



**ECONOMIC DEVELOPMENT
CORPORATION BOARD OF DIRECTORS**

Location:

City of Edinburg, City Hall-Council Chambers
415 W. University Drive, Edinburg, Texas

**AUGUST 17, 2021
REGULAR MEETING AGENDA
4:00 PM**

1. CALL TO ORDER, ESTABLISH A QUORUM

2. CERTIFICATION OF PUBLIC NOTICE

3. PUBLIC COMMENTS

A specific portion of the meeting shall be dedicated to allowing Public Comments which will be limited to three (3) minutes. Because of the state of emergency due to the COVID-19 pandemic, public comment may be provided in-person abiding to the occupancy limits or by telephone. In person requests shall be requested by completing the Public Comment Form available at City Council Chambers. Telephone requests shall be completed by (a) sending an email to publiccomment@cityofedinburg.com or (b) calling 956-388-8204.

All requests must be received beginning at 9am and end immediately before the start of the meeting. Your request should include your name, address, and telephone number. We ask for everyone's cooperation in following this procedure.

4. REGULAR AGENDA ITEMS

- A. Consider approval of \$500,000 payment to Oceangate Investments, LLC, pursuant to the terms of their development agreement.
- B. Consider approval of sale of property at 800 Constitution Dr. - Lot 5 North Industrial Park Edinburg, Hidalgo County, Texas, to MVLE Enterprises Inc for the amount of \$168,500.
- C. Consider approval of a resolution authorizing the issuance of "Edinburg Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2021"; pledging certain "Pledged Revenues" of the Corporation, including Sales Tax revenues, to the payment of the principal of and interest on the Bonds, prescribing the form, terms, and conditions, and resolving other matters related to the foregoing.

- D. Consider approval of a resolution authorizing the issuance of "Edinburg Economic Development Corporation Sales Tax Revenue Bonds, New Series 2021A"; pledging certain "Pledged Revenues" of the Corporation, including "Gross Sales Tax Revenues", to the payment of the principal of and interest on the Bonds; prescribing the form, terms, conditions, and resolving other matters related to the foregoing.
- E. Consider approval of a resolution authorizing the issuance of "Edinburg Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2021B"; pledging certain "Pledged Revenues" of the Corporation, including "Gross Sales Tax Revenues", to the payment of the principal of and interest on the Bonds; prescribing the form, terms, conditions, and resolving other matters related to the foregoing.

5. EXECUTIVE SESSION

The EEDC will convene in Executive Session, in accordance with the Texas Open Meetings Act, Vernon's Texas Statutes and Codes Annotated, Government Code, Chapter 551, Subchapter D, Exceptions to Requirement that Meetings be Open. The EEDC May Elect To Go Into Executive Session On Any Item Whether Or Not Such Item Is Posted As An Executive Session Item At Any Time During The Meeting When Authorized By The Provisions Of The Open Meetings Act.

- A. Deliberation regarding economic development negotiations. (§551.087 Deliberation Regarding Economic Development Negotiations; §551.071. Consultation with Attorney; Closed Meeting).
- B. Discussion and possible action regarding the purchase, exchange, lease, or value of real property. (§551.072. Deliberation Regarding Real Property; Closed Meeting).

6. OPEN SESSION

The EEDC will convene in Open Session to take necessary action, if any, in accordance with Chapter 551, Open meetings, Subchapter E, Procedures Relating to Closed Meeting, §551.102, Requirement to Vote or Take Final Action in Open Meeting.

7. ADJOURNMENT

I hereby certify this Notice of an EEDC Meeting was posted in accordance with the Open Meetings Act, at the City Offices of the City of Edinburg, located at the 415 West University entrance outside bulletin board visible and accessible to the general public during and after regular working hours.

This notice was posted on 8/13/21, 2021 at 1:25 am/pm.

By:

Signature:

Name:

City of Edinburg, Texas


Ron Garza, City Manager

Brian Kelley, ACM

Edinburg Economic Development Corporation

Meeting Date: August 17, 2021

Consider approval of \$500,000 payment to Oceangate Investments, LLC, pursuant to the terms of their development agreement.

1. Agenda Item:

Consider approval of \$500,000 payment to Oceangate Investments, LLC, pursuant to the terms of their development agreement.

2. Description/Scope:

In May 2018, the Edinburg Economic Development Corporation (EEDC) entered into a development agreement with Oceangate Investments, LLC, for the construction of two Hilton-brand hotels located at 407 W. Trenton Road (Tru) and 411 W. Trenton Road (Home 2 Suites), and related site improvements, including signage, parking lot paving, lighting, and landscaping. The EEDC approved the agreement for up to \$750,000 on April 24, 2018.

Payment terms under the agreement, executed on May 24, 2018, were as follows:

- \$250,000 upon issuance of the certificate of occupancy and operation of one hotel by May 24, 2019
- \$250,000 upon issuance of the certificate of occupancy and operation of the second hotel by May 24, 2020
- \$250,000 "on or after" May 24, 2021

Certificates of occupancy were issued on December 23, 2019, for Tru at 407 W. Trenton Road and on April 17, 2020, for Home 2 Suites at 411 W. Trenton Road.

As such, Oceangate did not meet the May 24, 2019, deadline for the first payment term. The firm is now requesting \$500,000 pursuant to the second and third payment terms.

3. Estimated Timeline:

N/A

4. Budget:

EEDC's FY 2021 budget includes a \$250,000 line-item for Oceangate. However, there are sufficient funds available to close out this project with a \$500,000 payment.

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

Terms for the second and third payments under the agreement were met.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: Development Agreement

Attachment B: Payment Request Letter

Attachment C: Certificate of Occupancy Tru

Attachment D: Certificate of Occupancy Home 2 Suites

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

STATE OF TEXAS § DEVELOPMENT AGREEMENT BETWEEN
COUNTY OF HIDALGO § EDINBURG ECONOMIC DEVELOPMENT
CITY OF EDINBURG § CORPORATION AND OCEANGATE INVESTMENTS, LLC

This Development Agreement is made by and between the Edinburg Economic Development Corporation (hereinafter the "EEDC"), a non-profit Development Corporation created under the Texas Development Corporation Act, Texas Local Government Code Chapter 501 et seq, as amended (hereinafter "the Act") whose principal place of business is located at 415 W. University Dr., Edinburg, Texas 78541, and OCEANGATE INVESTMENTS, LLC whose business is located at 312 W. Nolana Loop, Pharr, TX 78577.

RECITALS

WHEREAS, the EEDC seeks to provide economic incentives to OCEANGATE INVESTMENTS, LLC, located at 312 W. Nolana Loop, Pharr, TX 78577; and

WHEREAS, OCEANGATE INVESTMENTS, LLC endeavors to make substantial improvements at its project locations at 407 W. Trenton Rd. and 411 W. Trenton Rd., Edinburg, TX, 78539 (hereinafter "site"), for the construction of two (2) Hilton brand hotels, including development and infrastructure in the total investment amount of approximately SIXTEEN MILLION AND 00/100TH DOLLARS (\$16,000,000.00) and,

WHEREAS, OCEANGATE INVESTMENTS, LLC by the efforts described herein is making a significant investment in the City of Edinburg; and,

WHEREAS, OCEANGATE INVESTMENTS, LLC is also providing significant employment opportunities for residents of the City of Edinburg, Texas; and

WHEREAS, OCEANGATE INVESTMENTS, LLC is seeking economic incentives from the EEDC for site improvements, including signage, parking lot paving, outside lighting, and landscaping, in the amount of SEVEN HUNDRED FIFTY THOUSAND AND 00/100^{THS} DOLLARS (\$750,000.00) (hereinafter collectively the "site improvements");

WHEREAS, the board of directors of the EEDC finds that OCEANGATE INVESTMENTS, LLC site improvements are necessary for the development of new or expanded business enterprises in the City of Edinburg and agrees to contribute economic incentives to OCEANGATE INVESTMENTS, LLC for said site improvements, up to the amount of SEVEN HUNDRED FIFTY THOUSAND AND 00/100^{THS} DOLLARS (\$750,000.00);

WHEREAS, on the 24th day of April, 2018, at its regular meeting, the board of directors of the EEDC approved the terms as set forth in this agreement; and

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and agreements set forth in this agreement, the EEDC and OCEANGATE INVESTMENTS, LLC have agreed and do hereby agree to the following:

SECTION I

IMPROVEMENTS, FEES AND TERMS

- A. OCEANGATE INVESTMENTS, LLC agrees to complete the first of the Hilton brand hotels, along with site improvements at 407 W. Trenton Rd. or 411 W. Trenton Rd., Edinburg, TX, and obtain a certificate of occupancy, within twelve (12) months from the date of the execution of this agreement, and the second of the Hilton brand hotels, along with site improvements (at said other location), and obtain a certificate of occupancy, within twenty four (24) months of the date of the execution of this agreement. Each hotel will have approximately 100 hotel rooms, along with signage, parking lot paving, outside lighting, and landscaping.
- B. OCEANGATE INVESTMENTS, LLC agrees and covenants that it will use commercially reasonable efforts to pursue the completion of the two hotels and site improvements as good and valuable consideration for this agreement. OCEANGATE INVESTMENTS, LLC further covenants and agrees that all construction for this project and site improvements will be in accordance with applicable federal, state and local laws and regulations, or valid waiver thereof.
- C. The EEDC shall reimburse OCEANGATE INVESTMENTS, LLC for a portion of the costs of site improvements in an amount not to exceed SEVEN HUNDRED FIFTY THOUSAND AND 00/100THS DOLLARS (\$750,000.00). All costs of site improvements in excess of any amount allotted for site improvements shall be paid for by OCEANGATE INVESTMENTS, LLC. Payments shall be made as set forth below.
- D. The EEDC shall reimburse OCEANGATE INVESTMENTS, LLC up to SEVEN HUNDRED FIFTY THOUSAND AND 00/100THS DOLLARS (\$750,000.00). Reimbursement by the EEDC to OCEANGATE INVESTMENTS, LLC for site improvements shall be made based upon copies of receipts, invoices, and other evidence of actual costs incurred and paid as may be required by the EEDC and upon the timely completion of the site improvements. EEDC shall pay TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) upon the issuance of the Certificate of Occupancy and operation of the first Hilton brand hotel, which must occur within 12 months of the execution of this agreement. Thereafter, EEDC shall pay a second installment in the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) after OCEANGATE INVESTMENTS, LLC has completed the second Hilton brand hotel, and has received the certificate of occupancy on same, and it is in operation, which must occur within 24 months of the execution of this agreement. Thereafter, EEDC shall pay a third installment in the amount of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) on or after thirty-six (36) months of the execution of this agreement. Reimbursement shall be made within thirty (30) days after receipt of said documentation required by EEDC. OCEANGATE INVESTMENTS, LLC will provide evidence of third party occupancy as required by EEDC. THE MAXIMUM AMOUNT EEDC SHALL BE LIABLE FOR, IN ANY TWELVE MONTH PERIOD, IS TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00).
- E. If OCEANGATE INVESTMENTS, LLC fails to complete all requirements under this

development agreement within three (3) years of the date of the execution of this agreement, OCEANGATE INVESTMENTS, LLC, agrees, and shall be required, to refund all payments made by EEDC under this agreement within thirty (30) days of the three (3) years of the date of execution of this development agreement.

