

RESOLUTION NO. 2021-____ - MEDC

A RESOLUTION AUTHORIZING THE ISSUANCE OF “MCKINNEY ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE IMPROVEMENT AND REFUNDING BONDS, TAXABLE SERIES 2021”; PLEDGING CERTAIN “PLEGGED REVENUES” OF THE CORPORATION, INCLUDING "GROSS SALES TAX REVENUES", TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT, AND DELIVERY OF SAID BONDS, INCLUDING ESTABLISHING PROCEDURES THEREFOR AND DELEGATING MATTERS TO AN AUTHORIZED CORPORATION OFFICER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, McKinney Economic Development Corporation (the "Corporation") has been duly created and organized pursuant to the provisions of the Development Corporation Act, Texas Local Government Code, Title 12, Subtitle C1, as amended (the "Act") (formerly known as the Development Corporation Act of 1979, Tex. Rev. Civ. Stat. Ann. Article 5190.6, Section 4A), specifically Chapters 501 and 504 of the Texas Local Government Code, as amended; and

WHEREAS, a sales and use tax at the rate of ½ of one percent for the promotion and development of new and expanded business enterprises was approved by voters at an election held January 16, 1993 (the "Sales Tax Election"); and

WHEREAS, the Corporation has heretofore issued, sold, and delivered, and there is currently outstanding, the (1) McKinney Economic Development Corporation Sales Tax Revenue Bonds, Series 2011, dated February 1, 2011, (2) "McKinney Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2016," dated December 1, 2016 and (3) "McKinney Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2018," dated July 1, 2018 (collectively, the "Refunded Bonds"); and

WHEREAS, the Board of Directors of the Corporation (the "Board") hereby finds and determines that it is a public purpose and in the best interests of the Corporation to refund the Refunded Bonds in order to achieve a present value debt service savings, with such savings, among other information and terms, to be included in one or more pricing certificates (the "Pricing Certificate") to be executed by the Pricing Officer (hereafter designated), all in accordance with the provisions of the Act and the Texas Non-Profit Corporation Act and Chapter 22, Texas Business Organizations Code, as amended; and

WHEREAS, the Board hereby finds and determines that bonds should be issued at this time for purposes specified in the Pricing Certificate (the "Projects") to promote and develop new and expanded business enterprises and that the Projects are within the meaning of the Act; and

WHEREAS, the Board finds that the expenditures for the Projects are required and suitable for the development, retention or expansion of projects authorized by the Act; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of the Corporation to authorize the issuance of the bonds and the terms of such bonds to be included in the Pricing Certificate; 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 maximum aggregate principal amount hereinafter specified to be designated and bear the title "MCKINNEY ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE IMPROVEMENT AND REFUNDING BONDS, TAXABLE SERIES 2021" and/or any additional or different designation as specified in the Pricing Certificate (hereinafter referred to collectively as the "Bonds"), for the following purposes, to wit: (i) in the principal amount specified in the Pricing Certificate to provide funds to finance the costs of the Projects authorized by Section 501.101 of the Local Government Code which will create or retain primary jobs, (ii) in the principal amount specified in the Pricing Certificate for the discharge and final payment of certain outstanding obligations of the Corporation (described in the preamble hereof and finally identified in the Pricing Certificate and referred to herein as the "Refunded Bonds") and (iii) to pay costs of issuance, in conformity with the Constitution and laws of the State of Texas, including the Act, the Texas Nonprofit Corporation Act, and Chapter 22, Texas Business Organizations Code.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Date. The Bonds shall be issued as fully registered obligations, without coupons, shall be dated as specified in the Pricing Certificate (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be numbered consecutively from One (1) upward and shall become due and payable on the date(s) in each of the years and in principal amounts (the "Stated Maturities") and bear interest at per annum rates in accordance with the details set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the per annum rates shown in the Pricing Certificate (calculated on the basis of a 360 day year of twelve 30 day months). Interest on the Bonds shall be payable in each year on the dates, and commencing on the date, set forth in the Pricing Certificate.

