retention. The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Refunded Obligations and the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

Section 9.09. Registration. If the Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Bonds will be issued in registered form.

Section 9.10. Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Section 9.11. Continuing Compliance. Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE X

DISCHARGE

Section 10.01. Discharge. The Bonds may be refunded, discharged or defeased in any manner now or hereafter permitted by applicable law.

ARTICLE XI

SUBSCRIPTION FOR SECURITIES; APPROVAL OF ESCROW AGREEMENT; PAYMENT OF REFUNDED OBLIGATIONS

Section 11.01. Subscription for Securities. The Authorized Officer is authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Escrow Securities required by and referenced in the Escrow Agreement, if any, as may be necessary for the Escrow Fund and the application for the acquisition of the Escrow Securities is hereby approved and ratified.

Section 11.02. Appointment of Escrow Agent; Approval of Escrow Agreement; Deposit with Paying Agent for Refunded Obligations. The Authorized Officer is hereby authorized to select and appoint the Escrow Agent for Bonds, if any, and the Escrow Agent shall be designated in the Pricing Certificate. The Authorized Officer is hereby authorized to execute and deliver, or cause the execution and delivery by the Mayor or Mayor Pro Tem and the City Secretary or Deputy City Secretary, an Escrow Agreement, having such terms and provisions as are approved by the Authorized Officer as evidenced by his execution thereof or the execution thereof by other appropriate City officials. Alternatively, the Authorized Officer may elect to deposit directly with the paying agent for the Refunded Obligations the proceeds of the Bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations and is hereby authorized to execute and deliver a deposit agreement in connection with such deposits if necessary in connection with such deposits.

Section 11.03. Redemption and Defeasance of Refunded Obligations. Following the deposit to the Escrow Fund or such other fund held by the paying agent for the Refunded Obligations as herein specified, or with the paying agent for the Refunded Obligations as herein

specified, the Refunded Obligations shall be payable solely from and secured by the cash and securities on deposit in the Escrow Fund or such other fund held by the paying agent for the Refunded Obligations for the purpose of refunding the Refunded Obligations and shall cease to be payable from ad valorem taxes. The Refunded Obligations are hereby called for redemption prior to maturity on the dates and at the redemption prices set forth in the Pricing Certificate. The City Secretary or Deputy City Secretary is hereby authorized and directed to cause to be delivered to the paying agent/registrar for the Refunded Obligations a certified copy of this Ordinance calling the Refunded Obligations for redemption and a copy of the Pricing Certificate calling the Refunded Obligations for redemption. The delivery of this Ordinance and the Pricing Certificate to the paying agent for the Refunded Obligations shall constitute the giving of notice of redemption to the paying agent for the Refunded Obligations and such paying agent is hereby authorized and directed to give notice of redemption to the owners and insurers, if applicable, of the Refunded Obligations in accordance with the requirements of the respective ordinances authorizing the issuance thereof.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Annual Reports.

(a) The City shall provide annually to the MSRB, (i) within six (6) months after the end of each Fiscal Year of the City ending in or after 2023, financial information and operating data with respect to the City of the general type included in the Official Statement, being the information described in the Pricing Certificate, and including financial statements of the City if audited financial statements of the City are then available and (ii) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in the rules to the financial statements for the most recently concluded Fiscal Year, or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such financial statements becomes available.

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

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document, including an official statement or other offering document, if it is available to the public on the MSRB's internet website or has been filed with the SEC. the financial information or operating data shall be provided in an electronic format as prescribed by the MSRB.

Section 12.02. Event Notices.

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

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

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

- (13) The consummation of a merger, consolidation, or acquisition involving the

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

- (14) Appointment of successor or additional paying agent/registrar or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note to paragraphs (15) and (16): For purposes of the events identified in paragraphs (15) and (16) of this section and in the definition of Financial Obligation in Section 1.01, the City intends the words used in such paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018 (the “2018 Release”) and any further written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

(b) The City shall provide to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, notice of a failure by the City to provide required annual financial information in accordance with Section 12.01. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Section 12.03. Limitations, Disclaimers and Amendments.

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

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

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

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

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

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

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Changes to Ordinance. Bond Counsel is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of the State.

Section 13.02. Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or

unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 13.03. Repealer. All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 13.04. Individuals Not Liable. No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Bonds, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 13.05. Related Matters. To satisfy in a timely manner all of the City's obligations under this Ordinance, the Mayor, the City Manager, the Assistant City Manager, the Director of Finance, the City Secretary, the City Attorney and all other appropriate officers and agents of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Ordinance.