- F. If OCEANGATE INVESTMENTS, LLC, ceases to do business or sells the subject property within six (6) years of the date of the execution of this agreement, OCEANGATE INVESTMENTS, LLC shall reimburse EEDC for any payments made under this agreement within thirty (30) days of ceasing business or sale of the property, whichever event causes the reimbursement requirement.
- G. Subject to the requirements for completion, issuance of certificates of occupancy, and operation as set forth in this agreement, OCEANGATE INVESTMENTS, LLC shall have additional time to complete the construction of the site improvements, as may be required in the event of "force majeure", if OCEANGATE INVESTMENTS, LLC is diligently and faithfully pursuing completion of the site improvements. For this purpose "force majeure" shall mean an event beyond the reasonable control of OCEANGATE INVESTMENTS, LLC including, but not limited to, acts of God, earthquake, fire, explosion, war, civil insurrection, acts of the public enemy, act of civil or military authority, sabotage, terrorism, floods, lightning, hurricanes, tornadoes, severe snow storms or utility disruption, strikes, lockouts, major equipment failure or the failure of any major supplier to perform its obligations.
- H. OCEANGATE INVESTMENTS, LLC understands that all incentives agreed to by the EEDC, as set forth in this agreement, are subordinate to and subject to any outstanding bond agreements and/or obligations, as well as the availability of any funds for the incentives as described herein.

SECTION II RIGHT OF ACCESS

- A. OCEANGATE INVESTMENTS, LLC further agrees that the EEDC, its agents and employees, shall have reasonable right of access to the real estate and the improvements in order to insure that the construction of the site improvements are in accordance with this agreement and with all applicable federal, state and local laws and regulations or valid waiver thereof. After completion of the site improvements the EEDC shall have the continuing right to inspect the real estate and the site improvements to insure that the real estate and the improvements are thereafter maintained and operated in accordance with this agreement. The EEDC agrees to provide OCEANGATE INVESTMENTS, LLC with reasonable prior notice of any such access to or inspection of the real estate and the site improvements.

SECTION III

INDEMNITY / THIRD PARTY CLAIMS

- A. It is understood and agreed between the parties that OCEANGATE INVESTMENTS, LLC in performing its obligations hereunder, is acting independently and the EEDC assumes no responsibility or liability in connection therewith to third parties and OCEANGATE INVESTMENTS, LLC agrees to indemnify and hold harmless the EEDC therefrom.

SECTION IV TERMINATION/DEFAULT

- A. This agreement may be terminated by the EEDC at its sole discretion and without prejudice to any other remedy to which it may be entitled at law or in equity or elsewhere under this agreement by giving written notice of termination to OCEANGATE INVESTMENTS, LLC if the latter shall:

- 1) Voluntarily file for bankruptcy protection or be adjudicated voluntary or involuntary bankrupt;
- 2) Institute or suffer to be instituted any proceeding for a reorganization or rearrangement of its affairs;
- 3) Make an assignment for the benefit of creditors;
- 4) Become insolvent or have a receiver of its assets or property appointed;
- 5) Allow any money judgment against it to remain unsatisfied for a period of thirty (30) days or longer; or
- 6) Breach any of the terms or conditions of this agreement.

SECTION V ALTERNATE DISPUTE RESOLUTION/ NEUTRAL PARTY

- A. Any controversy, claim or dispute between the parties arising out of or relating to the provisions of this agreement or the breach, termination or validity thereof shall, upon written request of either party, immediately be referred jointly for resolution of the controversy by mediation.
- B. The mediation must be concluded within any period mutually agreed upon by the parties but in no event no later than within forty-five (45) days after written notice is given by either party of its intent to proceed to mediation. Unless the parties expressly agree otherwise, each party shall bear its own costs, legal, expert fees, and mediator fees incurred in the mediation. If, after proceeding in good faith the parties, with the assistance of a mediator, do not resolve the dispute within the forty-five (45) day period, the parties may proceed in accordance with paragraph (C) below.
- C. After exhausting the procedures set forth above, either party may initiate litigation to resolve the dispute, under the provisions as set forth herein.

SECTION VI GENERAL TERMS

- A. Assignment. The parties shall not assign this agreement without the written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.
- B. Successor and Assigns. This agreement shall bind and inure to the benefit of the respective parties and their respective permitted successors and assigns.
- C. Entire agreement. This agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter of this contract, and contains all of the covenants and agreements between the parties with respect to the subject matter. Each party to this agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not set forth in this contract, and that no agreement, statement, or promise not contained in this contract shall be valid or binding.
- D. Invalidity. If any term or provision of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- E. Further Assurances. The parties shall execute, acknowledge and deliver any and all such further agreements and instruments as the other party may reasonably request from time to time in order to give full effect to this agreement.
- F. Notice. All notices, requests, demands, and other communications required or permitted to be given hereunder shall be in writing and shall be either personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, by facsimile with facsimile generated confirmation of receipt, or by private overnight courier service to the appropriate party at the address set forth below:

If to the EEDC,

to: Edinburg Economic Development
Corporation
415 W. University Dr.
Edinburg, Texas 78541
Attn: Joey Treviño

With a copy

to: Aaron I. Vela, Attorney at Law
VELA Law Firm
200 E. Cano
Edinburg, Texas 78539

If to OCEANGATE
INVESTMENTS

to: OCEANGATE INVESTMENTS
ATTN: Nitin Kasan
312 W. Nolana Loop
Pharr, TX 78577

or to such other address as either party may hereafter give notice of in accordance with the

provisions hereof. Notices shall be deemed given on the earlier of the date actually received or the third business day after sending.

- G. Waiver. The waiver by either party of a breach of any provision of this agreement shall not operate or be construed as a continuing waiver of any subsequent breach by either party. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.
- H. Governing Law and Exclusive Venue. This agreement shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to such State's conflicts of laws provisions. Venue for any dispute arising out of or concerning this agreement shall lie exclusively in a court of competent jurisdiction in Hidalgo County, Texas.
- I. Severability. Whenever possible, each provision and term of this agreement will be interpreted in a manner to be effective and valid, but if any provision or term of this agreement is held to be prohibited by law or invalid, then such provision or term will be ineffective only to the extent of such prohibition or invalidity without invalidating or affecting in any manner whatsoever the remainder of such provision or term or the remaining provisions or terms of this agreement.
- J. Counterparts. This agreement may be executed simultaneously in one or more original or facsimile counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

SIGNATURES CONTAINED ON FOLLOWING PAGE.

IN WITNESS HEREOF, the parties hereto have executed this agreement on this 24 day May, of 2018.

APPROVED:

**EDINBURG ECONOMIC
DEVELOPMENT CORPORATION**

By: 

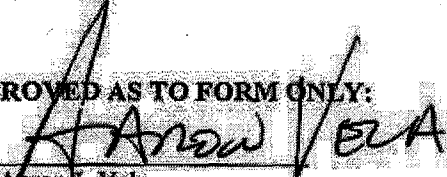
Plinio "Joey" Treviño,
Executive Director

OCEANGATE INVESTMENTS, LLC

By: 

Nithin Kasari, President

APPROVED AS TO FORM ONLY:

By: 

Aaron I. Vela,
Attorney for EEDC

5/25/2018



July 21, 2021

Mr. Brian Kelsey
Assistant City Manager
Economic Development Department
415 W. University
Edinburg, Texas 78540

Mr Kelsey:

Please allow this letter to serve as my formal request for the second and third installment payment pursuant to the Development Agreement between Edinburg Economic Development Corporation and Oceangate Investments, LLC.

I would like the Edinburg EDC board to take into account several factors in consideration of our request to provide the second and third installment payment.

First and foremost, this project is part of a large scale new development that was proposed to be anchored by these two hotels: Tru by Hilton and Home2suites. As part of the development, our project included extending infrastructure and relocating a gas line that paved the way for the development of not only these hotels but also the development of Walk On Bistreaux and over 20,000 square feet of retail space. In addition, I worked closely with the Edinburg EDC to make pad site available to Walk on Bistreaux at a reduced market price to ensure that Edinburg site was selected versus another site in Mission. As a result, the investment of \$16 million for the development of two hotels committed as part of the Agreement was surpassed with an additional \$16 million in investment that includes \$6 million with the development of Walk on Bistreaux and \$10 million for development of over 20,000 sf commercial retail plaza.

Second, we experienced several delays on construction of hotel due to the coordination of infrastructure that was needed to facilitate subdivision of property for the two hotels as well as the development of Walk on Bistreaux and commercial retail plaza. Additionally, we experienced delays in obtaining construction materials that were being imported from China.

And finally, we used every commercially reasonable effort to complete project in time as it is reflected in our obtaining of permit for construction soon after approval of this Agreement and expedited process to complete project once we received all material. Even though we experienced delays as previously stated, we were committed to do everything in our part to complete the first hotel and get started with second hotel. As a result, we opened the first hotel since December of 2019 and has already had some great success and we are on pace to complete the second hotel before May 24, 2020. Once second hotel is opened, both hotels will be generated over \$450,000 annually in direct revenue to the City of Edinburg in property taxes and hotel occupancy taxes. In addition, Walk on Bistreaux has had much success and their gross sales average approximately \$3.5 million which is additional sales taxes that Edinburg EDC will be receiving as a result of our development.

It should be noted also that this project is not the first agreement we have entered into with the Edinburg Economic Development Corporation. In 2013, we entered into an Agreement for support of construction of Holiday Inn Express. We completed the project and received the incentives in 2015.

We sincerely appreciate the Edinburg EDC support of our project and would respectfully request your approval of our request for payment of the second and third installment.

If you have any questions, please do not hesitate to contact me at (956) 343-0088.