SECTION 3: Delegation of Authority to Pricing Officer.

(a) The Chairman or Vice Chairman of the Board of Directors of the Corporation or the President and Chief Executive Officer of the Corporation (each a "Pricing Officer") are each hereby authorized to act on behalf of the Corporation in selling and delivering the Bonds, and carrying out the other procedures specified in this Resolution, including selecting the specific maturities, if any, (whole or part) of the Refunded Bonds to be refunded, determining the aggregate original principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, determining whether the Bonds shall be issued in one or more series or subseries, the price at which the Bonds will be sold, the manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Corporation, as well as any mandatory sinking fund redemption provisions, the designation of a paying agent/registrars for the Bonds, the designation of an escrow agent, if applicable, the terms of any bond insurance or any surety bond applicable to the Bonds, and all other matters relating to the issuance, sale and delivery of the Bonds, including any modification of the Rule 15c2-12 continuing disclosure undertaking contained in Section 39 hereof, all of which shall be specified in the Pricing Certificate, provided that:

(1) the aggregate original principal amount of the portion of the Bonds issued for new money purposes (the "New Money Portion of the Bonds") shall not exceed \$16,500,000;

(2) the aggregate original principal amount of the portion of the Bonds issued to refund the Refunded Bonds (the "Refunding Portion of the Bonds") shall not exceed \$25,000,000;

(3) the true interest cost rate for the Bonds shall not exceed 4.00%;

(4) the maximum maturity date for the Bonds shall not exceed September 1, 2041; and

(5) the refunding associated with the Refunding Portion of the Bonds must produce a net present value debt service savings of at least 4%, net of any Corporation contribution.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the Corporation to the Purchaser (hereinafter defined).

(b) The delegation made hereby shall expire if not exercised by a Pricing Officer within 180 days from the date of adoption hereof. The Pricing Officer may exercise such delegation on more than one occasion during such time period.

SECTION 4: 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 the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. 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" (the "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 Pricing Officer is hereby authorized to execute and deliver the Paying Agent/Registrar 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 Maturities or upon their earlier redemption, only upon presentation and surrender of the Bonds to the Paying

Agent/Registrar at its designated offices as provided in the Pricing Certificate (the "Designated Payment/Transfer Office"). 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 (which shall be set forth in the Pricing Certificate) 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 one or more maturities on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment for such maturity or maturities (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 or maturities appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

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 transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (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: Book-Entry Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3 and 5 hereof and in the Pricing Certificate relating to the payment, and transfer/exchange of the Bonds, the Corporation hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations by and between the Corporation and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the Corporation determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the Corporation covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the Corporation by its Chairman of the Board of Directors of the Corporation and attested by the Secretary/Treasurer of the Board of Directors 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 date of adoption of this Resolution 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 9(c), 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 9(d), 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(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the total principal amount and with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds registered to the initial purchasers in principal amounts and denominations in accordance with the Pricing Certificate and to be numbered consecutively from T 1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds 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(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates 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 appear on the Initial Bond(s) only), the Registration Certificate of Paying Agent/Registrar (to appear on definitive Bonds only), and the form of Assignment to appear on each of the Bonds, shall be substantially in the forms set forth in this Section as such forms may be modified in the Pricing Certificate with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and with the Bonds to be completed with the information set forth in the Pricing Certificate, 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 a Pricing Officer. The

Pricing Certificate shall set forth the final and controlling terms of the Bonds. 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(s), 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. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
MCKINNEY ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE IMPROVEMENT AND REFUNDING BOND
TAXABLE SERIES 2021

Bond Date:
_____, 2021

Interest Rate:
_____ %

Stated Maturity:

CUSIP NO:

Registered Owner:

Principal Amount:

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, V.T.C.A., Local Government Code, Title 12, Subtitle C1, as amended (the "Act"), specifically Chapters 501 and 504 of the Local Government Code, 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 interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the _____) at the per annum rate of interest specified above; such interest being payable on _____ and _____ of each year, commencing _____, until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. 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 _____

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. 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. 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 \$_____ (herein referred to as the "Bonds") to provide funds to finance (i) the costs of projects authorized by the Act (collectively, the "Projects"), (ii) the refunding of certain outstanding obligations of the Corporation and (iii) the costs of issuance, in conformity with the Constitution and laws of the State of Texas, including the Act, the Texas Nonprofit Corporation Act, and Chapter 22, Texas Business Organizations Code, and pursuant to a Resolution adopted by the governing body of the Corporation (herein referred to as the "Resolution").

The Bonds maturing on _____, and _____ (the "Term Bonds"), are subject to mandatory redemption at a price of par plus accrued interest to the date of redemption, as follows:

<u>Term Bonds due</u>	<u>Principal Amount</u>	<u>Term Bonds due</u>	<u>Principal Amount</u>
<u>Redemption Date</u>		<u>Redemption Date</u>	
	\$,000		\$,000
	,000		,000
	,000		,000
	,000	(maturity)	,000
(maturity)	,000		

The particular Term Bonds to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the Corporation, by the principal amount of Term Bonds of like maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the Corporation at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.

The Bonds maturing on and after _____ may be redeemed prior to their Stated Maturities, at the option of the Corporation, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying

Agent/Registrar), on _____ 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 a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum 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 a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided in the Resolution for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is called for redemption, in whole or in part, the Corporation and the Paying Agent/Registrar shall not be required to transfer such 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 of a Bond redeemed 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 redemption price of 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, together with the outstanding Previously Issued Bonds (as defined in the Resolution), 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 "Gross Sales Tax Revenues" (as defined in the Resolution) 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 last business 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.

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

Chairman, Board of Directors

ATTEST:

Secretary/Treasurer, Board of Directors

(c) Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____.

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 _____, is the "Designated Payment/Transfer Office" for this Bond.

_____,
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.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section as modified in accordance with the Pricing Certificate, except that the form of a single fully registered Initial Bond shall be modified as follows or as provided in the Pricing Certificate:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
MCKINNEY ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE IMPROVEMENT AND REFUNDING BOND
TAXABLE SERIES 2021

Bond Date:
_____, 2021

Registered Owner:

Principal Amount:

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, V.T.C.A, Local Government Code, Title 12, Subtitle C1, as amended (the "Act"), specifically Chapters 501 and 504 of the Local Government Code, 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 hereinabove stated on _____ in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS (\$)</u>	<u>INTEREST RATE (%)</u>
-------------	--	------------------------------

(Information to be inserted from the Pricing Certificate)

(or so much thereof as shall not have been paid upon prior redemption) 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 _____ at the per annum rate of interest specified above; such interest being payable on _____ and _____ of each year, commencing _____.

Principal installments of this Bond are payable at its Stated Maturity or on a prepayment date to the registered owner hereof by _____ (the "Paying Agent/Registrar"), upon its presentation and surrender, at its designated office in _____ (the "Designated Payment/Transfer Office"). 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 _____ 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. 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. 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.

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, specifically Chapters 501 and 504 of the Texas Local Government Code, as amended.

"Additional Obligations" - Bonds, notes or other evidences of indebtedness which the Corporation reserves the right to issue or enter into, as the case may be, in the future in accordance with the terms and conditions provided in Section 18 hereof and which, together with the Bonds and the Previously Issued Bonds, are equally and ratably secured by a parity pledge of and claim on the Pledged Revenues under the terms of this Resolution and any Supplemental 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 of 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 and Improvement Bonds, Taxable Series 2021" 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 maximum legal per annum rate applicable to such obligations, 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" - Unless otherwise provided in the Pricing Certificate, (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and 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, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and 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 (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

"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 pursuant to the Act and the election held January 16, 1993, 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 Obligations, as the case may be, means, as of the date of determination, all Bonds and Parity Obligations theretofore sold, issued and delivered by the Corporation, except:

(1) those Bonds or Parity Obligations 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 Obligations 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 Obligations.

