

A RESOLUTION authorizing the issuance of "MCKINNEY ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE REFUNDING BONDS, TAXABLE SERIES 2016"; pledging certain "Pledged Revenues" of the Corporation, including "Gross Sales Tax Revenues," to the payment of the principal of and interest on said Bonds and enacting other provisions incident and related to the issuance, payment, security and delivery of said bonds, including the approval of a Paying Agent/Registrar Agreement, an Escrow Agreement and a Purchase Letter, and resolving other matters incident and related to the issuance and sale of the Bonds.

WHEREAS, McKinney Economic Development Corporation (the "Corporation") has been duly created and organized pursuant to the Development Corporation Act of 1979, as amended, Article 5190.6, Section 4A, Vernon's Annotated Texas Civil Statutes (now codified as Chapter 504, Texas Local Government Code, as amended and collectively, with the other provisions of Subtitle CI of Title 12 of the Texas Local Government Code, the "Act"); and

WHEREAS, the Corporation has heretofore issued, sold, and delivered, and there is currently outstanding, the McKinney Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2011, dated February 1, 2011, maturing on September 1 in each of the years 2017 through 2025, inclusive, and aggregating in principal amount \$6,910,000 (the "Refunded Bonds");

AND WHEREAS, the Board of Directors of the Corporation hereby finds and determines that refunding bonds should be issued in accordance with the provisions of the Act, including specifically Section 501.213 and Chapter 1207, Texas Government Code, as amended, at this time to refund the Refunded Bonds to provide debt service savings of approximately \$971,589.15 and net present value savings of approximately \$797,526.03; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MCKINNEY ECONOMIC DEVELOPMENT CORPORATION:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. Bonds of the Corporation shall be and are hereby authorized to be issued in the aggregate principal amount of \$7,020,000 to be designated and bear the title "MCKINNEY ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE REFUNDING BONDS, TAXABLE SERIES 2016," hereinafter referred to as the "Bonds" for the purpose of refunding certain outstanding obligations of the Corporation (identified in the preamble hereof and referred to as the "Refunded Bonds") and to pay costs of issuance associated with the issuance of the Bonds, in conformity with the Constitution and laws of the State of Texas, including the Act and Chapter 1207, Texas Government Code, as amended.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturity - Date. The Bonds shall be issued as fully registered obligations, without coupons, shall be dated December 1, 2016 (the "Dated Date") and shall be in denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof, shall be numbered consecutively from One (1) upward and shall become due and payable on September 1, 2025 (the "Stated Maturity").

The Bonds shall bear interest on the unpaid principal amount from the initial date of delivery of the Bonds at the per annum rate of 2.490% (calculated on the basis of a 360-day year

of twelve 30-day months). Interest on the Bonds shall be payable on March 1 and September 1 in each year, commencing March 1, 2017.

SECTION 3. Terms of Payment -Paying Agent/Registrar. The principal of, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of Wilmington Trust, National Association, Dallas, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the Corporation by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the Corporation may prescribe. The Chairman or Vice Chairman of the Board of Directors and the Secretary/Treasurer or President and Chief Executive Officer of the Corporation are hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The Corporation covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid in full and discharged. Any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Corporation agrees to promptly cause a written notice to be sent to the Holder affected by United States Mail, first class postage prepaid, which notice shall identify and give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturity or upon their earlier redemption, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices in Wilmington, Delaware (the "Designated Payment/Transfer Office"), provided; however, with respect to principal payments on each mandatory redemption date and so long as The American National Bank of Texas owns 100% of the Outstanding Bonds, the Bonds need not be surrendered to the Paying Agent/Registrar, who will merely document such payment on an internal ledger maintained by the Paying Agent/Registrar. Interest on the Bonds shall be paid to the Holders whose name appear in the Security Register at the close of business on the Record Date (the 15th day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest

have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of such maturity appearing on the Security Register at the close of business on the 15th day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

(a) Optional Redemption. The Bonds shall be subject to redemption prior to maturity, at the option of the Corporation, in whole or in part in principal amounts of \$1,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on September 1, 2021 or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

(b) Mandatory Redemption. The Bonds shall be subject to mandatory redemption prior to maturity at the price of par plus accrued interest to the mandatory redemption date on the respective dates and in principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
September 1, 2017	735,000
September 1, 2018	685,000
September 1, 2019	705,000
September 1, 2020	745,000
September 1, 2021	770,000
September 1, 2022	800,000
September 1, 2023	830,000
September 1, 2024	860,000
September 1, 2025*	890,000

*maturity

(c) Approximately forty-five (45) days prior to each mandatory redemption date for the Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Bonds to be redeemed on the next following September 1 from moneys set aside for that purpose in the Bond Fund (as hereinafter defined). Any Bond not selected for prior redemption shall be paid on the date of the Stated Maturity.

(d) The principal amount of the Bonds required to be redeemed on a mandatory redemption date may be reduced, at the option of the Corporation, by the principal amount of Bonds which, at least 50 days prior to the mandatory redemption date, shall have been acquired by the Corporation at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation and not theretofore credited against a mandatory redemption requirement.

(e) Exercise of Redemption Option. At least forty-five (45) days prior to a date set for an optional redemption of Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Corporation shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the Corporation to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the Corporation.