Sincerely,

Vinod Kasan

Vinod Kasan
Oceangate Investments

Certificate of Occupancy

THE CITY OF Edinburg

Code Enforcement

This Certificate issued pursuant to the requirements of Section 110 of the 2012 International Building Code certifying that at the time of issuance this structure is in compliance of this code and ready for occupancy for the following:

Use Classification RESIDENTIAL & ASSEMBLY Bldg. Permit No. 19-04164
Group R-1 & A-2 Type of Construction V-A SPRINKLERED Fire District NONE
TRU BY HILTON HOTEL/OGI HOTELS
Owner of Building OCEANGATE INVESTMENTS Max. Occ. ****
Building Address 407 WEST TRENTON ROAD Locality CITY OF EDINBURG
Inspector RAMON VELA III Date DECEMBER 23, 2019

POST IN A CONSPICUOUS PLACE

Natalia Velasquez, CBO
Natalia Velasquez, Chief Building Official

Certificate of Occupancy

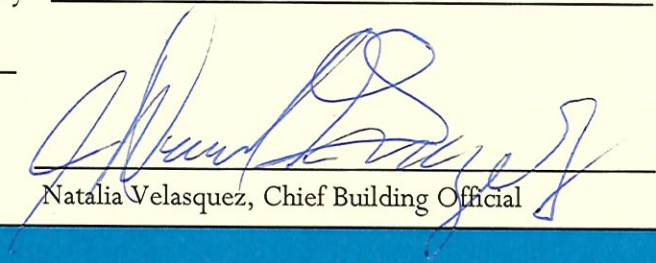


Code Enforcement

This Certificate issued pursuant to the requirements of Section 110 of the 2012 International Building Code certifying that at the time of issuance this structure is in compliance of this code and ready for occupancy for the following:

Use Classification RESIDENTIAL-HOTEL Bldg. Permit No. 19-06244
Group R1 Type of Construction III-A SPRINKLERED Fire District NONE
OGI HOTELS
Owner of Building HOME 2 SUITES BY HILTON Max. Occ. ****
Building Address 411 WEST TRENTON ROAD Locality CITY OF EDINBURG
Inspector PABLO CERDA JR Date APRIL 17, 2020

POST IN A CONSPICUOUS PLACE


Natalia Velasquez, Chief Building Official

Edinburg Economic Development Corporation

Meeting Date: August 17, 2021

Consider approval of sale of property at 800 Constitution Dr. - Lot 5 North Industrial Park Edinburg, Hidalgo County, Texas, to MVLE Enterprises Inc for the amount of \$168,500.

1. Agenda Item:

Consider approval of sale of property at 800 Constitution Dr. - Lot 5 North Industrial Park Edinburg, Hidalgo, County Texas to MVLE Enterprises Inc for the amount of \$168,500.

2. Description/Scope:

RGV Tours provides transportation services for all school districts, church groups, and private companies. RGV Tours is the official transportation company for UTRGV athletics. The company started operating in 2007. RGV Tours offers family vacation tours to San Antonio, Fredericksburg, Dallas, Louisiana, Florida (Disney World), and the East Coast.

RGV Tours is requesting to purchase Lot 5 in the North Industrial Park to relocate their business to Edinburg from Pharr TX. Lot 5 is the approximately 3.36-acre tract. The cash offer is for \$168,500.

Jobs: 12

Expected Job Growth: 10

Capital Investment: \$500,000

Incentives: N/A

The company is proposing to build their headquarter facility to include an office and warehouse for a total of 6,200 SF. The facility will include parking and maintenance space for the charter buses. The company is not requesting incentives.

3. Estimated Timeline:

The offer includes a 45-day feasibility period, with a closing date at 5 days after expiration of the feasibility period.

4. Budget:

Property sales are not budgeted. Proceeds would go to unrestricted cash.

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

RGV Tours is the official transportation company for UTRGV athletics and school districts. UTRGV's fiscal impact analysis indicates a positive return on investment, and the offer is in line with the appraised value of property in the industrial park.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: MVLE Incentive Application
Attachment B: MVLE Fiscal Impact Analysis
Attachment C: MVLE Enterprises Offer Presentation
Attachment D: MVLE Commercial Contract
Attachment E: MVLE Design and Rendering

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

FINAL Incentive Application

Submitted by: Anonymous user

Submitted time: Jul 13, 2021, 5:16:17 PM

General Information

Business name:

RGV Tours

Specify industry classification code (NAICS):

485,510

Enter the industry classification description below:

Charter Bus Industry

Business address:

900 N. Jackson Rd. #201

City

Pharr

State

Texas

Zipcode

78577

Point of contact:

Vicente Solar

Phone number:

956-467-5170

Email:

sales@thecharterbus.com

Total number of employees of existing location:

12

Please enter your approximate yearly revenue below:

0.00

Is this a Minority-Owned Business:

Yes

Is this a Women-Owned Business:

No

Is this a Veteran-Owned Business:

No

Choose the one that best describes your business:

Business Relocation (Move entire Business to Edinburg)

Project Information

Do you have an address for the project:

Yes

Please enter project address below:

800 Constitution Dr.

City:

Edinburg

State:

Texas

Zipcode

78541

Please map the location for your project:

Lat: 89.99999 Lon: 136.62411



Brief description of project (purpose, timeline, etc.):

We are a charter bus/tour company operating since 2007. We provide transportation services for all school districts, church groups, and private companies. We are the official transportation company for UTRGV Athletics. We will be relocating our business from Pharr to Edinburg, TX.

What type of jobs are being created?

Full-time

1. Estimated number of Full-Time Jobs Created:

10

2. Estimated number of Full-Time Jobs Retained:

12

3. Estimated hourly pay:

13.00

Estimated number of jobs created or retained filled by Edinburg residents:

8

Estimated city's property tax roll (real and/or personal property).

0.00

Total capital investment:

\$500,000

Select all that applies for capital investment.

Incentive Request Section:

Incentive Request Selection

- **Purchase,property**

Permanent Full-Time

0

Veterans/Special Needs

0

Employer-Sponsor Training

0

Would you like to apply for Property Tax Refund:

No

Would you like to apply for Sales Tax Refund:

No

Will you be requesting EDC and / or City Participation for infrastructure costs?

No

Please indicate and describe any other incentive request:

Purchase property 3.38 acres at the Edinburg North Industrial Park address 800 Constitution Dr. Edinburg Texas 78541 at 50,000 per acre for a total of 168,000

For all incentives selected, please explain and quantify how it will benefit the community in 250 words or less:

RGV Tours will be relocating to the city of Edinburg from Pharr, Texas. The company will be retaining 12 full-time employees and creating 10 more employees of which it is estimated that 8 will be the city of Edinburg residents. RGV Tours has budgeted 500,000 for investment on this project in phase 1. He will build an office, shop, and parking space to park bus fleet.

Fiscal Impact Report: RGV Tours



Capital Investment: \$500,000 (land, building, Shop, parking space)

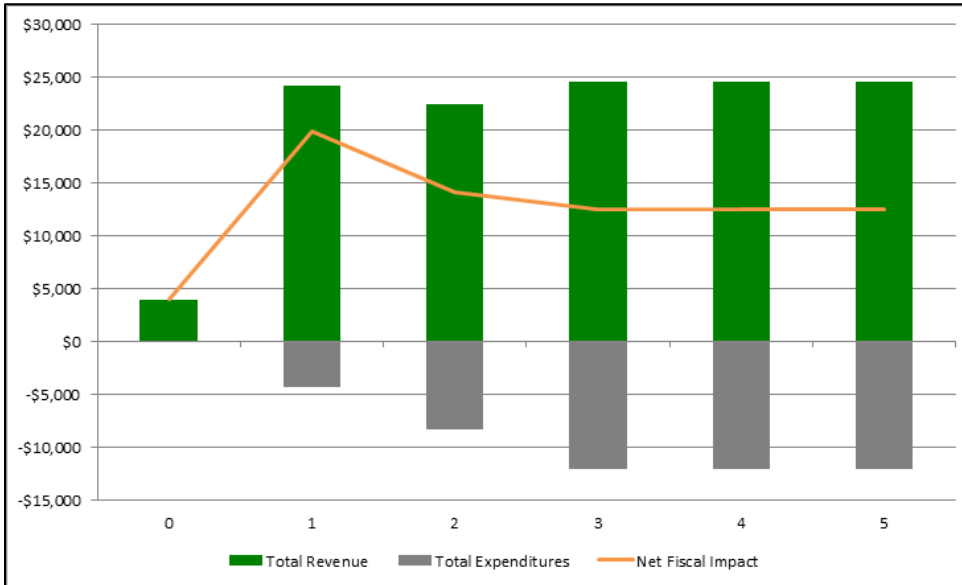


Project Created Jobs: 22 Direct (10 new, 12 retained),
 8 Indirect and Induced, 30 Total



New Households: 4

Yearly Net Fiscal Impact, City of Edinburg



5 Year Fiscal Impact, City of Edinburg

BENEFITS	
Sales Taxes	\$5,789
Property Taxes	\$91,186
Franchise Fees	\$2,523
Business License/Occupation Tax	\$96
Services	\$1,055
Revenues from Fines	\$706
Revenues from Permits	\$352
Miscellaneous Fees	\$1,000
Utility Revenues	\$21,633
TOTAL BENEFITS	\$124,340
COSTS	
Support	\$0
Public Works	\$4,121
Recreation/Libraries	\$4,433
Court System	\$743
General Government	\$10,758
Health Services	\$638
Social Welfare	\$638
Public Safety	\$17,930
Other Costs	\$587
Utility Revenues	\$21,633
TOTAL COSTS	\$48,791
NET BENEFITS	\$75,549
NPV OF BENEFITS	\$75,549



EDINBURG'S NORTH INDUSTRIAL PARK
LOT 5
EDINBURG, TX 78541

DANIEL GALVAN
(956) 451-2983
daniel.galvan@coldwellbanker.com

MARC MORAN
(956) 784-9874
marcos.moran@cbcworldwide.com



N IH-69C



ABOUT US

We are a charter bus/tour company operating since 2007. We provide transportation services for all school districts, church groups, and private companies. We are official transportation company for UTRGV Athletics. We also have family vacation destinations available such as Disney and ball games for the Dallas Cowboys, San Antonio Spurs or the Houston Astros.





OFFER: \$168,500.00

PLANNED USAGE

BUYER INTENDS TO RELOCATE THEIR BUSINESS FROM PHARR TO EDINBURG, TX.