(3) those Bonds or Parity Obligations that have been mutilated, destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof in accordance with the provisions of Section 26 hereof.

"Parity Obligations" - Collectively, the Previously Issued Bonds, the Bonds and Additional Obligations.

"Pledged Revenues" - Collectively (i) Gross Sales Tax Revenues from time to time deposited or owing to the Pledged 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 Parity Obligations.

"Previously Issued Bonds" – The outstanding (1) McKinney Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2011, dated February 1, 2011, (2) "McKinney Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2016," dated December 1, 2016 and (3) "McKinney Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2018," dated July 1, 2018.

"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 on January 16, 1993, and the effective date for the imposition and application of such Sales Tax within the corporate limits of the City 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 the Bonds or Additional Obligations, 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 Obligations or pledging and encumbering income, revenues, receipts or property other than the Gross Sales Tax Revenues to the payment and security of the Parity Obligations.

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 Obligations, are hereby irrevocably pledged to the payment and security of the Bonds, the Previously Issued Bonds and Additional Obligations, if issued, 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 the Parity Obligations 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 and fully perfected from and after the date of adoption of this Resolution without physical delivery or transfer of control of the Pledged Revenues, the filing of this Resolution or any other act; all as provided in Chapter 1208 of the Texas Government Code.

Section 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Corporation under this Section 11, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the Corporation under this Section 11 is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Corporation agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter

9, Texas Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 12: Pledged Revenue Fund. The Corporation hereby covenants and agrees to establish and maintain a fund or account at a Depository for the deposit of the Pledged Revenues as received by the Corporation, which fund or account shall continue to be known on the books and records of the Corporation as the "Pledged Revenue Fund". All Pledged Revenues deposited to the credit of such Fund shall continue to be accounted for separate and apart from all other revenues, receipts and income of the Corporation 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 Pledged Revenue Fund. All Pledged Revenues deposited to the credit of the Pledged 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 Obligations 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 the resolutions authorizing the Previously Issued Bonds, this Resolution and any Supplemental Resolution, if any;

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 Obligations; and

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 Obligations.

Any Pledged Revenues remaining in the Pledged Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other lawful 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 Obligations, the Corporation covenants and agrees to maintain a separate and special account or fund on the books and records of the Corporation known as the "McKinney Economic Development Corporation Debt Service Account" (the "Bond Fund"), and all monies deposited to the credit of the Bond Fund shall continue to be held in a special banking fund or account maintained at a Depository of the Corporation. In addition to the amounts required to be deposited to the credit of the Bond Fund for the payment of the Previously Issued Bonds, 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 monthly installments on or before the 10th day of each month, beginning on or before the 10th day of the month next following the delivery of the Bonds to the initial purchasers.

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 Obligations (principal and interest) then Outstanding or (ii) the Bonds are no longer Outstanding.

SECTION 14: Reserve Fund.

(a) General Provisions. Subject to the provisions of this Resolution hereinafter set forth, 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 Bonds and Previously Issued 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 Bonds and Previously Issued 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 Bond or Previously Issued Bond, and such calculation shall include the Debt Service requirements that remain after taking into account all payments of Bonds and Previously Issued Bonds made on or before the date of such calculation. The total amount to be accumulated and maintained in the Reserve Fund by reason of the issuance of the Bonds shall be specified in the Pricing Certificate. 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.

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 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.

Notwithstanding the foregoing, at such time as the Previously Issued Bonds are no longer Outstanding, the provisions set forth in the next succeeding paragraph shall apply and shall supercede the other paragraphs set forth in this Section 14.