(f) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by \$1,000 and shall select the Bonds, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

(g) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the Corporation and at the Corporation's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

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

SECTION 5. Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each registered owner of the Bonds issued under and pursuant to the provisions of this Resolution. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of a Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new certificates evidencing the Bonds, in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrender for transfer shall be registered and issued to the assignee or transferee of the previous Holders.

At the option of the Holder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new printed certificates evidencing the Bonds, executed on behalf of, and furnished by, the Corporation, to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent by United States Mail, first class postage prepaid, to the Holder and, upon the delivery thereof, the same shall be valid obligations of the Corporation, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to Section 26 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Corporation nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6. Reserved.

SECTION 7. Execution - Registration. The Bonds shall be executed on behalf of the Corporation by its Chairman or Vice Chairman of the Board of Directors of the Corporation and attested by the Secretary/Treasurer of the Corporation. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Corporation on the Dated Date shall be deemed to be duly executed on behalf of the Corporation, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchasers and with respect to Bonds delivered in subsequent exchanges and transfers.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9C, manually executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9D, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8. Initial Bond. The Bonds herein authorized shall be initially issued as a single fully registered bond in the total principal amount noted in Section 1 and numbered T-1, (hereinafter called the "Initial Bond") and the Initial Bond shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of authorized denominations and principal amounts for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9. Forms. A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be printed on the Initial Bond only), the Certificate of Registration, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and 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 insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Board of Directors of the Corporation or determined by the officers executing such Bonds as evidenced by the execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds, including the Initial Bond, shall be typewritten, printed, lithographed, or engraved or produced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

B. Form of Bond.

REGISTERED
NO.[T-2][R-___}

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
MCKINNEY ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE REFUNDING BOND
TAXABLE SERIES 2016

Dated Date:
December 1, 2016

Interest Rate:
2.490%

Stated Maturity:
September 1, 2025

Registered Owner: _____

Principal Amount: _____ DOLLARS

The McKinney Economic Development Corporation (hereinafter referred to as the "Corporation"), a non-profit industrial development corporation organized and existing under the laws of the State of Texas, including the Development Corporation Act, Texas, Local Government Code, Title 12, Subtitle C1, as amended (the "Act"), and specifically Chapters 501 and 504 of the Texas Local Government Code, as amended, with its principal office located in McKinney, Texas, for value received, hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, solely from the revenues and sources pledged under the Resolution identified below, the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) on the Stated Maturity date specified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid Principal Amount hereof from the initial date of delivery of the Bonds at the per annum rate of interest specified above; such interest being payable on March 1 and September 1 of each year, commencing March 1, 2017. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Wilmington, Delaware office ("Designated Payment/Transfer Office") of Wilmington Trust, National Association, Dallas, Texas, or its successor (the "Paying Agent/Registrar"), provided; however, with respect to principal payments on each mandatory redemption date and so long as The American National Bank of Texas owns 100% of the Outstanding Bonds, the Bonds need not be surrendered to the Paying Agent/Registrar, who will merely document such payment on an internal ledger maintained by the Paying Agent/Registrar. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the 15th day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$7,020,000 (herein referred to as the "Bonds") for the purpose of refunding certain outstanding obligations of the Corporation (identified in the preamble and defined in the Resolution hereinafter referenced) and to pay costs of issuance of the Bonds, in conformity with the Constitution and laws of the State of Texas, including the Act and Chapter 1207, Texas Government Code, as amended, and pursuant to a Resolution adopted by the governing body of the Corporation (herein referred to as the "Resolution").

The Bonds are subject to mandatory redemption prior to maturity with funds on deposit in the Bond Fund established and maintained for the payment thereof in the Resolution, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
September 1, 2017	735,000
September 1, 2018	685,000
September 1, 2019	705,000
September 1, 2020	745,000
September 1, 2021	770,000
September 1, 2022	800,000
September 1, 2023	830,000
September 1, 2024	860,000
September 1, 2025*	890,000

*maturity

The principal amount of the Bonds required to be redeemed on a mandatory redemption date may be reduced, at the option of the Corporation, by the principal amount of Bonds which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the Corporation at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

The Bonds may be redeemed prior to its Stated Maturity, at the option of the Corporation, in whole or in part in principal amounts of \$1,000 or any integral multiple thereof by lot by the Paying Agent/Registrar, on September 1, 2021 or on any date thereafter at the redemption price of par plus accrued interest thereon to the redemption date. At least thirty days prior to the date fixed for any redemption of Bonds, the Corporation shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount hereof redeemed.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, provided; however, so long as The American National Bank of Texas owns 100% of the Outstanding Bonds, the Bonds need not be surrendered to the Paying Agent/Registrar, who will merely document such payment on an internal ledger maintained by the Paying Agent/Registrar, and there shall be issued to the registered owner hereof, without charge, a new Bond or Bonds in any authorized denominations provided in the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is called for redemption, in whole or in part, the Corporation and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Holder within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Corporation shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable solely from and equally and ratably secured by a pledge of the "Pledged Revenues" (as defined in the Resolution) received by the Corporation, including the receipts from a Sales Tax levied for the benefit of the Corporation pursuant to the Act and an election held in the City. The Bonds do not constitute a legal or equitable, pledge, charge, lien or encumbrance upon any property of the Corporation or the City of McKinney, Texas (the "City") except with respect to the "Pledged Revenues." This Bond may not be paid in whole or in part from any property taxes raised or to be raised by the City and is not a debt of and does not give rise to a claim for payment against the City, except as to the sales and use tax revenues held by the City and required under the Act to be paid over to the Corporation. Neither the State of Texas, the City or any political corporation, subdivision or agency of the State of Texas shall be obligated to pay this Bond or the interest hereon and neither the faith and credit nor the taxing power of the State, the City or any other political corporation, subdivision or agency thereof is pledged to the payment of the principal of and interest on this Bond except as noted above.