Section 13.06. Severability and Savings. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

Section 13.07. Force and Effect. This Ordinance shall be in full force and effect from and after its final passage, and it is so ordained.

[Execution Page Follows]

PASSED, APPROVED AND EFFECTIVE this 2nd day of August, 2022.

City Secretary
City of Deer Park, Texas

Mayor
City of Deer Park, Texas

[SEAL]

APPROVED IN ACCORDANCE WITH SECTION 2.06 OF THE CITY OF DEER PARK,
TEXAS CITY CHARTER:

City Attorney
City of Deer Park, Texas

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATION CANDIDATES

Certificates of Obligation, Series 2014

General Obligation and Refunding Bonds, Series 2014

EXHIBIT A

FORM OF PRICING CERTIFICATE

Re: City of Deer Park, Texas Limited Tax Refunding Bonds, Series 2022 (the “Bonds”)

I, the undersigned [City Manager/Assistant City Manager/Finance Director/Mayor] of the City of Deer Park, Texas (the “City, do hereby make and execute this Pricing Certificate pursuant to an ordinance adopted by the City Council of the City on August 2, 2022 (the “Ordinance”) authorizing the issuance of the referenced Bonds. Capitalized terms used in this Pricing Certificate shall have the meanings given such terms in the Ordinance.

As authorized by Section 7.01 of the Ordinance, I have acted on behalf of the City in selling the Bonds to _____ (the “Underwriter[s]”) pursuant to the terms of the Purchase Agreement dated as of the date hereof. The Bonds shall have the terms set forth in this Pricing Certificate.

A. The Bonds shall be designated the “City of Deer Park, Texas, Limited Tax Refunding Bonds, Series 2022.” The Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes specified in Section 3.01 in the Ordinance.

B. The Bond shall have a Dated Date of _____, 2022 and a Closing Date scheduled for _____, 2022. The Record Date for the Bonds shall be the _____ of the month next preceding an Interest Payment Date.

C. The Interest Payment Dates for the Bonds shall be each _____ and _____, commencing _____, 20____. Bonds shall bear interest from the later of the [Closing/Dated] Date or the most recent Interest Payment Date to which interest has been paid or provided for until stated maturity or prior redemption. The Bonds shall mature on _____ in each of the years, in the principal amounts and shall bear interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__	\$_____	_____%	20__	\$_____	_____%
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____
20__	_____	_____	20__	_____	_____

D. The Refunded Obligation Candidates to be refunded with a portion of the proceeds of the Bonds are set forth in Schedule I hereto. The Refunded Obligations are hereby called for redemption on redemption dates specified in Schedule I. The Refunded Obligations shall be redeemed at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date therefor.

E. As shown in the savings schedule attached hereto as Exhibit A, the refunding of the Refunded Bonds results in a net present value debt service savings of \$_____, representing a net present value debt service savings of _____% of the principal amount of the Refunded Bonds, each as calculated by the City's financial advisor, BOK Financial Securities, Inc. (the "Financial Advisor").

F. The undersigned does hereby find, certify and represent that the foregoing terms of the Bonds satisfy the parameters contained in Sections 3.01 and 7.01 of the Ordinance.

G. The Bonds shall be substantially in the form set forth in Exhibit B hereto with such insertions, changes and modifications as are required to conform the bond form to the terms of this Pricing Certificate.

H. [The Bonds are not subject to optional redemption prior to maturity. / The Bonds are subject to optional (and mandatory) redemption as set forth in Exhibit B attached hereto.]

I. The proceeds of the Bonds [and other available funds of the City] shall be applied as follows:

(i) The amount of \$_____, consisting of \$_____ principal amount of Bond proceeds, plus \$_____ premium received from the sale of the Bonds [and lawfully available funds of the City in the amount of \$_____], shall be used for the refunding of the Refunded Obligations;

(ii) Premium received from the sale of the Bonds in the amount of \$_____ shall be used to pay the costs of issuance;

(iii) Premium received from the sale of the Bonds in the amount of \$_____ shall be used to pay the underwriting discount; and

(iv) Any amounts remaining following payment of the costs of issuing the Bonds shall be deposited to the debt service fund for the Bonds.

J. Continuing Disclosure Undertaking. The financial information and operating data to be provided annually by the City pursuant to Section 12.01(a) of the Ordinance shall include all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in _____ and audited financial statements of the City, if such audited financial statements are then available, and if not provided as part of such financial information and operating data, audited financial statements of the City, when available.