The Corporation shall discontinue the Reserve Fund for the Bonds and for any Additional Obligations issued after the issuance of the Bonds; provided however, the Corporation may provide for the establishment of a Reserve Fund and the manner of calculating any Required Reserve Amount with respect to Additional Obligations to the extent specified in a resolution authorizing such Additional Obligations. At such time as the Previously Issued Bonds are no longer Outstanding, the Corporation may withdraw and transfer monies relating to the Bonds in the Reserve Fund to the Pledged Revenue Fund; provided that, to the extent such monies constitute bond proceeds, including interest and income derived therefrom, such amounts shall be deposited to the Bond 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 designated financial officer 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. 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 the Public Funds Investment Act (Texas Government Code, Chapter 2256), 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 Obligations. 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 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 Pledged Revenue Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

Money deposited to the credit of the Pledged 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 Parity Obligations. 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 Obligations for any lawful purpose. Such Additional Obligations may be issued in such form and manner as the Corporation shall determine, provided, however, prior to issuing or incurring such Additional Obligations, the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(1) 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.

(2) 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 Obligations 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 Obligations were equal to not less than 1.50 times the maximum annual Debt Service for all Parity Bonds then Outstanding after giving effect to the issuance of the Additional Obligations 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.

SECTION 19: Refunding Bonds. The Corporation reserves the right to issue refunding bonds to refund all or any part of the Parity Obligations (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, and if less than all such Parity Obligations then Outstanding are refunded, the conditions precedent prescribed (for the issuance of Additional Obligations) set forth in Section 18 hereof shall be satisfied, and shall give effect to the refunding, unless the refunding bonds produce a net present value savings to the Corporation in which case the conditions specified in Section 18 do not have to be satisfied in connection with such refunding.

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 Obligations.

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 is to be imposed within the corporate limits of the City 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, at said rate or at a higher rate if legally permitted, 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 Pledged 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 Pledged 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 may be reflected in the audit of the City) 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 180 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 and Covenants as to Security for the Bonds.

(a) The Corporation represents and warrants that, except for Parity Obligations, 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 Obligations without distinction as to priority and rights under this Resolution.

(f) The Parity Obligations 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 or consulting 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 Maturities 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.

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 four (4) 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, together with the Pricing Certificate, 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 and in Section 39 hereof and the Pricing Certificate. 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 Obligations 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 Obligations, 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: 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 28: 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 29: Sale of Bonds – Official Statement. The Bonds authorized by this Resolution are to be sold by the Corporation in accordance with a bond purchase agreement in the event of a negotiated sale, letter agreement to purchase in the event of a private placement, or the successful bid form in the event of a competitive sale, as applicable (the "Purchase Contract"), the terms and provisions of which Purchase Contract are to be determined by a Pricing Officer, in accordance with Section 3 hereof. The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Corporation, as the act and deed of this Board, and to make a determination as to whether the terms are in the Corporation's best

interests, which determination shall be final. With regard to such terms and provisions of said Purchase Contract, a Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

- (1) The details of the purchase and sale of the Bonds;
- (2) The details of any public offering of the Bonds by the Purchasers;
- (3) The details of any Official Statement or similar disclosure document (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the Corporation's Rule 15c2-12 undertaking, if applicable;
- (4) A security deposit for the Bonds, if any;
- (5) The representations and warranties of the Corporation to the Purchasers;
- (6) The details of the delivery of, and payment for, the Bonds;
- (7) The Purchasers' obligations under the Purchase Contract;
- (8) The certain conditions to the obligations of the Corporation under the Purchase Contract;
- (9) Termination of the Purchase Contract;
- (10) Particular covenants of the Corporation;
- (11) The survival of representations made in the Purchase Contract;
- (12) The payment of any expenses relating to the Purchase Contract;
- (13) Notices; and
- (14) Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

A Pricing Officer is hereby authorized and directed to execute said Purchase Contract for and on behalf of the Corporation and as the act and deed of this Board.