Subject to satisfying the terms and conditions prescribed therefor, the Corporation has reserved the right to issue additional revenue obligations payable, in whole or in part, from the "Pledged Revenues" and equally and ratably secured in like manner and effect as the Bonds.

Reference is hereby made to the Resolution, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the payment of the Bonds; the rights of Holders of the Bonds the terms and conditions for the issuance of additional obligations; the terms and conditions relating to the payment, transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Corporation and the Paying Agent/Registrar; the terms and provisions upon which the encumbrances, pledges, charges and covenants made therein may be discharged; and for the other terms and provisions contained therein. Capitalized terms used herein have the same meanings assigned in the Resolution.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The Corporation and the Paying Agent/Registrar, and any agent of either, may treat the registered owner hereof whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Corporation nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the 15th day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and covenanted that the Corporation is a non-profit industrial development corporation duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas, including the Act; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid special obligations of the Corporation have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; and that due provision has been made for the payment of the principal of and interest on the Bonds from the sources and in the manner provided in the Resolution. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Corporation has caused this Bond to be duly executed as of the Dated Date.

MCKINNEY ECONOMIC DEVELOPMENT
CORPORATION

[Chairman or Vice Chairman], Board of
Directors

ATTEST:

Secretary/Treasurer

- C. Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bonds only.

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 duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

D. Form of Certificate of Paying Agent/Registrar to Appear on definitive Bonds.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Resolution and duly approved, or a Predecessor Bond hereof duly approved, by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar located in Wilmington, Delaware, is the "Designated Payment/Transfer Office" for this Bond.

WILMINGTON TRUST, NATIONAL ASSOCIATION
Dallas, Texas
as Paying Agent/Registrar

Registration date:

By: _____
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

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

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

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

DATED: _____

Signature Guaranteed:

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

SECTION 10. Definitions. For all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds herein authorized and the pledge and appropriation of revenues to the payment of the Bonds, the following definitions are provided:

“Act” - The Development Corporation Act, Texas, Local Government Code, Title 12, Subtitle C1, as amended (the “Act”) and specifically Chapters 501 and 504 of the Texas Local Government Code, as amended.

“Additional Bonds” - Bonds or other obligations of the Corporation authorized to be issued under the provisions of Section 18 of this Resolution.

“Average Annual Debt Service” - That amount which, at the time of computation, is derived by dividing the total amount of Debt Service to be paid over a period of years as the same is scheduled to become due and payable by the number of years taken into account in determining the total Debt Service. Capitalized interest payments provided from proceeds or borrowings of the Corporation shall be excluded in making the aforementioned computation.

“Board” - The Board of Directors of the Corporation.

“Bonds” - The “McKinney Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2016,” dated December 1, 2016, authorized by this Resolution.

“City” - The City of McKinney, Texas.

“Corporation” - The McKinney Economic Development Corporation, a non-profit industrial development corporation organized and existing under and pursuant to the laws of the State of Texas, including Chapters 501 and 504 of the Act, and on behalf of the City of McKinney, Texas.

“Debt Service” - As of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Corporation as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear, or would have borne, interest at the lesser of the maximum per annum interest set forth in the legal documentation associated with such obligations or the maximum legal per annum rate permitted by Chapter 1204, Texas Government Code, as amended, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

“Depository” - A commercial bank or other qualified financial institution eligible and qualified to serve as the custodian of the Corporation’s monetary accounts and funds.

“Fiscal Year” - The twelve month financial accounting period used by the Corporation ending September 30 in each year, or such other twelve consecutive month period established by the Corporation.

“Government Obligations” - Direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the Corporation, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) 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 their acquisition or purchase by the Corporation, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (d) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

“Gross Sales Tax Revenues” - All of the revenues or receipts due or owing to, or collected or received by or on behalf of the Corporation by the City or otherwise, from or by reason of the levy of the Sales Tax pursuant to Chapter 504 of the Act, less any amounts due and owed to the Comptroller of Public Accounts of the State of Texas as charges for the collection of the Sales Tax or retention by said Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law.

“Outstanding” - When used in this Resolution with respect to Bonds or Parity Bonds, as the case may be, means, as of the date of determination, all Bonds and Parity Bonds theretofore sold, issued and delivered by the Corporation, except:

- (1) those Bonds or Parity Bonds canceled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations;
- (2) those Bonds or Parity Bonds paid or deemed to be paid in accordance with the provisions of Section 24 hereof or similar provisions of any Supplemental Resolution authorizing the issuance of Additional Bonds;
- (3) those Bonds or Parity Bonds that have been mutilated, destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof.

“Parity Bonds” - Collectively, the Bonds, the Tax-Exempt Series 2011 Bonds and any Additional Bonds.