K. _____ is hereby designated as Paying Agent/Registrar for the Bonds

L. _____ is hereby designated as Escrow Agent for the Bonds.

M. _____ is hereby designated as Verification Agent for the Bonds.

N. The purchase of Escrow Securities from _____ is hereby approved.

O. [Insurance Provisions]

P. The undersigned hereby finds, determines and declares that the terms of sale of the Bonds are in the City's best interests and are the most advantageous and reasonable attainable by the City, and therefore, the sale of the Bonds to the Underwriter[s] in accordance with the terms of the Purchase Agreement dated as of _____, 2022 is hereby approved.

[Signature Page Follows]

Executed this _____, 2022.

Authorized Officer
City of Deer Park, Texas

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

EXHIBIT A

SCHEDULE OF SAVINGS

EXHIBIT B

FORM OF THE BONDS

(i) Form of Bond.

REGISTERED
No. _____

REGISTERED
\$ _____

United States of America
State of Texas
County of Harris

CITY OF DEER PARK, TEXAS
LIMITED TAX REFUNDING BOND
SERIES 2022

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>[DATED/CLOSING]</u> <u>DATE:</u>	<u>CUSIP NO.:</u>
_____ %	_____, 20__	_____, 2022	_____

The City of Deer Park, Texas (the "City"), in the County of Harris, Texas, for value received, hereby promises to pay to

or registered assigns, on the maturity date specified above, the sum of

_____ DOLLARS

unless the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the [Dated/Closing] Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on ____¹ and ____¹ of each year, commencing ____¹.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office of ____¹, ____¹, Texas, or such other location designated by the Paying Agent/Registrar (the "Designated Payment/Transfer Office"), of the Paying Agent/ Registrar or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be

paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the ____¹ day of the month next preceding such interest payment date. In the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which date shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the fifteenth day next preceding the date of mailing of such notice.

If the date for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

This Bond is [dated as of _____ and is]² one of a series of fully registered bonds specified in the title hereof, issued in the aggregate principal amount of \$____² (herein referred to as the "Bonds"), pursuant to a certain ordinance (the "Bond Ordinance") adopted by the City Council of the City and a pricing certificate executed pursuant to the Bond Ordinance (the "Pricing Certificate," and, together with the Bond Ordinance, the "Ordinance"), for the purposes of refunding certain outstanding obligations of the City and paying the costs of issuing the Bonds.

The Bonds and the interest thereon are payable from the proceeds of a direct and continuing ad valorem tax levied, within the limits prescribed by law, against all taxable property in the City sufficient, together with certain available funds of the City on deposit in the debt service fund for the Bonds, to provide for the payment of the principal of and interest on the Bonds, as described and provided in the Ordinance.

[The Bonds are not subject to optional redemption prior to maturity.]³

[The City has reserved the option to redeem the Bonds maturing on and after ____², in whole or in part before their respective scheduled maturity dates, on ____², on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar

¹ Insert from Pricing Certificate.

² Delete if interest on the Bonds accrues from the Dated Date.

³ Delete if Bonds are subject to optional redemption prior to maturity.

to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.]⁴

[The Bonds maturing on _____ (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

<u>\$ Term Bonds Maturing , 20</u>	
<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
_____	\$ _____
_____ (maturity)	\$ _____

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

[Not less than 30 days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Bonds to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

In the Ordinance, the City reserves the right, in the case of an optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bond subject to conditional redemption for which such redemption has been rescinded shall remain outstanding.

⁴ Delete if Bonds are not subject to optional redemption prior to maturity.

⁵ Delete if Term Bonds are not issued.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Bonds called for redemption shall become 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 Bonds or portions thereof shall cease to accrue.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Bonds called for redemption shall become 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 Bonds or portions thereof shall cease to accrue.]⁶

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

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

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that sufficient and proper provision for the levy and collection of taxes has been made, within the limits prescribed by law, which when collected shall be appropriated exclusively to the timely payment of the principal of and interest on the Bonds; and that the total indebtedness of the City, including the Bonds, does not exceed any constitutional or statutory limitation.

⁶ Delete if Bonds are not subject to redemption prior to maturity.

IN WITNESS WHEREOF, the City has caused this Bond to be duly executed under its official seal in accordance with law.

[Deputy] ⁷ City Secretary
City of Deer Park, Texas

Mayor [Pro Tem] ⁸
City of Deer Park, Texas

[SEAL]

(ii) Form of Certificate of Paying Agent/Registrar

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Bonds referred to in the within mentioned Ordinance. The series of Bonds of which this Bond is a part was originally issued as one Initial Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

⁹
as Paying Agent/Registrar

Date: _____

By: _____
Authorized Signatory

(iii) Form of Assignment

ASSIGNMENT

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

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____

⁷ Delete if City Secretary executes the Bonds.