The Chairman and Secretary/Treasurer of the Board of Directors of the Corporation are further authorized and directed to deliver or cause to be delivered for and on behalf of the Corporation copies of a Preliminary Official Statement and Official Statement, if any, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such Preliminary Official Statement and final Official Statement in the form and content as approved by a Pricing Officer or as manually executed by said officials shall be deemed to be approved by the Board and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 30: Proceeds of Sale. Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and accrued interest, if any, received from the Purchasers of the Bonds, and premium in the amount specified

in the Pricing Certificate) shall be deposited in a construction fund and/or used to refund the Refunded Bonds as provided in the Pricing Certificate. Pending expenditure for the Projects, such proceeds of sale may be invested in authorized investments and any investment earnings realized shall be expended for the Projects or deposited in the Bond Fund. All surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of the Projects, together with any accrued interest received from the Purchasers, shall be deposited to the credit of the Bond Fund.

Additionally, the Pricing Officer shall determine the amount of any Corporation contribution to the refunding from moneys on deposit in the debt service fund(s) or accounts maintained for the payment of the Refunded Bonds.

SECTION 31: Legal Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished final opinions of Norton Rose Fulbright US LLP, Attorneys, Dallas, Texas, approving such Bonds as to their validity, said opinions to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of each opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with The Depository Trust Company. The Board of Directors confirms Norton Rose Fulbright US LLP as the Corporation's bond counsel.

SECTION 32: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the Corporation nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 33: Control and Custody of Bonds. The Chairman of the Board shall be and is 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 Bonds 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, Vice Chairman and Secretary/Treasurer of the Board of Directors of the Corporation, any Director, any Ex-Officio Member of the Board of Directors and the President and Chief Executive Officer, 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(s) to the Purchasers and the initial exchange thereof for definitive Bonds.

SECTION 34: 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 35: 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 36: 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 37: 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 38: Construction of Terms. 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.

SECTION 39: Continuing Disclosure Undertaking. This Section 39 shall apply unless the Pricing Officer determines in the Pricing Certificate that an undertaking is not required pursuant to the Rule.

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

"*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 to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"*MSRB*" means the Municipal Securities Rulemaking Board.

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

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

(b) *Annual Reports*. The Corporation shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the Corporation beginning in the year stated in the Pricing Certificate, financial information and operating data with respect to the Corporation of the general type included in the final Official Statement approved by the Pricing Officer and described in the Pricing Certificate, and (2) if not provided as part such financial information and operating data, financial statements of the Corporation. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the Corporation may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the Corporation 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 six (6) months after any such fiscal year end, then the Corporation shall file unaudited financial statements within such six-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) *Notice of Certain Events.* The Corporation shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

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 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 Corporation, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Corporation, 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 Corporation, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding item 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, 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 Corporation, and (b) the Corporation intends the words used in the immediately preceding items 15 and 16 in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

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

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

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds; and, nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Corporation undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the Corporation does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the Corporation’s financial results, condition, or prospects; nor does the Corporation undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the Corporation 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 CORPORATION BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CORPORATION, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Corporation in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

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

(e) Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the Corporation from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Corporation, but only if (1) the provisions of this Section, 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 Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the Corporation (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the Corporation if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the Corporation's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the Corporation so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40: Further Procedures. Any one or more of the Chairman, Vice Chairman or Secretary/Treasurer of the Board, any Director, any Ex-Officio Member of the Board, or the President and Chief Executive Officer or any Vice President 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 of the Bonds. In addition, prior to the initial delivery of the Bonds, the Chairman, Vice Chairman or Secretary/Treasurer of the Board, or the President and Chief Executive Officer or any Vice President 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 this 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 and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Resolution, which determination shall be final. 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: Escrow Agreement. An escrow agreement (the "Escrow Agreement") by and between the Corporation and an authorized escrow agent (the "Escrow Agent"), if any such agreement is required in connection with the issuance of the Bonds, shall be attached to and approved in the Pricing Certificate. Such Escrow Agreement is hereby authorized to be finalized and executed by the Pricing Officer for and on behalf of the Corporation and as the act and deed

of this Council; and such Escrow Agreement as executed by said Pricing Officer shall be deemed approved by this Council and constitute the Escrow Agreement herein approved. With regard to the finalization of certain terms and provisions of any Escrow Agreement, a Pricing Officer is hereby authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