“Pledged Revenues” - Collectively (i) Gross Sales Tax Revenues from time to time deposited or owing to the Gross Sales Tax Revenue Fund and (ii) such other money, income, revenue, receipts or other property as may be specifically dedicated, pledged or otherwise encumbered in a Supplemental Resolution for the payment and security of the Parity Bonds.

“Required Reserve” - The amount required to be accumulated and maintained in the Reserve Fund under the provisions of Section 14 hereof.

“Sales Tax” - The local sales and use tax authorized under Chapter 504 of the Act approved at an election held by and within the City on January 16, 1993, and the effective date for the imposition and application of such Sales Tax within the corporate limits of the City, as such corporate limits existed on the date of said election and as they may be expanded from time to time, by the Comptroller of Public Accounts of the State of Texas being July 1, 1993, together with any increases in the rate of such Sales Tax authorized and provided by law.

“Supplemental Resolution” - Any resolution of the Board supplementing this Resolution for the purpose of authorizing and providing the terms and provisions of Additional Bonds or supplementing or amending this Resolution for any other authorized purpose permitted in Section 18 or 25 hereof, including resolutions authorizing the issuance of Additional Bonds or pledging and encumbering income, revenues, receipts or property other than the Gross Sales Tax Revenues to the payment and security of the Parity Bonds.

“Tax-Exempt Series 2011 Bonds” - The “McKinney Economic Development Corporation Sales Tax Revenue Bonds, Series 2011,” dated February 1, 2011.

SECTION 11. Pledge. The Corporation hereby covenants and agrees that the Pledged Revenues, with the exception of those in excess of the amounts required for the payment and security of the Parity Bonds, are hereby irrevocably pledged to the payment and security of the Parity Bonds, including the establishment and maintenance of the special funds created and established in this Resolution and any Supplemental Resolution, all as hereinafter provided. The Corporation hereby resolves that the Parity Bonds shall constitute a lien on the Pledged Revenues in accordance with the terms of this Resolution and any Supplemental Resolution, which lien shall be valid and binding without any further action by the Corporation and without any filing or recording with respect thereto except in the records of the Corporation.

SECTION 12. Gross Sales Tax Revenue Fund. The Corporation hereby agrees and covenants that all Pledged Revenues as received by the Corporation shall be kept and accounted for separate and apart from all other funds, accounts, and moneys of the Corporation, and shall be deposited as collected into the “Gross Sales Tax Revenue Fund” (hereinafter called the “Gross Sales Tax Revenue Fund”) and, with respect to the Gross Sales Tax Revenues, the Corporation shall further account for such funds separate and apart from the other Pledged Revenues deposited to the credit of the Gross Sales Tax Revenue Fund. All Pledged Revenues deposited to the credit of the Gross Sales Tax Revenue Fund shall be appropriated and expended to the extent required by this Resolution and any Supplemental Resolution for the following uses and in the order of priority shown:

- First To the payment of the amounts required to be deposited in the Bond Fund for the payment of Debt Service on the Parity Bonds as the same becomes due and payable;

- Second: To the payment of the amounts required to be deposited in the Reserve Fund to establish and maintain the Required Reserve in accordance with the provisions of this Resolution and any Supplemental Resolution;

- Third: To the payment of amounts required to be deposited in any other fund or account required by any Supplemental Resolution authorizing the issuance of Parity Bonds;

Fourth: To any fund or account held at any place or places, or to any payee, required by any other resolution of the Board which authorized the issuance of obligations or the creation of debt of the Corporation having a lien on the Pledged Revenues subordinate to the lien created herein on behalf of the Parity Bonds; and

Fifth: To any purpose now or hereafter permitted by law.

SECTION 13. Bond Fund. For the purpose of providing funds to pay the principal of and interest on Parity Bonds, the Corporation agrees and covenants to maintain a separate and special account or fund on the books and records of the Corporation known as the "Debt Service Account" (the "Bond Fund"), and all monies deposited to the credit of the Bond Fund shall be held in a special banking fund or account maintained at a Depository of the Corporation. The Corporation covenants that there shall be deposited into the Bond Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred per centum (100%) of the interest on and the principal of the Bonds then falling due and payable, and such deposits to pay principal and accrued interest on the Bonds shall be made in substantially equal amounts to be deposited on each date on which amounts are to be transferred from the Gross Sales Tax Revenue Fund.

The required deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Bond Fund and Reserve Fund is equal to the amount required to fully pay and discharge all Parity Bonds (principal and interest) then Outstanding or (ii) the Bonds are no longer Outstanding.

SECTION 14. Reserve Fund.

(a) General Provisions. The Corporation agrees and covenants to maintain on the books and records of the Corporation a separate and special fund or account to be known as the "Reserve Account" (the "Reserve Fund"), which fund or account shall be a special banking fund maintained at a Depository. The amounts deposited to the credit of such fund or account shall be used solely for the payment of (i) the principal of and interest on the Parity Bonds when (whether at maturity, upon a redemption date or any interest payment date) other funds available for such purposes are insufficient, (ii) the amounts required to restore or replenish in full the surety bond coverage afforded by a surety bond representing all or a portion of the Required Reserve, and, in addition, may be used to the extent not required to maintain the "Required Reserve", to pay, or provide for the payment of, the final principal amount of a series of Parity Bonds so that such series of Parity Bonds is no longer deemed to be "Outstanding" as such term is defined herein.