⁸ Delete if Mayor executes the Bonds.

⁹ Insert from Pricing Certificate.

attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(iv) Initial Bond Insertions.

(A) The Initial Bond shall be in the form set forth in paragraph (i) of this Section, except that, in the event there is more than one maturity of Bonds:

(1) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As Shown Below" and "CUSIP NO. _____" deleted;

(2) in the first paragraph the words "on the maturity date specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on _____¹⁰ in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:"

(Information to be inserted from the Pricing Certificate); and

(3) the Initial Bond shall be numbered I-1.

(B) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

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

¹⁰ Insert from Pricing Certificate.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

[SEAL]

Comptroller of Public Accounts of
the State of Texas

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF HARRIS §

I, the undersigned officer of the City Council of Deer Park, Texas, hereby certify as follows:

1. The City Council of Deer Park, Texas convened in a regular meeting on the 2nd day of August, 2022, at the regular meeting place thereof within said City and by video conference. The duly constituted officers and members of said City, to wit, were as follows:

Jerry Mouton, Jr.	Mayor
Sherry Garrison	Council Member, Position 1
TJ Haight	Council Member, Position 2
Tommy Ginn	Council Member, Position 3
Bill Patterson	Council Member, Position 4
Ron Martin	Council Member, Position 5
Georgette Ford	Council Member, Position 6

and all of said persons were present, except for the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDINANCE NO. ____

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF DEER PARK, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2022; LEVYING A TAX IN PAYMENT THEREOF; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING OBLIGATIONS; PROVIDING FOR THE AWARD AND SALE OF SAID BONDS IN ACCORDANCE WITH CERTAIN PARAMETERS; AND ENACTING OTHER PROVISIONS RELATING THERETO

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

_____ Member(s) shown present voted "Aye."

_____ Member(s) shown present voted "No."

_____ Member(s) shown present abstained from voting.

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance is on file in the City Council's minutes of said meeting; that the persons named in the

above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; that each of the officers and members of the City Council was duly and sufficiently notified, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 2nd day of August, 2022.

[SEAL]

City Secretary
City of Deer Park, Texas

**AGREEMENT REGARDING THE
CONSTRUCTION OF IMPROVEMENTS**

THE STATE OF TEXAS
COUNTY OF HARRIS

§
§

This Agreement Regarding the Construction of Improvements (the "Agreement") is entered into as of the 3rd day of August, 2021, between the CITY OF DEER PARK, TEXAS, a home rule municipality situated in Harris County, Texas (the "City") and the DEER PARK COMMUNITY DEVELOPMENT CORPORATION, a non-profit economic development corporation (the "Corporation") created and operating as a Type B corporation pursuant to the provisions of Chapters 501 and 505, Texas Local Government Code, as amended (the "Act").

RECITALS

At an election held within the City on May 9, 2015 (the "2015 Election"), the voters approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one percent (the "Additional Sales Tax") as authorized by the Act for the economic development purpose of financing the following public park purposes and events as authorized by the Act and the Election:

Public park purposes and events, limited to the following list of projects and including the land, buildings, equipment, facilities, and improvements for such projects, and related improvements that enhance such projects:

- (a) replacement of the restroom facilities in Dow Park with a new pavilion structure that includes a stage, restrooms, and a concession stand;
- (b) renovation and expansion of the Community Center and Gym to include an indoor pool;
- (c) expansion of the existing Maxwell Center and parking lot;
- (d) renovation of baseball fields including but not limited to the Spencerview sports complex (Durant Fields);
- (e) renovation of the girls softball facilities at the Youth Sports Complex;
- (f) development of soccer fields; and
- (g) development of hike and bike trails (collectively, the "2015 Authorized Project").

At an election held within the City on May 1, 2021 (the "2021 Election"), the voters approved a proposition authorizing the following additional Type B economic development purpose:

land, buildings, equipment, facilities and improvements (including the maintenance and operating costs thereof) found by the Board of Directors of the Corporation to be required or suitable for use for the following: amateur sports, children's sports, athletic, entertainment and public park purposes and events, including ball parks, parks and park facilities, and open space improvements (including (i) a community/recreation center complex with indoor pool, gymnasium, and indoor track and (ii) an outdoor pool and/or pool related facilities; related concession and automobile parking facilities; related roads, streets, and water and sewer facilities); and other related improvements that enhance any of the above (the "2021 Authorized Project," and collectively with the 2015 Authorized Project, the "Authorized Project").