BENEFITS

- JOB CREATION; PROJECTED TO INCREASE BY 10 EMPLOYEES.
- CURRENTLY AT 12 EMPLOYEES.
- PHASE 1 INITIAL CAPITAL INVESTMENT: \$500,000.
- ADDITIONAL ANCHOR TO EDINBURG'S INDUSTRIAL PARK



COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: **Edinburg Economic Development Corporation**

Address: **415 W University Dr, Edinburg, TX 78539-4353**

Phone: _____ E-mail: **Bdavila@cityofedinburg.com**

Fax: **(956)388-8989**

Other: _____

Buyer: **MVLE Enterprises Inc**

Address: **3900 N Jackson Rd, Pharr, TX 78577-7768**

Phone: _____ E-mail: **sales@thecharterbus.com**

Fax: **(956)467-5280**

Other: _____

2. PROPERTY:

- A. "Property" means that real property situated in **Hidalgo** County, Texas at **800 Constitution Drive, Edinburg, Texas 78539** (address) and that is legally described on the attached Exhibit _____ or as follows: **North Industrial Park Lot 5**

- B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

3. SALES PRICE:

- A. At or before closing, Buyer will pay the following sales price for the Property:

(1) Cash portion payable by Buyer at closing \$ **168,500.00**

(2) Sum of all financing described in Paragraph 4 \$ _____

(3) Sales price (sum of 3A(1) and 3A(2)) \$ **168,500.00**

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- ☒ (1) The sales price will not be adjusted based on a survey.
- ☐ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.
- (a) The sales price is calculated on the basis of \$ _____ per:
- ☐ (i) square foot of ☐ total area ☐ net area.
- ☐ (ii) acre of ☐ total area ☐ net area.
- (b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:
- ☐ (i) public roadways;
- ☐ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
- ☐ (iii) _____.
- (c) If the sales price is adjusted by more than _____ % of the stated sales price, either party may terminate this contract by providing written notice to the other party within _____ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- ☐ A. Third Party Financing: One or more third party loans in the total amount of \$ _____. This contract:
- ☐ (1) is not contingent upon Buyer obtaining third party financing.
- ☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TXR-1931).
- ☐ B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TXR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- ☐ C. Seller Financing: The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TXR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$1,800.00 as earnest money with Edwards Abstract & Title Co. (title company) at 3111 W Freddy Gonzalez Dr, Edinburg, TX 78539 (address) Diana Kaufold (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____.
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:

☒ (a) will not be amended or deleted from the title policy.
☐ (b) will be amended to read "shortages in areas" at the expense of ☐ Buyer ☐ Seller.
- (3) Within _____ days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 7 days after the effective date:

- ☐ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☒ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, ☐ Seller ☒ Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 20 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party _____ (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 7 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

- A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

_____.

- B. Feasibility Period: Buyer may terminate this contract for any reason within 30 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

- ☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 500.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

- ☐ (b) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

- (2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional 15 days by depositing additional earnest money in the amount of \$200.00 with the title company. If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

- (2) Buyer must:
- (a) employ only trained and qualified inspectors and assessors;
 - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
 - (c) abide by any reasonable entry rules or requirements of Seller;
 - (d) not interfere with existing operations or occupants of the Property; and
 - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.
- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 5 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*
- ☐ (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
 - ☐ (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
 - ☒ (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
 - ☒ (d) copies property tax statements for the Property for the previous 2 calendar years;
 - ☒ (e) plats of the Property;
 - ☒ (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
 - ☐ (g) _____

- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*
- ☒ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
 - ☐ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
 - ☐ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

- E. Contracts Affecting Operations:** Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any advance sums paid by a tenant under any lease;
- (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

- B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TXR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

- A. The brokers to this sale are:

Principal Broker: Coldwell Banker La Mansion

Cooperating Broker: RE/MAX Elite

Agent: Daniel Galvan

Agent: Ethan Lee Yoo

Address: 508 E Dove, McAllen, TX 78504

Address: 2575 E Griffin Parkway #14, Mission, TX 78572

Phone & Fax: (956)451-2983

Phone & Fax: (956)329-9444

E-mail: daniel.galvan@coldwellbanker.com

E-mail: ethanleeyoo@gmail.com

License No.: 0561680

License No.: 747782

Principal Broker: (Check only one box)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

- B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- ☒ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

- ☐ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
☐ _____ % of the sales price.

Cooperating Broker a total cash fee of:
☐ _____ % of the sales price.

The cash fees will be paid in _____ County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

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NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) ☒ 20 days after the expiration of the feasibility period.

☐ _____ (specific date).

(2) 7 days after objections made under Paragraph 6C have been cured or waived.

- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

- C. At closing, Seller will execute and deliver, at Seller's expense, a ☒ general ☐ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
- (2) without any assumed loans in default; and
- (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
- (2) an assignment of all leases to or on the Property;
- (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
- (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
- (5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
- (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

- E. At closing, Buyer will:

- (1) pay the sales price in good funds acceptable to the title company;
- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
- (3) sign and send to each tenant in a lease for any part of the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
- (4) sign an assumption of all leases then in effect; and
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
 - (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
 - (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

(TXR-1802) 4-1-18

Initialed for Identification by Seller _____ and Buyer JS _____

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Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; or
(Check if applicable)
☐ enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
(1) Seller and the sales price will be reduced by the same amount; or
(2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☒ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TXR-1408).
- ☐ B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539**22. AGREEMENT OF THE PARTIES:**

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
- ☐ (1) Property Description Exhibit identified in Paragraph 2;
 - ☐ (2) Commercial Contract Financing Addendum (TXR-1931);
 - ☐ (3) Commercial Property Condition Statement (TXR-1408);
 - ☐ (4) Commercial Contract Addendum for Special Provisions (TXR-1940);
 - ☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
 - ☐ (6) Addendum for Coastal Area Property (TXR-1915);
 - ☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916);
 - ☒ (8) Information About Brokerage Services (TXR-2501);
 - ☐ (9) Information About Mineral Clauses in Contract Forms (TXR-2509); and
 - ☐ (10) _____

(Note: Counsel for Texas REALTORS® has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by Texas REALTORS® are appropriate for use with this form.)

- E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TXR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- I. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on August 23, 2021, the offer will lapse and become null and void.

Commercial Contract - Unimproved Property concerning 800 Constitution Drive, Edinburg, Texas 78539

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: Edinburg Economic Development Corporation

Buyer: MVLE Enterprises Inc

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: Jose Vicente Solar 
By (signature): *Jose Vicente Solar*
Printed Name: Jose Vicente Solar 8/11/2021 9:05:46 PM GMT
Title: President

By: _____
By (signature): _____
Printed Name: _____
Title: _____

Commercial Contract -Unimproved Property concerning **800 Constitution Drive, Edinburg, Texas 78539**

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- ☐ \$ _____, or
☐ _____ % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____

By: _____ By: _____

ATTORNEYS

Seller's attorney: _____ Buyer's attorney: _____

Address: _____ Address: _____

Phone & Fax: _____ Phone & Fax: _____

E-mail: _____ E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Buyer.
☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☐ A. the contract on this day _____ (effective date);
☐ B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____ Address: _____

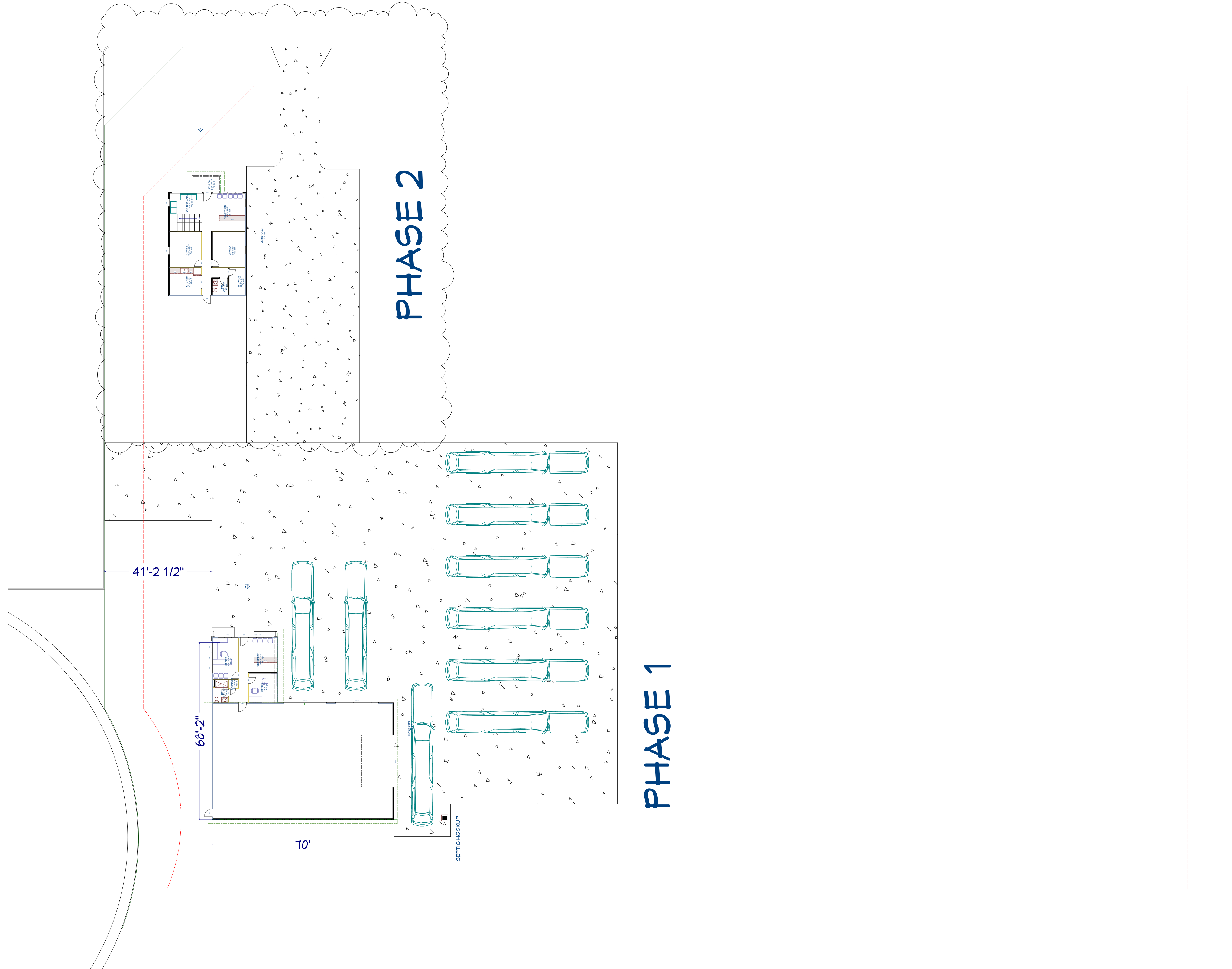
By: _____ Phone & Fax: _____

Assigned file number (GF#): _____ E-mail: _____



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41'-2 1/2"

68'-2"

70'