The Required Reserve required to be maintained under this Resolution shall be an amount equal to the Average Annual Debt Service requirements on all outstanding Parity Bonds. Except as otherwise provided by law, the Required Reserve shall be calculated on a Fiscal Year basis, with a fractional Fiscal Year being treated as an entire Fiscal Year; provided, however, that, so long as any Parity Bonds are outstanding, such calculation (i) may be made (a) at the end of each Fiscal Year and/or (b) on any principal payment date of any Parity Bond and (ii) shall be made on the date of delivery of any Additional Bonds, and such calculation shall include the Debt Service requirements that remain after taking into account all payments of Parity Bonds made on or before the date of such calculation and, if such calculation is made as a result of the issuance of Additional Bonds, then such calculation shall also take into account the Debt Service requirements of all Parity Bonds outstanding after the delivery of such Additional Bonds. The total amount to be accumulated and maintained in the Reserve Fund by reason of the issuance

of the Bonds shall be \$1,523,555.10. The Required Reserve shall be established and maintained with Pledged Revenues, the proceeds of sale of Parity Bonds or by depositing to the credit of the Reserve Fund, to the extent permitted by law, one or more surety bonds or insurance policies issued by a company or institution which, at the time of issuance of such surety bond or insurance policy, has a rating from at least one nationally recognized rating agency or service that is equal to or greater than the unenhanced rating then assigned to the Parity Bonds.

As and when Additional Bonds are delivered or incurred, the Required Reserve shall be increased, if required, to an amount equal to the Required Reserve. Any additional amount required to be maintained in the Reserve Fund shall be accumulated (i) by depositing to the credit of the Reserve Fund (immediately after the delivery of the then proposed Additional Bonds) cash or an additional surety bond or revised surety bond with surety bond coverage in an amount sufficient to provide for the new Required Reserve to be fully or partially funded, or (ii) at the option of the Corporation, by making monthly deposits from funds in the Gross Sales Tax Revenue Fund on or before the 10th day of each month following the month of delivery of the then proposed Additional Bonds, of not less than 1/36th of the additional amount to be maintained in said Fund by reason of the issuance of the Additional Bonds then being issued (or 1/36th of the balance of the additional amount not deposited immediately in cash or provided by a surety bond).

While the cash and investments and/or surety bond coverage in the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund. Should the Reserve Fund at any time contain less than the Required Reserve (or so much thereof as shall then be required to be contained therein if Additional Bonds have been issued and the Corporation has elected to accumulate all or a portion of the Required Reserve with Pledged Revenues) or should the Corporation be obligated to repay or reimburse an issuer of a surety bond to replenish and restore the full amount of surety bond coverage provided by a surety bond held for the account of the Reserve Fund, the Corporation covenants and agrees to cause monthly deposits to be made to the Reserve Fund on or before the 10th day of each month (beginning the month next following the month the deficiency in the Required Reserve occurred by reason of a draw on the Reserve Fund or as a result of a reduction in the market value of investments held for the account of the Reserve Fund) from Pledged Revenues in an amount equal to (i) 1/12th of the Required Reserve until the total Required Reserve then required to be maintained in said Fund has been fully restored or (ii) the amounts required to be reimbursed and repaid to the issuer of the surety bond in the event of a draw upon a surety bond. The Corporation further covenants and agrees that the Pledged Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve and to cure any deficiency in such amounts as required by the terms of this Resolution and any Supplemental Resolution.

During such time as the Reserve Fund contains the total Required Reserve, the Corporation may, at its option, withdraw any amount in the Reserve Fund in excess of the Required Reserve and deposit such surplus in the Gross Sales Tax Revenue Fund, except that amounts from Bond proceeds on deposit in the Reserve Fund may only be deposited to the Bond Fund or the Reserve Fund.

SECTION 15. Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Bond Fund or Reserve Fund, such deficiency shall be cured as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

SECTION 16. Payment of Bonds. While any of the Bonds are Outstanding, the President and Chief Executive Officer of the Corporation (or other designated representative of the Corporation) shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit

in the Bond Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 17. Investments - Security of Funds.

(a) Money in any Fund required to be maintained pursuant to this Resolution may, at the option of the Corporation, be invested in obligations and in the manner prescribed by Texas Government Code, Chapter 2256, as amended, including investments held in book-entry form; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund will be available at the proper time or times and provided further the maximum stated maturity for any investment acquired with money deposited to the credit of the Reserve Fund shall be limited to five (5) years from the date of the investment of such money. Such investments shall be valued in terms of current market value within 45 days of the close of each Fiscal Year and, with respect to investments held for the account of the Reserve Fund, within 45 days of the date of passage of each authorizing document of the Board pertaining to the issuance of Additional Bonds. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the appropriate account of the Bond Fund. All interest and interest income derived from deposits in and investments of the Reserve Fund shall, subject to the limitations provided in Section 14 hereof, be credited to and deposited in the Gross Sales Tax Revenue Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Bonds.

(b) That money deposited to the credit of the Gross Sales Tax Revenue Fund, Bond Fund and Reserve Fund, to the extent not invested and not otherwise insured by the Federal Deposit Insurance Corporation or similar agency, shall be secured by a pledge of direct obligations of the United States of America, or obligations unconditionally guaranteed by the United States of America.