Pursuant to the provisions of the Act, the City collects the Additional Sales Tax and pays it to the Corporation.

Having complied with the legal prerequisites for undertaking the Authorized Project under the Act, the City and the Corporation now wish to proceed with the Authorized Project.

The Corporation hereby finds, determines and declares that the Authorized Project is an authorized project of the Corporation under the Act.

The City and the Corporation have determined that the most economical means of financing the costs of and delivering the Authorized Project is for the City to issue one or more series of its certificates of obligation (the "Certificates") in calendar years 2021 through 2024 in an aggregate principal amount not to exceed \$41,000,000 for the purpose of the Authorized Project, with the agreement of the Corporation to (i) make payments to the City from the Additional Sales Tax in amounts sufficient to pay the debt service on the Certificates and any bonds issued to refund such Certificates as and when it becomes due, all as more specifically detailed in the schedules described in Section 1.04(b) of this Agreement and (ii) make payments to the City for costs of the Authorized Project when due.

The Corporation and the City intend that the Certificates and any bonds issued to refund such Certificates shall be considered self-supporting debt for purposes of House Bill 1869, 87th Legislature, Regular Session.

The Corporation hereby finds that this Agreement is for the benefit of the Corporation and that all payments made hereunder are for authorized project costs under the Act.

The City and the Corporation hereby find, determine, and declare that the respective meetings of the City Council of the City and the Board of Directors of the Corporation at which this Agreement was approved were open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meetings, including this Agreement, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended.

AGREEMENT

For and in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the City and the Corporation agree as follows:

ARTICLE I

THE PROJECT

Section 1.01 Definitions, Declarations, Findings and Determinations. The definitions, declarations, determinations and findings contained in the recitals to this Agreement are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.02 Construction of the Project.

(a) The City in consultation with the Corporation agrees to prepare or cause to be prepared all plans and specifications required for the construction of the Authorized Project, which costs shall be payable from funds to be paid by the Corporation.

(b) The City agrees to contract with all individuals or entities necessary to complete the Authorized Project in accordance with the plans, specifications and other construction documents. The City will provide all construction and contract management services in connection with the construction of the Authorized Project. The public infrastructure improvements being financed with the Certificates will be owned by the City.

(c) The costs of constructing the Authorized Project shall be payable from Certificate proceeds or other funds to be paid by the Corporation on a pay-as-you-go basis. The Corporation shall be responsible for and pay any and all costs associated with the design and construction of the Authorized Project in excess of the Certificate proceeds allocated to the Authorized Project.

Section 1.03 Issuance of the Certificates.

(a) Subject to applicable legal restrictions, the City agrees to issue and sell one or more series of Certificates in calendar years 2021 through 2024 (provided that such period may be extended with the consent of the City and the Corporation) and to use the applicable portion of the proceeds from the sale of the Certificates to pay the costs of the Authorized Project and the costs of issuing the Certificates.

(b) In connection with each City authorization to publish a notice of intention to issue Certificates for the purpose of the Authorized Project as described in this Agreement, the City shall present the Corporation with a proposed plan of finance and a pro forma debt service schedule associated with such proposed series of Certificates and receive a recommendation from the Corporation to proceed with the proposed issuance of Certificates.

Section 1.04 Use of Additional Sales Tax.

(a) The Corporation agrees to use the Additional Sales Tax, and any interest earned thereon, to make payments to the City in amounts sufficient to pay the principal of and interest

on the Certificates and any bonds issued to refund the Certificates when due. Each annual budget adopted by the Corporation shall include line items setting aside funds sufficient for the payment of debt service on the Certificates and any bonds issued to refund the Certificates that will be due and payable in the fiscal year for which such budget is adopted. Unless it receives the prior written consent of the City, the Corporation shall make such payments to the City of such annual debt service prior to using the Additional Sales Tax, and any interest earned thereon, for any other lawful purposes of the Corporation.

(b) The City will provide the Corporation with a final schedule of the principal and interest payments due on each series of Certificates issued for the Authorized Project upon the pricing of each series of Certificates. The Corporation agrees to pay to the City amounts sufficient to make the principal and interest payments described in such schedules not later than fifteen (15) days before each payment is due. Upon delivery of such schedules to the Corporation, which receipt shall be acknowledged by the President of the Corporation or his or her designee, the schedules shall be considered incorporated into this Agreement. Each schedule shall indicate the title of the series of Certificates to which it relates. Upon the issuance of any bonds refunding one or more series of Certificates, the City will provide the Corporation with a revised schedule of principal and interest payments, which receipt shall be acknowledged by the President of the Corporation or his or her designee, and such schedule shall be considered incorporated into this Agreement. The Corporation agrees to pay to the City amounts sufficient to make the principal and interest payments described in such refunding bond schedules not later than fifteen (15) days before each payment is due.