SEPTIC HOOKUP

PHASE 2

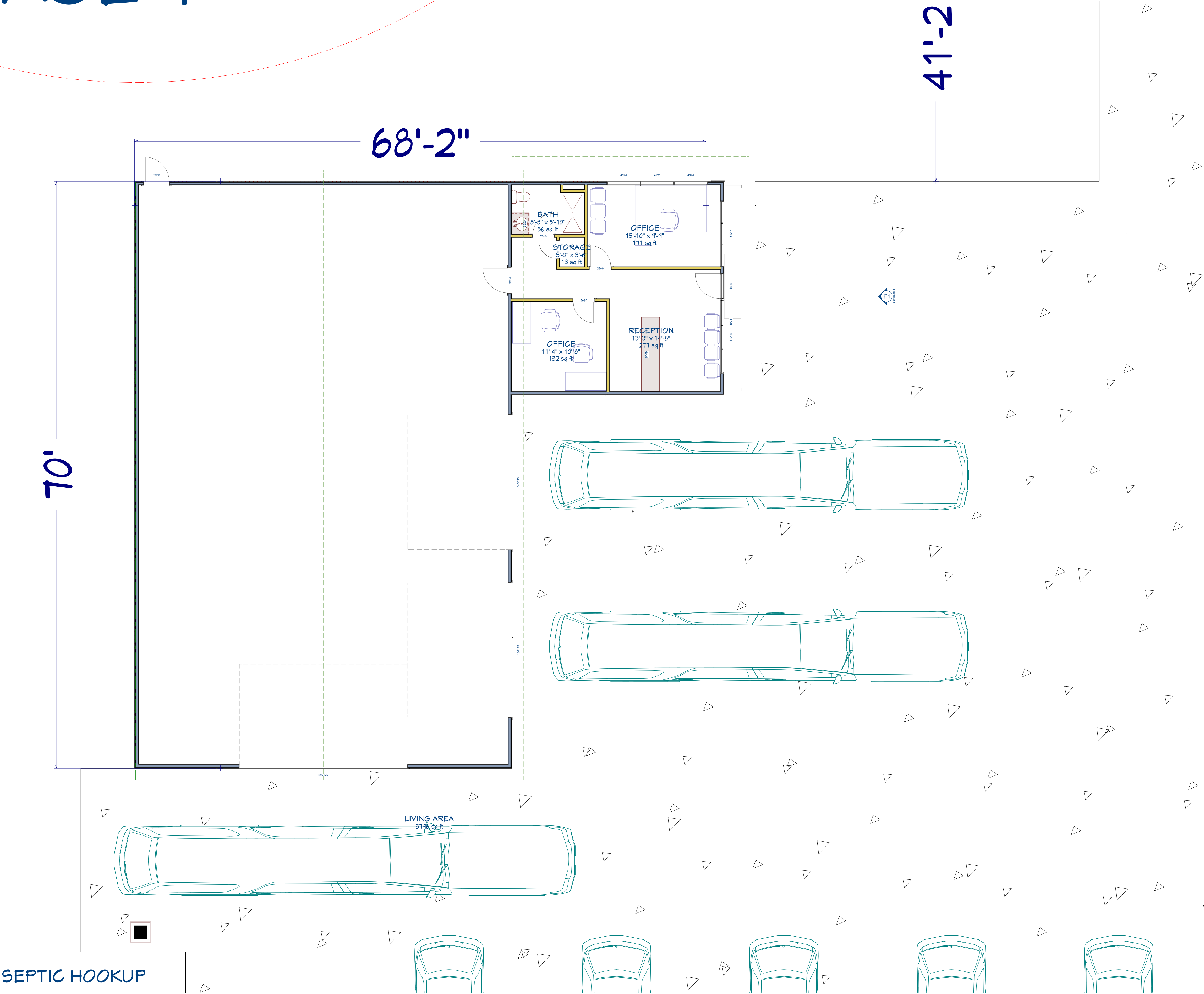
PHASE 1



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PHASE 1



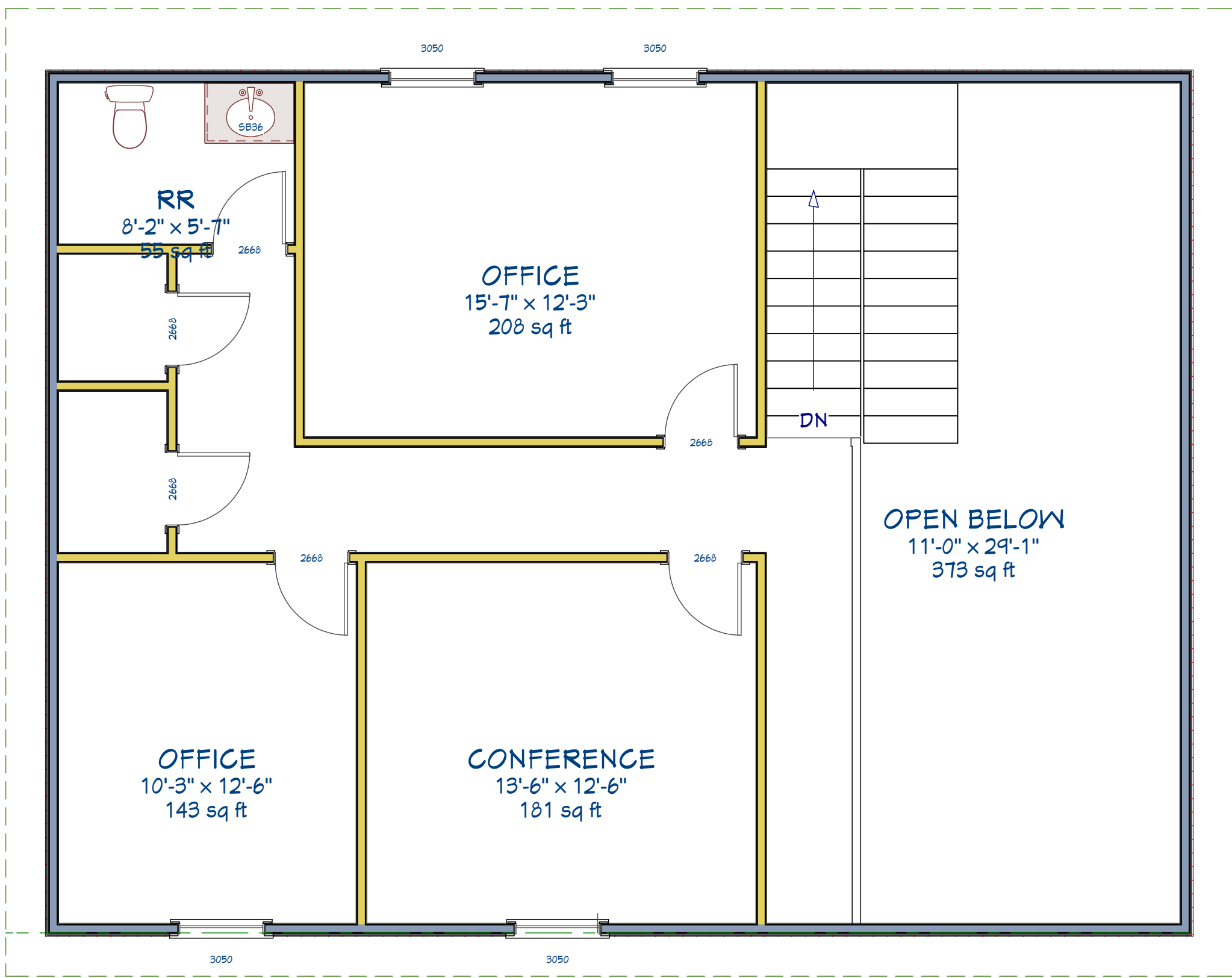
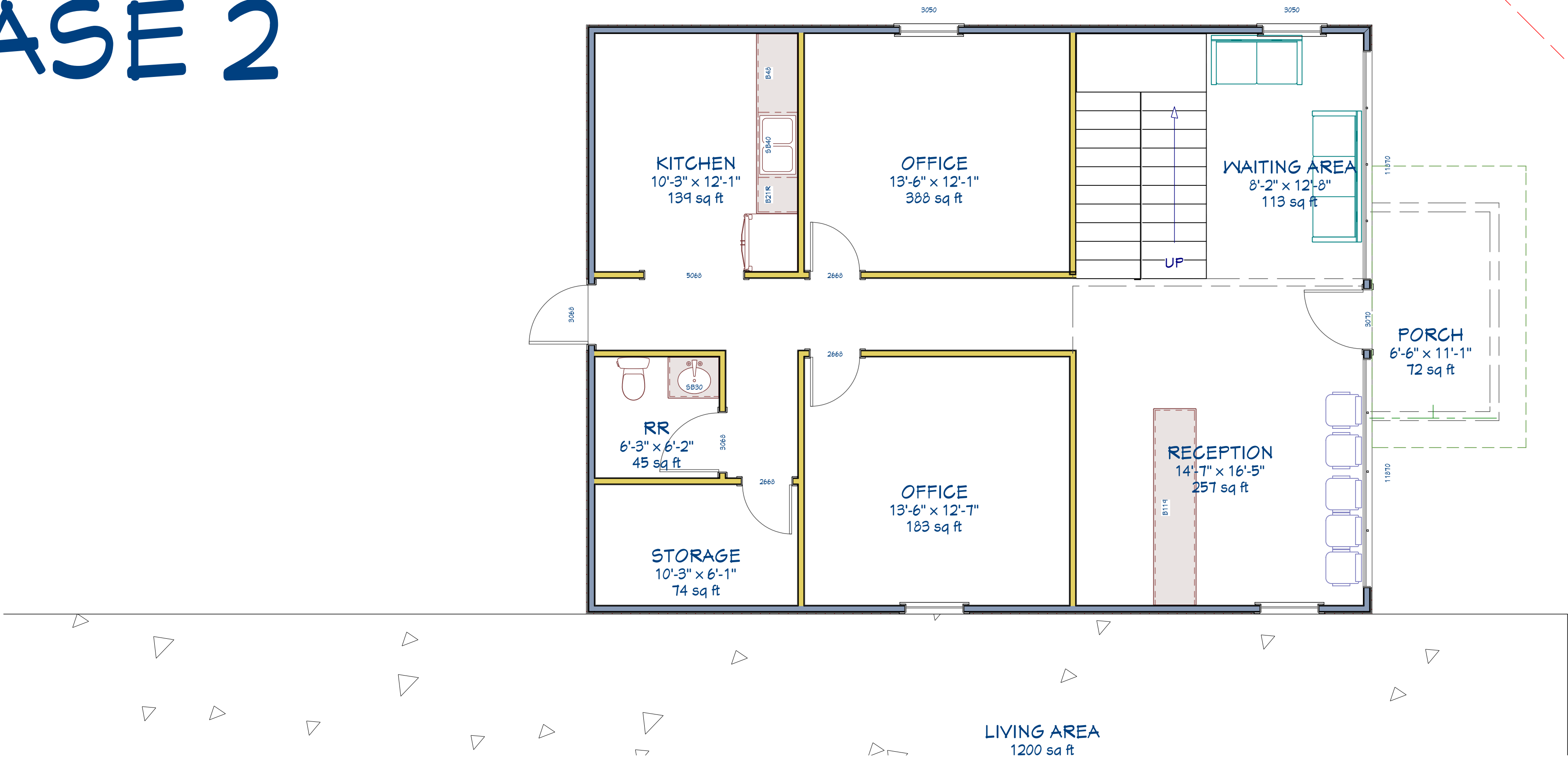
1st Floor