SECTION 18. Issuance of Additional Bonds. Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the Corporation reserves the right to issue, from time to time as needed, Additional Bonds for any lawful purpose. Such Additional Bonds may be issued in such form and manner as the Corporation shall determine, provided, however, prior to issuing or incurring such Additional Bonds, the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(a) The President and Chief Executive Officer of the Corporation (or other representative of the Corporation then having the primary responsibility for the financial affairs of the Corporation) shall have executed a certificate stating that, to the best of his or her knowledge and belief, the Corporation is not then in default as to any covenant, obligation or agreement contained in the Resolution or a Supplemental Resolution.

(b) The Corporation has secured from a certified public accountant a certificate or opinion to the effect that, according to the books and records of the Corporation, the Gross Sales Tax Revenues received by the Corporation for either (i) the last completed Fiscal Year next preceding the adoption of the Supplemental Resolution authorizing the issuance of the proposed Additional Bonds or (ii) any twelve (12) consecutive months out of the previous eighteen (18) months next preceding the adoption of the Supplemental Resolution authorizing the Additional Bonds were equal to not less than 1.35 times the maximum annual Debt Service for all Parity Bonds then Outstanding after giving effect to the issuance of the Additional Bonds then being

issued. Additionally, for the purpose of providing this certificate or opinion, if the Corporation shall not have received Gross Sales Tax Revenues for a full 12 month period, one-half of the amount of sales tax revenues (calculated at ½ of 1%) actually received by the City under Chapter 321, Texas Tax Code, as amended, may be used for the months during which the Corporation did not receive Gross Sales Tax Revenues.

(c) The Required Reserve to be accumulated and maintained in the Reserve Fund is increased to the extent required by Section 14. To the extent the Reserve Fund requirements, including the requirements relating to funding and replenishing the Required Reserve, differ from the Reserve Fund requirements associated with the Bonds, the Resolution authorizing the issuance of the Additional Bonds shall contain a statement describing any such differences.

SECTION 19. Refunding Bonds. The Corporation reserves the right to issue refunding bonds to refund all or any part of the Parity Bonds (pursuant to any law then available) upon such terms and conditions as the Board may deem to be in the best interest of the Corporation.

SECTION 20. Right to Create Subordinate Debt. Except as may be limited by a Supplemental Resolution, the Corporation shall have the right to issue or create any debt payable from or secured by a lien on all or any part of the Pledged Revenues for any lawful purpose without complying with the provisions of Section 18 or 19 hereof, provided the pledge and the lien securing such debt is subordinate to the pledge and lien established, made and created in Section 11 of this Resolution with respect to the Pledged Revenues to the payment and security of the Parity Bonds, including amounts to be repaid following a draw on a surety bond held for the Reserve Fund.

SECTION 21. Confirmation and Levy of Sales Tax.

(a) The Board hereby represents the City has duly complied with the provisions of the Act for the levy of the Sales Tax at the rate voted at the election held by and within the City on January 16, 1993, and such Sales Tax has been and is to be imposed within the corporate limits of the City, as such corporate limits existed at the time of said election and as they may be expanded from time to time, and the receipts of such Sales Tax are to be remitted to the City by the Comptroller of Public Accounts on a monthly basis.

(b) While any Bonds are Outstanding, the Corporation covenants, agrees and warrants to take and pursue all action permissible to cause the Sales Tax to be levied and collected continuously, in the manner and to the maximum extent permitted by law, and to cause no reduction, abatement or exemption in the Sales Tax or rate of tax below the rate stated, confirmed and ordered in subsection (a) of this Section to be ordered or permitted while any Bonds shall remain Outstanding.

(c) If hereafter authorized by law to apply, impose and levy the Sales Tax on any taxable items or transactions that are not subject to the Sales Tax on the date of the adoption hereof, to the extent it legally may do so, the Corporation agrees to use its best efforts to cause the City to take such action as may be required to subject such taxable items or transactions to the Sales Tax.

(d) The Corporation agrees to take and pursue all action legally permissible to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by the Act, at the earliest and most frequent times permitted by law.

(e) The Corporation agrees to use its best efforts to cause the City to comply with the Act and shall cause the Gross Sales Tax Revenues to be deposited to the credit of the Gross Sales Tax Revenue Fund in their entirety immediately upon receipt by the City. In the alternative and if legally authorized, the Corporation shall, by appropriate notice, direction, request or other legal method, use its good-faith efforts to cause the Comptroller of Public Accounts of the State of Texas (the "Comptroller") to pay all Gross Sales Tax Revenues directly to the Corporation for deposit to the Gross Sales Tax Revenue Fund.

SECTION 22. Records and Accounts. The Corporation hereby covenants and agrees that while any of the Bonds are Outstanding, it will keep and maintain complete records and accounts in accordance with generally accepted accounting principles, and following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Each such audit, in addition to whatever other matters may be thought proper by the accountant, shall particularly include the following:

- (1) A statement in reasonable detail regarding the receipt and disbursement of the Pledged Revenues for such Fiscal Year; and
- (2) A balance sheet for the Corporation as of the end of such Fiscal Year.

Such annual audit of the records and accounts of the Corporation shall be in the form of a report and be accompanied by an opinion of the accountant to the effect that such examination was made in accordance with generally accepted auditing standards and contain a statement to the effect that in the course of making the examination necessary for the report and opinion, the accountant obtained no knowledge of any default of the Corporation on the Bonds or in the fulfillment of any of the terms, covenants or provisions of this Resolution, or under any other evidence of indebtedness, or of any event which, with notice or lapse of time, or both, would constitute a failure of the Corporation to comply with the provisions of this Resolution or if, in the opinion of the accountants, any such failure to comply with a covenant or agreement hereof, a statement as to the nature and status thereof shall be included.