(c) The Corporation agrees that during the term of this Agreement it will not borrow any money or issue any bonds or notes without the written approval of the City.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the City. (a) The City hereby confirms the earlier levy by the City of the Additional Sales Tax, and hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Additional Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time pursuant to applicable law.

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

(c) The City agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under this Agreement.

Section 2.02 Representations and Warranties of the Corporation. (a) The Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of

incorporation and bylaws to enter into this Agreement and make the payments to the City in the manner and to the extent provided in this Agreement.

(b) The Corporation represents and warrants that the Authorized Project is an authorized project of the Corporation under the Act, and that the Corporation has taken all action and obtained all approvals required by law and the Corporation's bylaws in order to proceed with the Authorized Project and to undertake its obligations under this Agreement.

(c) The Corporation agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under this Agreement.

(d) The Corporation represents and warrants that this Agreement constitutes a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting creditors' rights, and that the execution and delivery of this Agreement will not conflict with or constitute a material breach of or a default under any agreement or instrument to which the Corporation is a party.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.01 Term. This Agreement shall be in force and effect from the date of execution hereof until the date on which the Certificates or bonds issued to refund the Certificates are paid in full.

Section 3.02 Amendments and Supplements. This Agreement may be amended, supplemented or extended by mutual agreement of the City and the Corporation.

Section 3.03 Merger. This Agreement embodies the entire understanding between the City and the Corporation and there are no prior effective representations, warranties, or agreements between the City and the Corporation with respect to the matters addressed in this Agreement.

Section 3.04 Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original instrument and each will have the force and effect of an original and all of which together constitute, and will be deemed to constitute, one and the same instrument.

Section 3.05 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 3.06 Binding Agreement. This Agreement is considered a binding agreement contemplating the issuance of debt for the purposes of Section 2 of House Bill 1869, 87th Legislature, Regular Session.


Section 3.07 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

EXECUTED in multiple counterparts as of the date first written above.

CITY OF DEER PARK, TEXAS

By:  _____
Mayor

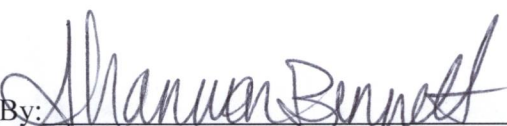
ATTEST:

By:  _____
City Secretary

DEER PARK COMMUNITY
DEVELOPMENT CORPORATION

By:  _____
President, Board of Directors

ATTEST:

By:  _____
Secretary, Board of Directors

SCHEDULE I

Debt Service Schedule

The debt service schedule for each series of Certificates or refunding bonds will be provided in connection with pricing of such Certificates or refunding bonds and incorporated herein as provided in Section 1.04 of this Agreement.



Legislation Details (With Text)

File #: PRE 22-036 **Version:** 1 **Name:**
Type: Presentation **Status:** Agenda Ready
File created: 7/27/2022 **In control:** City Council Workshop
On agenda: 8/2/2022 **Final action:**
Title: Presentation on the Parks and Recreation Department proposed Revenue Management Policy Philosophy.

Sponsors:

Indexes:

Code sections:

Attachments: [revenue management plan](#)

Date	Ver.	Action By	Action	Result
8/2/2022	1	City Council Workshop		

Presentation on the Parks and Recreation Department proposed Revenue Management Policy Philosophy.

Summary:

The Deer Park Parks and Recreation Department (DPPARD) is responsible for safeguarding and prudently managing public funds, which includes planning for and providing adequate funding and resources to deliver the needed and desired parks and recreation municipal services to the community. To establish and document a policy framework for effective fiscal decision-making, planning, and management, the DPPARD proposed to establish and maintain a comprehensive Revenue Management Policy. The purpose of this policy is to ensure that financial resources are available to meet the present and future needs of the City and its citizens.

The DPPARD has begun the ground work to create this policy. A key aspect of the policy is the establishment of a philosophy that will help City staff to develop further ideas, concepts, and guidelines for this proposed policy. The philosophy will assist DPPARD to establish applicable and equitable fees for its programs in the future. The fees will help to offset the costs of operations to the DPPARD and to the City's general fund.

Attached to this document is a copy of the presentation regarding the philosophy proposed by staff to be utilized in the creation of this proposed document.

Fiscal/Budgetary Impact:

None at this time.

Discussion only.