PHASE 2



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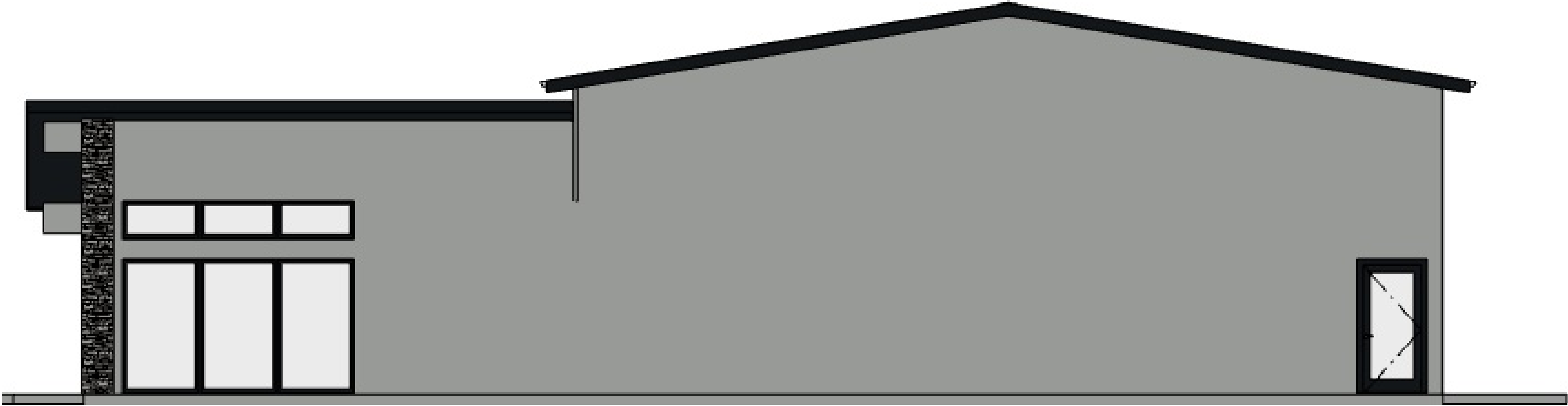
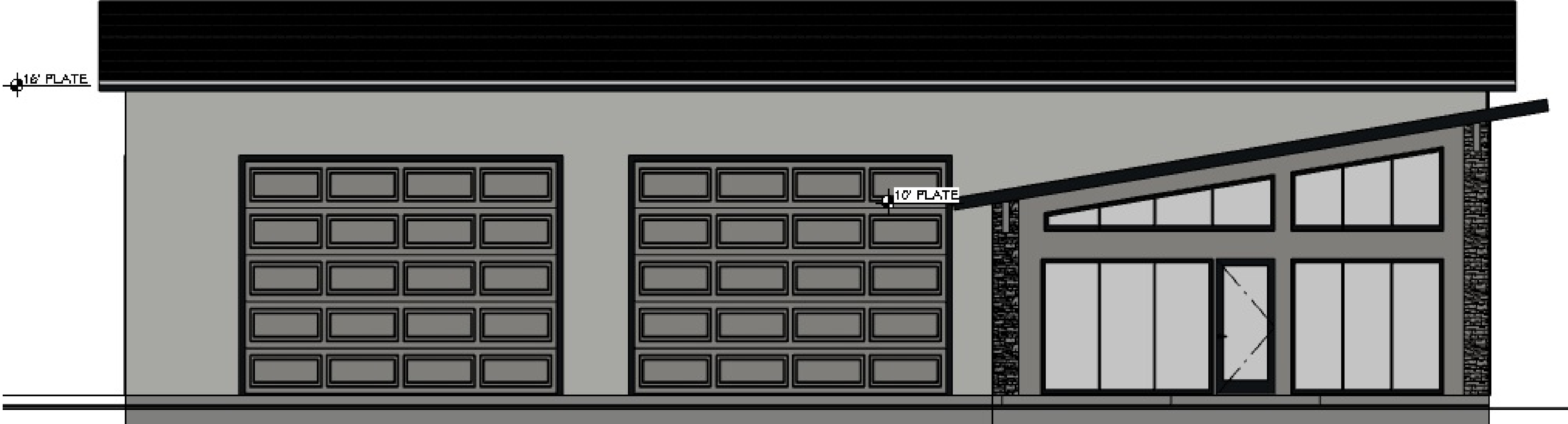


PHASE 1 ELEVATION
DESIGN PHASE



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Edinburg Economic Development Corporation

Meeting Date: August 17, 2021

Consider approval of a resolution authorizing the issuance of "Edinburg Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2021"; pledging certain "Pledged Revenues" of the Corporation, including Sales Tax revenues, to the payment of the principal of and interest on the Bonds, prescribing the form, terms, and conditions, and resolving other matters related to the foregoing.

1. Agenda Item:

Consider approval of a resolution authorizing the issuance of "Edinburg Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2021"; pledging certain "Pledged Revenues" of the Corporation, including Sales Tax revenues, to the payment of the principal of and interest on the Bonds, prescribing the form, terms, and conditions, and resolving other matters related to the foregoing.

2. Description/Scope:

The EEDC's purpose of refunding certain of the Corporation's outstanding bonds is for debt service savings.

3. Estimated Timeline:

Upon approval of resolution.

4. Budget:

Series 2021 Refunding Bonds - \$13,750,000

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

Staff recommends approval based on debt service savings achieved through refunding.

Blanca Davila

Director of Economic Development

ATTACHMENTS

Attachment A: Edinburg EDC Bond Resolution for Refunding

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF “EDINBURG ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE REFUNDING BONDS, TAXABLE SERIES 2021”; PLEDGING CERTAIN “PLEDGED REVENUES” OF THE CORPORATION, INCLUDING SALES TAX REVENUES, TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN ESCROW AGREEMENT, A PURCHASE CONTRACT, AND A BLANKET ISSUER LETTER OF REPRESENTATIONS TO FILE WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Edinburg Economic Development Corporation (the *Issuer*) is a non-profit corporation created by the City of Edinburg, Texas (the *City*) pursuant to the provisions of the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon’s Annotated Texas Civil Statutes, now codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapters 501 and 502, Texas Local Government Code, as amended (collectively, the *Act*); and

WHEREAS, at an election held on January 20, 1990 in which the majority of the qualified voters of the City voting at such election authorized the City to levy a sales tax on the receipts at retail of taxable items within the City at a rate of one-half of one percent (1/2 of 1%) (defined herein as the *Sales Tax*) to be used for improving and promoting economic development in accordance with the *Act*; and

WHEREAS, the City has levied the Sales Tax for the benefit of the Issuer on the receipts from the sale at retail of taxable items within the City and on the use, storage or other consumption within the City of taxable items purchased, leased or rented from a retailer; and

WHEREAS, upon the City’s receipt of proceeds of the Sales Tax from the Comptroller of Public Accounts of the State of Texas, the City is required to deliver the proceeds of such tax to the Issuer for use in carrying out its functions; and

WHEREAS, the Board of Directors (the *Board*) of the Issuer has heretofore issued, sold, and delivered, and there are currently outstanding obligations in the aggregate principal amount of \$13,125,000, being the obligations set forth on Schedule I hereto (the *Refunded Obligations*) which is incorporated by reference for all purposes to this resolution; and

WHEREAS, the Board intends to issue an aggregate principal amount of \$_____ in sales tax revenue refunding bonds (hereinafter identified and defined as the *Bonds*), the proceeds of

which will be utilized to provide for the (i) refunding of the Refunded Obligations, and (ii) payment of the costs of issuance of the sales tax revenue refunding bonds; and

WHEREAS, the Refunded Bonds are secured by a first and prior lien on and pledge of the Pledged Revenues (hereinafter defined) of the Issuer on a parity with the lien on and pledge thereof securing certain other currently outstanding obligations of the Issuer (collectively identified and defined herein as the *Previously Issued Prior Lien Obligations*), and the Refunded Bonds and Previously Issued Prior Lien Obligations constitute the currently outstanding *Parity Obligations* (as identified and described herein); and

WHEREAS, in the resolution authorizing the Refunded Obligations, approved on January 20, 2015, the Board revised the provisions relating to its authority to issue additional revenue obligations secured by a first and prior lien on and pledge of the Pledged Revenues on a parity with the currently outstanding Parity Obligations such that, among other requirements, Additional Prior Lien Obligations (hereinafter defined) “*may be issued in accordance with law, in any amounts, but solely for the purpose of refunding outstanding Parity Obligations to achieve debt service savings during each Fiscal Year*”; and

WHEREAS, the Board hereby approves and reaffirms the covenants in the resolution authorizing the Refunded Obligations and finds and determines that the Bonds can and should be issued as Additional Prior Lien Obligations on a parity with the currently outstanding Parity Obligations in that (i) the President of the Board of the Issuer, or the chief executive officer or the chief financial officer of the Issuer, has signed a written certificate to the effect that the Issuer is not in default as to any covenant, condition or obligation in connection with all outstanding Parity Obligations, and the resolutions authorizing same and the agreements related thereto, and that the Bond Fund (hereinafter defined) and the Reserve Fund (hereinafter defined) each contains the amount then required to be therein; (ii) the President of the Board of the Issuer, or the chief executive officer or the chief financial officer of the Issuer or the City, has signed a written certificate (i) stating that during either the next preceding year, or any twelve consecutive calendar month period ending not more than ninety days prior to the date of the then proposed Additional Prior Lien Obligations, the Pledged Revenues were, in his or her opinion, at least equal to 1.25 times the average annual principal and interest requirements (computed on a fiscal year basis) of all Parity Obligations to be outstanding after the issuance of the Bonds, and (ii) demonstrating that the issuance of the Bonds will result in a reduction in total debt service requirements to be paid on all Parity Obligations during each Fiscal Year; and (iii) the governing body of the City by official action will approve the issuance of the sales tax revenue refunding bonds, as required by the Act; and

WHEREAS, pursuant to the provisions of Sections 501.213 and 501.152(13)(c), as amended, Texas Local Government Code, the Board is authorized to issue sales tax revenue refunding bonds and deposit the proceeds of sale under an escrow agreement to provide for the payment of the Refunded Obligations, and such deposit shall constitute the making of firm banking and financial arrangement for the discharge and final payment of the Refunded Obligations; and