Copies of each annual audit report shall be furnished upon written request, to any Holders of any of said Bonds. The audits herein required shall be made within 120 days following the close of each Fiscal Year insofar as is possible.

The Holders of any Bonds or any duly authorized agent or agents of such Holders shall have the right to inspect such records, accounts and data of the Corporation during regular business hours.

SECTION 23. Representations as to Security for the Bonds.

(a) The Corporation represents and warrants that, except for the payment of the Parity Bonds, including amounts to be repaid following a draw on a surety bond held for the Reserve Fund, the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Resolution except as expressly provided herein.

(b) The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this Resolution, subject only to any applicable bankruptcy or insolvency laws or to any laws affecting creditors rights generally.

(c) The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Holders against all claims and demands of all persons whomsoever.

(d) The Corporation will take, and use its best efforts to cause the City to take, all steps reasonably necessary and appropriate to collect all delinquencies in the collection of the Sales Tax to the fullest extent permitted by the Act.

(e) The provisions, covenants, pledge and lien on and against the Pledged Revenues, as herein set forth, are established and shall be for the equal benefit, protection and security of the owners and holders of Parity Bonds without distinction as to priority and rights under this Resolution.

(f) The Parity Bonds shall constitute special obligations of the Corporation, payable solely from, and equally and ratably secured by a parity pledge of and lien on, the Pledged Revenues, and not from any other revenues, properties or income of the Corporation. The Bonds may not be paid in whole or in part from any property taxes raised or to be raised by the City and shall not constitute debts or obligations of the State or of the City, and the Holders, shall never have the right to demand payment out of any funds raised or to be raised by any system of ad valorem taxation.

SECTION 24. Satisfaction of Obligation of Corporation. If the Corporation shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenues under this Resolution and all other obligations of the Corporation to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the Bonds on the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor accepted to the Paying Agent/Registrar have been made) the redemption date thereof. The Corporation covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section in excess of the amount required for the payment of the Bonds shall be remitted to the Corporation or deposited as directed by the Corporation. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Corporation, be remitted to the Corporation against a written receipt therefor. Notwithstanding the above and foregoing, any

remittance of funds from the Paying Agent/Registrar to the Corporation shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 25. Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Corporation, and shall not be amended or repealed by the Corporation while any Bond remains Outstanding except as permitted in this Section. The Corporation, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Corporation may, with the written consent from the owners holding a majority in aggregate principal amount of the Parity Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the written consent of all Holders of Outstanding Bonds effected, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds or Parity Bonds, as the case may be, required to be held for consent to any such amendment, addition, or rescission.

SECTION 26. Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the Corporation and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Corporation and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Corporation, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds.

SECTION 27. Reserved.

SECTION 28. Notices to Holders - Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying

Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 29. Cancellation. All Bonds surrendered for payment, redemption, transfer or exchange, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Corporation, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Corporation may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Corporation may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Corporation.

SECTION 30. Sale of Bonds - Purchase Letter Approval. The Bonds are hereby sold to The American National Bank of Texas (the "Purchaser") in accordance with the Purchase Letter, dated as of November 15, 2016, attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Resolution, which sale of the Notes to said Purchaser is hereby determined to be in the best interests of the Corporation and is approved and confirmed. Delivery of the Bonds to the Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. The Chairman or Vice Chairman of the Board of Directors is hereby authorized and directed to execute said Purchase Letter for and on behalf of the Corporation and as the act and deed of this Board, and in regard to the approval and execution of the Purchase Letter, the Board hereby finds, determines, and declares that the representations, warranties, and agreements of the Corporation contained in the Purchase Letter are true and correct in all material respects and shall be honored and performed by the Corporation. The Initial Bond shall be registered in the name of the Purchaser.

SECTION 31. Proceeds of Sale. The proceeds of sale of the Bonds, excluding amounts to pay costs of issuance, shall be deposited to the credit of the Escrow Fund. The balance of the proceeds of sale of the Bonds shall be expended to pay costs of issuance and any excess amount budgeted for such purpose shall be deposited to the credit of the Bond Fund.

On or immediately prior to the date of the delivery of the Bonds to the purchaser, the Chief Executive Officer, Secretary/Treasurer or finance manager of the Corporation shall cause to be deposited with the Escrow Agent (defined in Section 33 hereof) from moneys on deposit in the reserve fund maintained for the Refunded Bonds the sum of \$75,521.35, which, together with proceeds of sale of the Bonds, will be sufficient to pay in full the Refunded Bonds to be redeemed on the redemption date.

SECTION 32. Legal Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, Dallas, Texas, Bond Counsel to the Corporation, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on or attached to the definitive Bonds.

SECTION 33. . Approval and Execution of Escrow Agreement - Redemption of Refunded Bonds.

(a) The "Escrow Agreement" (the "Agreement") by and between the Corporation and Wilmington Trust, National Association (the "Escrow Agent"), attached hereto as **Exhibit C** and incorporated herein by reference as a part of this Resolution for all purposes, is hereby approved

as to form and content, and such Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the Corporation, is hereby authorized to be executed by the Chairman or Vice Chairman and Secretary of the Board of Directors of the Corporation for and on behalf of the Corporation and as the act and deed of this Board of Directors; and such Agreement as executed by said officials shall be deemed approved by the Board of Directors and constitute the Agreement herein approved.