PARKS AND RECREATION DEPARTMENT REVENUE MANAGEMENT PHILOSOPHY

Charlie Sandberg

Director of Parks and Recreation

- ▶ Cost recovery is the ability to charge fees to cover variable and fixed cost .
- ▶ Revenue Management is the application of analytics that predicts consumer behavior at the micro-market level to optimize product availability and price to maximize revenue growth. The primary aim of a revenue management strategy is selling the right service to the customer at the right time for the right price.
- ▶ Strategic revenue management, as you may have guessed, refers to your overall revenue management strategy. Strategy has a more long-term focus, and it involves a roadmap to reach a cost recovery from the general fund tax base.
- ▶ Fee structure will not include recovery of capital or fixed costs.
- ▶ **(Variable cost/Program Fee) = Cost Recovery**

WHAT IS COST RECOVERY AND REVENUE MANAGEMENT?

- ▶ To establish revenue recovery rates that consider market conditions and the cost of providing programs and services to cover variable cost.
- ▶ To maximize taxpayer investment to realize the optimal return.
- ▶ To ensure citizens receive the benefits of best value fees.
- ▶ Fees defer cost from the general fund base over time.
- ▶ Fees sustain the use of the facilities, programs, and services, maintaining balance of time and location against funding sources.

BENEFITS OF THE STRATEGIC REVENUE MANAGEMENT PLAN?

The DPPARD utilized the following principles to begin establishing a philosophy for the policy.

- ▶ Understand our market (Community and surrounding areas)
- ▶ Segmentation and Price Optimization (Right person, Right price for right service)
- ▶ Forecasting strategies (Pricing for now and the future)

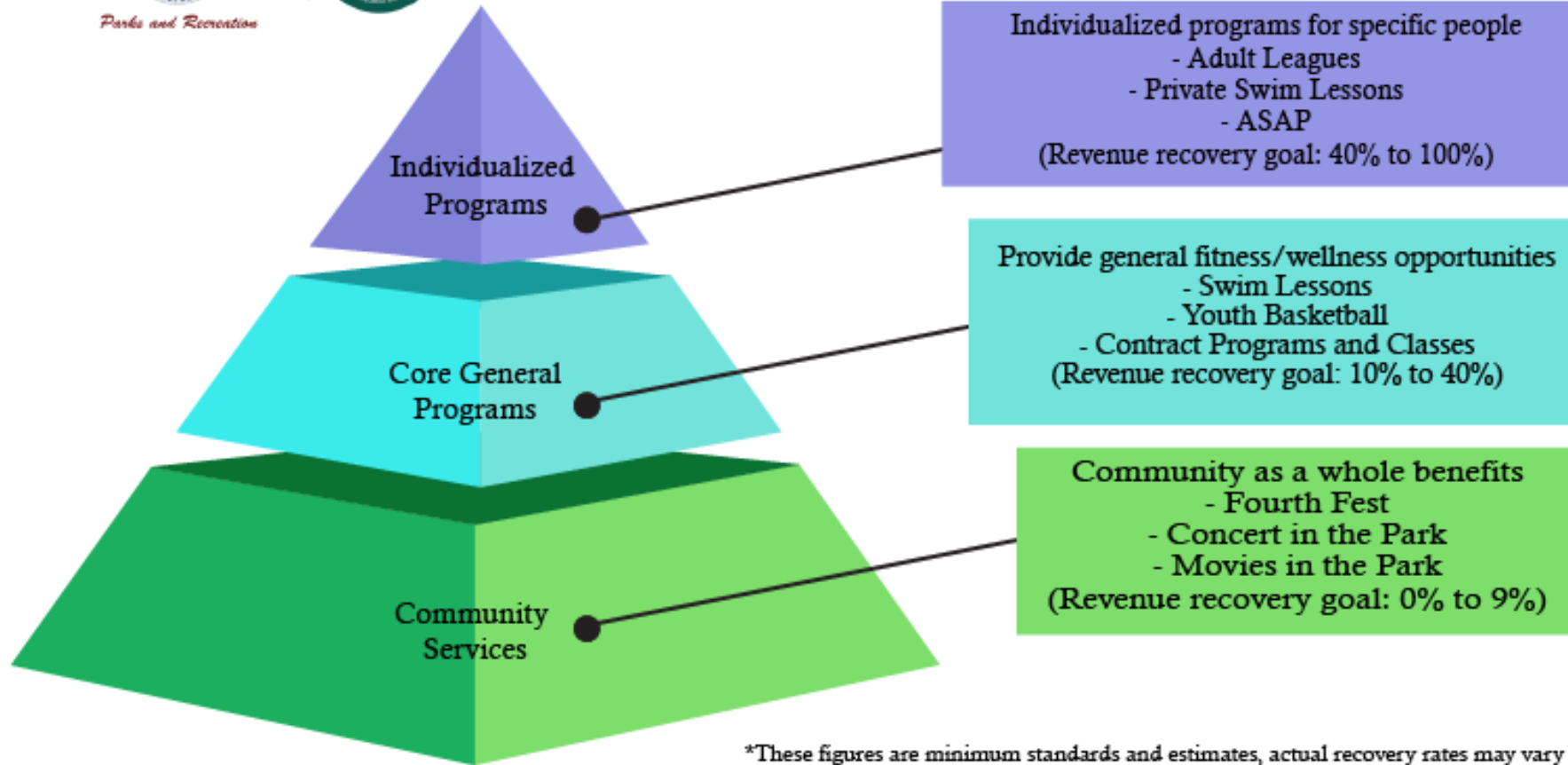
ESTABLISHING A PHILOSOPHY.