WHEREAS, when firm banking and financial arrangements for the payment of the principal of and interest to the stated maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose and may not be included in or considered to be

an indebtedness of the Issuer for the purpose of a limitation on the outstanding indebtedness or for any other purpose; and

WHEREAS, the Bank of New York Mellon Trust Company, N.A., Dallas, Texas, currently serves as the paying agent for the Refunded Obligations; and

WHEREAS, the Bank of New York Mellon Trust Company, N.A., Dallas, Texas, is hereby also appointed as Paying Agent/Registrar (hereinafter defined) for the Bonds; and

WHEREAS, the Board hereby finds and determines that such refunding will result in a net present value savings of \$_____ (____%), and a gross savings of approximately \$_____, including the Issuer's contribution of \$_____; and

WHEREAS, the Board hereby finds and determines that the Bonds can and should now be issued provided that, as a prerequisite to such issuance, the governing body of the City by official action has first approved the issuance of the Bonds, as required by the Act; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Bonds of the Issuer shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title "Edinburg Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2021" (the *Bonds*) for the purpose of providing funds for the (i) discharge and final payment of the Refunded Obligations and (ii) payment of the costs of issuance of the Bonds, in conformity with the Constitution and laws of the State of Texas, particularly the Act.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities – Interest Rate – Dated Date. The Bonds shall be issued as fully registered obligations, without coupons, shall be dated August 15, 2021 (the *Dated Date*), and shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered "R-" and numbered consecutively from One (1) upward and principal shall become due and payable on February 15 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while outstanding (hereinafter defined), in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2022		
2023		
2024		
2025		
2026		
2027		

2028
2029
2030
2031
2032
2033
2034
2035

The Bonds shall bear interest until paid on the unpaid principal amounts from the Closing Date (anticipated to occur on September 14, 2021), or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, to Stated Maturity, while outstanding, at the per annum rates shown above (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 (each, an *Interest Payment Date*), commencing February 15, 2022.

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of Stated Maturity, redemption or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium, if any, and interest on the Bonds shall be without exchange or collection charges to the Registered Owner (as hereinafter defined) of the Bonds.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Issuer agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Issuer covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and is authorized by law to serve as a Paying Agent/Registrar.

The Issuer reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the Issuer agrees to promptly cause a written notice of this substitution to be sent on or prior to the appropriate date of payment to each Registered Owner of the Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner or holder

of the Bonds appearing on the Security Register (the *Registered Owner*) maintained on behalf of the Issuer by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined), (ii) on the date of surrender of the Bonds for the purposes of receiving payment of principal thereof upon redemption of the Bonds or at the Bonds' Stated Maturity or upon redemption of the Bonds, and (iii) on any other date for any other purpose. The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner as the owners of a Bond for the purposes of receiving payment and all other purposes whatsoever, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Bonds, shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office in Dallas, Texas. Interest on the Bonds shall be paid to the Registered Owner whose name appears in the Security Register at the close of business on the last business day of the month next preceding an Interest Payment Date for the Bonds (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Registered Owner appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Registered Owner at the Registered Owner's risk and expense.

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

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (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 Registered Owner of a Bond 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 4: Redemption.

A. Mandatory Redemption of Term Bonds. The Bonds stated to mature on February 15, 20____, February 15, 20____ and February 15, 20____ are referred to herein as the "Term Bonds". The Term Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturities from money required to be deposited in the Bond Fund (but not the Reserve Fund) for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on February 15 in each of the years as set forth below:

Term Bonds Stated to Mature on February 15, 20__		Term Bonds Stated to Mature on February 15, 20__		Term Bonds Stated to Mature on February 15, 20__	
Principal		Principal		Principal	
Year	Amount (\$)	Year	Amount (\$)	Year	Amount (\$)

*

*

*

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer with money in the Bond Fund (but not the Reserve Fund), or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption. The Bonds having Stated Maturities on and after February 15, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on February 15, 20__, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

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

D. Selection of Bonds for Redemption. If less than all outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds outstanding which is obtained by dividing the principal amount of such Bond by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, the Paying Agent/Registrar shall cause a notice of redemption shall be sent by United States mail, first-class postage prepaid, in the name of the Issuer and at the Issuer's expense, by the Paying Agent/Registrar to each Registered Owner of a Bond to be redeemed, in whole or in

part, at the address of the Registered Owner appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust or other office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Registered Owner.

If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on said Bonds (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Bonds shall not be deemed to be outstanding in accordance with the provisions of this Resolution.

F. Transfer/Exchange of Bonds. Neither the Issuer nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Bond during a period beginning forty-five (45) days prior to the date fixed for redemption of the Bonds or (2) to transfer or exchange any Bond selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 5: Execution - Registration. The Bonds shall be executed on behalf of the Issuer by the President or Vice President, Board of Directors under the seal of the Issuer reproduced or impressed thereon, and attested to by the Secretary, Board of Directors. The signature of either of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were, at the time of the Dated Date, the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Bonds to the Purchaser (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bonds shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bonds either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts

of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 6: 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 every Registered Owner of the Bonds, or, if appropriate, the nominee thereof. 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 Registered Owner, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Registered Owner or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bonds at the corporate trust office of the Paying Agent/Registrar, the Issuer shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denomination and having the same Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Registered Owner, 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 corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Paying Agent/Registrar shall register and deliver the Bonds to the Registered Owner requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail, to the Registered Owner at his request, risk, and expense, and, upon the delivery thereof, the same shall be the valid and binding obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered upon such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Registered Owner, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Registered Owner 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 debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any Bond, registered and delivered in lieu thereof pursuant to Section 28 in lieu of a mutilated, lost, destroyed, or stolen

Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7: Initial Bond. The Bonds herein authorized shall be issued initially either (i) as a fully registered Bond in the total principal amount of \$_____ with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Bond for each year of Stated Maturity in the applicable principal amount, interest rate, and denomination and to be numbered consecutively from T-1 and upward (the *Initial Bond*) and, in either case, the Initial Bond shall be registered in the name of the Purchaser (defined herein) or the designee thereof. The Initial Bond shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval and certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchaser. Any time after the delivery of the Initial Bond to the Purchaser, the Paying Agent/Registrar, pursuant to written instructions from the Purchaser, or their designee, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, and principal amounts and shall be lettered "R" and numbered consecutively from one (1) upward for transfer and delivery to the Registered Owners named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured and 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 and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the Issuer or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Bond.

REGISTERED
NO.

REGISTERED PRINCIPAL
AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE REFUNDING BONDS,
TAXABLE SERIES 2021

Dated Date:
August 15, 2021

Interest Rate:

Stated Maturity:

CUSIP No.:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Edinburg Economic Development Corporation (hereinafter referred to as the *Issuer*), a non-profit economic development corporation organized and existing under the laws of the State of Texas, including Section 4A of Texas Revised Civil Statutes Annotated Article 5190.6, as amended, now codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapters 501 and 502, Texas Local Government Code, as amended (collectively, the *Act*), with its principal office located in the City of Edinburg, Texas (the *City*), for value received, hereby promises to pay to the order of the registered owner named above or the registered assigns thereof (the *Registered Owner*), solely from the revenues hereinafter defined, on the Stated Maturity date specified above, the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on September 14, 2021), or the most recent Interest Payment Date (defined below) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year (each an *Interest Payment Date*), commencing February 15, 2022.

Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be 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 last business day of the month next preceding each Interest Payment Date. All payments of principal of, and interest on this Bond 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. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in

the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Registered Owner hereof at the Registered Owner's risk and expense.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the *Bonds*) for the purpose of providing funds for the (i) discharge and final payment of the Refunded Obligations and (ii) payment of the costs of issuance of the Bonds, in conformity with the Constitution and laws of the State of Texas, including Chapters 501 and 504, as amended, Texas Local Government Code, and pursuant to a resolution adopted by the governing body of the Issuer (herein referred to as the *Resolution*).

As specified in the Resolution, the Bonds stated to mature on February 15, 20____, February 15, 20____ and February 15, 20____ are referred to herein as the "Term Bonds". The Term Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturities from money required to be deposited in the Bond Fund (but not the Reserve Fund) for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on February 15 in each of the years as set forth below:

Term Bonds Stated to Mature on February 15, 20____		Term Bonds Stated to Mature on February 15, 20____		Term Bonds Stated to Mature on February 15, 20____	
Principal		Principal		Principal	
Year	Amount (\$)	Year	Amount (\$)	Year	Amount (\$)

*

*

*

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer with money in the Bond Fund (but not the Reserve Fund), or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As specified in this Resolution, the Bonds stated to mature on and after February 15, 20____ may be redeemed prior to their Stated Maturities, at the option of the Issuer, on February 15, 20____, or on any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to

Registered Owners of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond is subject to redemption prior to Stated Maturity and is of a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Registered Owner hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust or other office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Resolution for the then unredeemed balance of the principal sum hereof.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Bond is called for redemption, in whole or in part, the Issuer or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are payable solely from and equally and ratably secured, together with the currently outstanding Previously Issued Prior Lien Obligations, by a first and prior lien on and pledge of the Pledged Revenues received by the Issuer, including the receipts from the Sales Tax levied for the benefit of the Issuer pursuant to the Act and an election held in the City. In the Resolution, the Issuer reserves and retains the right to issue Additional Prior Lien Obligations, subject to any terms, conditions, or restrictions set forth in the Resolution or as may be applicable thereto under law or otherwise.

The Bonds do not constitute a legal or equitable, pledge, charge, lien or encumbrance upon any property of the Issuer or 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 Tax revenues held by the City and required under the Act to be paid over to the Issuer. 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 of Texas, 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 Issuer 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 the same manner and to the same extent as the Bonds.

Reference is hereby made to the Resolution, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner

by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the Pledged Revenues pledged to the payment of the principal of and interest on the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of any Additional Prior Lien Obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties, and obligations of the Issuer and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond deemed to be no longer outstanding thereunder; and for the other terms and provisions thereof. 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 corporate trust office of the Paying Agent/Registrar, 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 and thereupon 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 Issuer 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 hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving 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 Issuer 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 Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (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 Registered Owner of a Bond 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, represented, and declared that the Issuer is a non-profit economic 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 the issuance of the Bonds is duly authorized by law; 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 a legal, valid, and binding obligation of the Issuer, have been performed, exist, and have been done, in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Resolution; that the issuance of the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium, if any, and interest on the Bonds by a

pledge of the Pledged Revenues. In case any provision in this Bond or any application thereof shall be deemed 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 Issuer has caused this Bond to be duly executed under the official seal of the Issuer as of the Dated Date.