1. The identification of the Refunded Bonds;
2. The creation and funding of the escrow fund or funds; and
3. The Escrow Agent's compensation, administration of the escrow fund or funds, and the settlement of any paying agent's charges relating to the Refunded Bonds.

Furthermore, 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 Escrow 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 "MCKINNEY ECONOMIC DEVELOPMENT CORPORATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2021 ESCROW FUND" (referred to herein as the "Escrow Fund"), or such other designation as specified in the Pricing Certificate; all as contemplated and provided in the Act, this Resolution, the Pricing Certificate and the Escrow Agreement.

On or immediately prior to the date of the delivery of the Bonds to the Purchasers, the Pricing Officer, or other authorized official listed in Section 40 hereof, shall also cause to be deposited (and is hereby authorized to cause to be deposited) with the Escrow Agent from moneys on deposit in the debt service fund(s) maintained for the payment of the Refunded Bonds an amount which, together with the proceeds of sale of the Bonds, and any investment earnings thereon, will be sufficient to pay in full the Refunded Bonds (or the amount of accrued interest due thereon) scheduled to mature and authorized to be redeemed on the earliest date established in the Pricing Certificate for the redemption of any of the Refunded Bonds (or the earliest date of payment, to be made from moneys in the Escrow Fund(s), as established in the Pricing Certificate, of the amount of accrued interest due thereon).

SECTION 42: Refunded Bonds. (a) In order to provide for the refunding, discharge, and retirement of the Refunded Bonds as selected by the Pricing Officer, the Refunded Bonds, identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first date(s) such Refunded Bonds are subject to redemption or such other date specified by the Pricing Officer in the Pricing Certificate at the price of par plus accrued interest to the redemption date, and notice(s) of such redemption shall be given in accordance with the applicable provisions of the resolution(s) adopted by this Board, which authorized the issuance of the Refunded Bonds. The Pricing Officer is hereby authorized and directed to issue or cause to be issued a notice or notices of redemption for the Refunded Bonds in substantially the form(s) set forth as an exhibit or exhibits to the Pricing Certificate, to the paying agent/registrar(s) for Refunded Bonds, in accordance with the redemption provisions applicable to the Refunded Bonds.

(b) The paying agent/registrar(s) for Refunded Bonds is hereby directed to provide the appropriate notice(s) of redemption as required by the resolution(s) authorizing the issuance of the Refunded Bonds and is hereby directed to make appropriate arrangements so that the Refunded Bonds may be redeemed on the respective redemption date(s) specified in the Pricing Certificate.

(c) The source of funds for payment of the principal of and interest on the Refunded Bonds on their respective maturity or redemption date(s) shall be from the funds deposited with the Escrow Agent, pursuant to the Escrow Agreement, if any, or with the paying agent/registrar(s) for the Refunded Bonds pursuant the provisions of the Act, this Resolution and the Pricing Certificate finalized by the Pricing Officer.

SECTION 43: Municipal Bond Insurance. The Bonds may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Bonds and make the determination of the provisions of any commitment therefor. The requirements of any municipal bond insurance provider relating to the Bonds may be placed in the Pricing Certificate to be executed by the Pricing Officer.

SECTION 44: 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 45: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

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PASSED AND ADOPTED, this March 16, 2021.

MCKINNEY ECONOMIC DEVELOPMENT
CORPORATION

Chairman, Board of Directors

ATTEST:

Secretary/Treasurer, Board of Directors

EXHIBIT A
FORM OF PAYING AGENT/REGISTRAR AGREEMENT