- ▶ DPPARD understands that providing services to our residents in our community are our top priority. Additionally, further research showed that a significant amount of patrons who participate in our programs and utilize City of Deer Park facilities are also from surrounding communities such as La Porte, Pasadena, League City, etc.
- ▶ The revenue management plan recognizes the above market analysis and has established “Resident and Non-resident” rates for fees.
- ▶ City of Deer Park citizens owning property within the city limits are classified as residents. Non-residents shall pay an additional fee for participating in most programs and for reserving facilities. A citizen residing outside of the city will pay more than the resident rate for programs, memberships, and services. Proof of residency will be required upon time of registration. This may include any of the following:
 - ▶ Valid Texas Identification Card or Driver's License.
 - ▶ Government – issued picture identification with current address.
 - ▶ Formal document recognizing proof of residency.

RESIDENT VS NON-RESIDENT



REVENUE MANAGEMENT PHILOSOPHY



*These figures are minimum standards and estimates, actual recovery rates may vary

* Rates may exceed 100% in certain circumstances

Community Services

- ▶ This criterion applies to the Community Services Tier of the policy. The following criteria will be used to determine if a service should be included in the tier, keeping in mind that a service does not have to meet every criterion:
- ▶ The service is equally available to everyone in the community.
- ▶ The service is provided by the local government.
- ▶ The service enhances the quality of life for the residents.
- ▶ Community Services Example:
 - ▶ Fourth Fest
 - ▶ Concert in the Park
 - ▶ Movies in the Park
 - ▶ Senior Congregate and Homebound meals program

TARGET TIER RANGE

Core General Programs

- ▶ This criterion applies to the Core General Programs tier. User's fees may recover only partial cost for those services for which the agency desires to manage demand.
- ▶ The services benefit those who participate but the community at large also benefits.
- ▶ The service is the more traditionally expected services and beginner instructional levels.
- ▶ The service promotes individual, physical, and mental well-being.
- ▶ Core General Programs examples:
 - ▶ Youth Basketball
 - ▶ Swim Lessons
 - ▶ Beginner Dance Lessons

TARGET TIER RANGE

Individualized Programs

- ▶ This criterion applies to the Individualized Programs tier. The service fees should recover a higher cost of services benefiting specific individuals or groups.
- ▶ The individual or group using the service is the primary beneficiary.
- ▶ The service provides an intermediate level of recreational skill development.
- ▶ There is excess demand for the service.
- ▶ The service is at fair price.
- ▶ Individualized Programs examples:
 - ▶ Private Swim Lessons
 - ▶ Adult Leagues
 - ▶ ASAP
 - ▶ Theater Memberships

TARGET TIER RANGE

The DPPARD currently allows a number of 3rd party groups and organizations to utilize City facilities at no cost. These include but not limited too:

- ▶ Civic organizations
- ▶ Private Groups
- ▶ Sports Organizations
 - ▶ Recognized sports organizations (DPSFC, DP Girls Softball, DP Pony Baseball)
 - ▶ Non-recognized sports organizations (Competitive 3rd party teams, private companies, etc.)

The DPPARD is requesting the opportunity to discuss this option and gain direction on these types of rentals.

FACILITY USAGE AND RENTALS

- ▶ With the City of Deer Park Passing the Type B election. There will be new amenities with the Recreation Center and future fees will be discussed.
- ▶ Fees will be established in order to help offset some of the operational and variable costs associated with running the new facilities.

FUTURE MEMBERSHIP FEES



QUESTIONS?