(b) Appropriate officials of the Corporation in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Agreement, if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "SPECIAL 2016 MCKINNEY ECONOMIC DEVELOPMENT CORPORATION REFUNDING BOND ESCROW FUND" (the "Escrow Fund"); all as contemplated and provided in Act, this Resolution and the Agreement.

(c) The Refunded Bonds shall be redeemed and the same are hereby called for redemption on January 16, 2017, at the price of par and accrued interest to the date of redemption. The Secretary of the Board of Directors the Corporation is hereby authorized and directed to file a copy of this resolution, together with a suggested form of notice of redemption to be sent to bondholders, with Wells Fargo Bank, National Association (current paying agent/registrar for the Refunded Bonds), in accordance with the redemption provisions applicable to such bonds; such suggested form of notice of redemption being attached hereto as **Exhibit D** and incorporated herein by reference as a part of this resolution for all purposes.

(d) The redemption of the Refunded Bonds being associated with the refunding of such bonds, the approval, authorization and arrangements herein given and provided for the redemption of such obligations on the redemption dates designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the Secretary of the Board of Directors is hereby authorized and directed to make all arrangements necessary to notify the holders of such bonds of the Corporation's decision to redeem such bonds on the dates and in the manner herein provided and in accordance with the resolution authorizing the issuance of the Refunded Bonds and this Resolution.

SECTION 34. Control and Custody of Bonds. The Chairman and Vice Chairman of the Board and the President and Chief Executive Officer, individually or collectively, shall be and are hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the Chairman and Vice Chairman of the Board of Directors or the President and Chief Executive Officer of the Corporation, individually, jointly or collectively, are hereby authorized and directed to furnish and execute such documents and certifications relating to the Corporation and the issuance of the Bonds, as may be necessary for the approval of the Attorney General, registration by the Comptroller of Public Accounts and delivery of the Bonds to the initial purchasers and, together with the Corporation's financial advisor, general counsel, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchasers and the initial exchange thereof for definitive Bonds.

SECTION 35. Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Corporation, the Paying

Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Corporation, the Paying Agent/Registrar and the Holders.

SECTION 36. Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 37. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 38. Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 39. Construction of Terms; Incorporation of Findings. If appropriate in the context of this Resolution, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders. The findings and determinations of the Board of Directors made in the preambles of this Resolution are incorporated herein for all purposes as if fully set forth as a part of this Resolution and are hereby deemed to be a part of the body of this Resolution.

SECTION 40. Further Procedures. Any one or more of the Chairman or Vice Chairman of the Board of Directors, the President and Chief Executive Officer and Secretary/Treasurer or finance manager of the Corporation are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Corporation all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance, sale and delivery of the Bonds. In addition, prior to the delivery of the Bonds, the Chairman or Vice Chairman of the Board of Directors, the President and Chief Executive Officer and Secretary/Treasurer or finance manager of the Corporation or Bond Counsel to the Corporation are each hereby authorized and directed to approve any changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any ambiguity, formal defect, or omission in the Resolution or such other document, or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General. In the event that any officer of the Corporation whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 41. Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 42. Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED, this November 15, 2016.

MCKINNEY ECONOMIC DEVELOPMENT
CORPORATION

Chairman, Board of Directors

ATTEST:

Secretary/Treasurer

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT B
PURCHASE LETTER

EXHIBIT C
ESCROW AGREEMENT

EXHIBIT D

NOTICE OF REDEMPTION

**MCKINNEY ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BONDS
TAXABLE SERIES 2011
Dated February 1, 2011**

NOTICE IS HEREBY GIVEN that the bonds of the above series maturing on and after September 1, 2017 and aggregating in principal amount \$6,910,000 have been called for redemption on January 16, 2017 at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>CUSIP</u>	<u>Year of Maturity</u>	<u>Principal Amount Outstanding</u>	<u>CUSIP</u>
2017	\$605,000		2022	\$800,000	
2018	\$635,000		2023	\$855,000	
2019	\$665,000		2024	\$910,000	
2020	\$715,000		2025	\$970,000	
2021	\$755,000				

ALL SUCH BONDS shall become due and payable on January 16, 2017, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners of the bonds only upon presentation and surrender thereof to Wells Fargo Bank, National Association at its designated office at the following addresses:

<u>By Registered or Certified Mail</u>	<u>By Hand or Overnight Mail</u>	<u>In Person</u>
Wells Fargo Bank, National Association Corporate Trust Services P.O. Box 1517, MAC N9303-121 Minneapolis, Minnesota 55480	Wells Fargo Bank, National Association Corporate Trust Services, MAC N9303-121 6 th & Marquette Avenue, 12 th Floor Minneapolis, Minnesota 55479	Wells Fargo Bank, National Association Corporate Trust Operations Northstar East Building 608 2 nd Avenue South Minneapolis, Minnesota 55402

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to a resolution by the Board of Directors of the McKinney Economic Development Corporation.

WELLS FARGO BANK, NATIONAL ASSOCIATION
625 Marquette Ave S, 11th Floor
Minneapolis, Minnesota 55749