EDINBURG ECONOMIC
DEVELOPMENT CORPORATION

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(ISSUER SEAL)

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C. *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond 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)

*NOTE TO PRINTER: Do Not Print on Definitive Bonds

D. *Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

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; the Bond or Bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date: THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas, as
Paying Agent/Registrar

By: _____
Authorized Signature

*NOTE TO PRINTER: Print on Definitive Bonds.

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: _____

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.

Signature guaranteed:

[The remainder of this page intentionally left blank.]

F. Form of Initial Bond. The Initial Bond shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

(1) immediately under the name of the bond the headings “Interest Rate ____” and “Stated Maturity ____” type “As Shown Below;”

(2) the first two paragraphs shall read as follows:

Edinburg Economic Development Corporation (hereinafter referred to as the *Issuer*), a non-profit economic development corporation organized and existing under the laws of the State of Texas, including Section 4A of Texas Revised Civil Statutes Annotated Article 5190.6, as amended, now codified as Chapter 504, Texas Local Government Code, as amended and to the extent applicable, Chapters 501 and 502, Texas Local Government Code, as amended (the *Act*), with its principal office located in the City of Edinburg, Texas (the *City*), for value received, hereby promises to pay to the order of the registered owner named above, or the registered assigns thereof (the *Registered Owner*), solely from the revenues hereinafter identified, on the fifteenth day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
(Information to be inserted from schedule in Section 2 hereof).		

(or so much thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Closing Date (anticipated to occur on September 14, 2021), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year (each, an *Interest Payment Date*), commencing February 15, 2022.

Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*) at its offices in Dallas, Texas. Interest shall be payable to the Registered Owner of this Bond whose name appears on the *Security Register* maintained by the Paying Agent/Register at the close of business on the *Record Date*, which is the last business day of the month next preceding each interest payment date. All payments of principal of premium, if any, and interest on this Bond 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 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 on the Record Date or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the Registered Owner.

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

SECTION 9: Definitions. For all purposes of this Resolution (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Section 38 of this Resolution have the meanings assigned to them in Section 38 of this Resolution, and all such terms, include the plural as well as the singular; (ii) all references in this Resolution to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Resolution as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Section or other subdivision.

A. The term *Act* shall mean the Development Corporation Act of 1979, as amended, Texas Revised Civil Statutes Annotated Article 5190.6, currently codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapter 501, Texas Local Government Code, as amended.

B. The term *Additional Prior Lien Obligations* shall mean (i) any bonds, notes, or other evidences of indebtedness which the Issuer 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 21 of this Resolution (which, as provided in Section 21 herein, may be issued only for the purpose of achieving debt service savings during each Fiscal Year).

C. The term *Applicable Law* shall mean the Act and all other laws or statutes, rules or regulations of the State of Texas or the United States of America which govern the Issuer or its property.

D. The term *Authorized Official* shall mean the Board President, Board Vice President, Board Secretary, Executive Director, or Director of Finance of the Issuer and the Mayor, City Manager, and Director of Finance for the City.

E. The term *Board* shall mean the Board of Directors of the Issuer.

F. The term *Bonds* shall mean the “Edinburg Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2021”, dated August 15, 2021, authorized by this Resolution.

G. The term *City* shall mean the City of Edinburg, Texas.

H. The term *Closing Date* shall mean the date of physical delivery of the Initial Bond in exchange for the payment of the agreed purchase price for the Bonds.

I. The term *Cost* shall mean with respect to a Project, the cost of acquisition, construction, reconstruction, improvement, and expansion of the Project as provided in the Act, including, without limitation, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest prior

to and during construction, and for one year after completion of construction whether or not capitalized, necessary reserve funds, cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving, and expanding any such Project, administrative expense, and such other expense as may be necessary or incident to the acquisition, construction, reconstruction, improvement, and expansion thereof, the placing of the same in operation, and the financing or refinancing of the Project.

J. The term *Depository Bank* shall mean a commercial bank or other qualified financial institution eligible and qualified to serve as the custodian of the Issuer's monetary accounts and funds.

K. The term *Entertainment Center Project Funding Agreement* shall mean the "Project Funding Agreement Relating to Edinburg Entertainment Center," dated as of March 1, 2015, by and among the LGFC, the City, TIRZ One, TIRZ Four, and the Issuer.

L. The term *Fiscal Year* shall mean the twelve month financial accounting period used by the Issuer ending September 30 in each year, provided, however, the Issuer may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by Applicable Law.

M. The term *Issuer* shall mean the Edinburg Economic Development Corporation, a non-profit economic development corporation organized and existing under and pursuant to the laws of the State of Texas, including the Act, with its principal place of business in Hidalgo County, Texas.

N. The term *LGFC* shall mean the "City of Edinburg, Texas Local Government Finance Corporation", a local government corporation created by the City pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended.

O. The term *LGFC Contract Revenue Bonds* shall mean, collectively (i) the (1) "City of Edinburg, Texas Local Government Finance Corporation Contract Revenue Bonds, Series 2015A", dated March 1, 2015, in the original principal amount of \$37,250,000; and (2) the "City of Edinburg, Texas Local Government Finance Corporation Contract Revenue Bonds, Taxable Series 2015B", dated March 1, 2015, in the original principal amount of \$3,475,000; and (ii) obligations hereafter issued by the LGFC pursuant to the *Indenture of Trust*, dated as of March 1, 2015, between the LGFC and Wells Fargo Bank, National Association, as trustee (which contract revenue bonds are secured, in part, with a commitment by the Issuer, pursuant to the Entertainment Center Project Funding Agreement, to provide its Net Available EEDC Sales Tax Revenues in an amount sufficient to pay annual debt service on such contract revenue bonds that is not paid with certain other funds to be provided by the City and the LGFC pursuant to the terms of the Entertainment Center Project Funding Agreement.

P. The term *Net Available EEDC Sales Tax Revenues* shall mean all Pledged Revenues which are not needed or used to pay debt service on the outstanding Parity Obligations and which are not generated within TIRZ Three.

Q. The term *Parity Obligations* shall mean collectively, the Previously Issued Prior Lien Obligations, the Bonds, and any Additional Prior Lien Obligations.

R. The term *Pledged Revenues* shall mean the revenues derived from the Sales Tax plus any interest earnings thereon, less any amounts due or owing to the Comptroller as charges for collection or retention by the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law.

S. The term *Previously Issued Prior Lien Obligations* shall mean, collectively, the Series 2013A Bonds, the Series 2013B Bonds, and the Series 2015 Bonds.

T. The term *Project* shall mean, to the extent such term used herein is applicable to the specific project described herein: (i) the Ebony Hills Golf Course Project or the Emergency Shelter/Recreational Facility, as applicable, as such terms are defined in the recitals of the resolutions which authorized the issuance of the Series 2013A Bonds and the Series 2013B Bonds; and (ii) the Santana Manufacturing Project, as such term is defined in the recitals of the resolution authorizing the issuance of the Series 2015 Bonds.

U. The term *Project Agreement* shall mean either the Ebony Hills Golf Course Project Agreement or the Emergency Shelter/Recreational Facility Project, as applicable, as such terms are defined in the recitals of the resolution which authorized the issuance of the Series 2013A Bonds and the Series 2013B Bonds.

V. The term *Purchaser* shall mean the initial purchaser of the Bonds named in Section 32 of this Resolution.

W. The term *Sales Tax* shall mean the one-half of one percent (1/2 of 1%) sales and use tax levied by the City within the boundaries of the City as they now or hereafter exist, together with any increases in the aforesaid rate if provided and authorized by the laws of the State of Texas, including specifically the Act, and collected for the benefit of the Issuer, all in accordance with the Act.

X. The term *Series 2013A Bonds* shall mean the “Edinburg Economic Development Corporation Sales Tax Revenues Bonds (Ebony Hills Golf Course Project), Series 2013A”, in the original aggregate principal amount of \$2,300,000, authorized by a resolution approved by the Board of the Issuer on December 10, 2013.

Y. The term *Series 2013B Bonds* shall mean the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds (Emergency Shelter/Recreational Facility Project), Series 2013B”, in the original aggregate principal amount of \$4,575,000, authorized by a resolution approved by the Board of the Issuer on December 10, 2013.

Z. The term *Series 2015 Bonds* shall mean the “Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2015 (Santana Manufacturing Project Refinancing)”, in the original aggregate principal amount of \$13,715,000, authorized by a resolution approved by the Board of the Issuer on January 20, 2015.

AA. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on February 15 of each year the Bonds are outstanding, as set forth in Section 2 of this Resolution.

BB. The term *TIRZ Four* shall mean “Reinvestment Zone Number Four, City of Edinburg, Texas”, a tax increment reinvestment zone created by the City in 2013 pursuant to Chapter 311, Texas Tax Code, as amended, covering a certain defined portion of the City.

CC. The term *TIRZ One* shall mean “Reinvestment Zone Number One, City of Edinburg, Texas”, a tax increment reinvestment zone created by the City in 2007 pursuant to Chapter 311, Texas Tax Code, as amended, covering a certain defined portion of the City.

DD. The term *TIRZ Three* shall mean “Reinvestment Zone Number Three, City of Edinburg, Texas”, a tax increment reinvestment zone created by the City in 2008 pursuant to Chapter 311, Texas Tax Code, as amended, covering a certain defined portion of the City.

EE. The term *Transfer Agreement* shall mean the Sales Tax Remittance Agreement, dated as of December 15, 2013, between the City and the Issuer.

SECTION 10: Cumulative Effect of Resolution; Pledge; Security Interest.

A. Cumulative Effect of Resolution. The Bonds issued pursuant to this Resolution are Additional Prior Lien Obligations issued pursuant to applicable sections of the resolutions authorizing the issuance of the outstanding Previously Issued Prior Lien Obligations, and are in all respects on a parity with the outstanding Previously Issued Prior Lien Obligations. Sections 10 through 22 and Sections 25 through 27 of this Resolution substantially restate, and are supplemental to and cumulative of, Sections 7 through 18 of the resolutions authorizing the issuance of the most recently issued series of outstanding Previously Issued Prior Lien Obligations (except for revising the defined term “Additional Subordinate Lien Obligations” to read “Additional LGFC Contract Revenue Bonds” in order to distinguish such term with the terms “New Series Obligations” and “Additional New Series Obligations” that has been added in this Resolution), so that, Sections 10 through 27 of this Resolution are applicable to all Parity Obligations and state all requirements with respect thereto.

For purposes of clarification, it is specifically noted that (i) Section 22 (relating to the Issuer’s authority to issue Additional LGFC Contract Revenue Bonds) has been revised and supplemented from the provisions set forth in the resolution authorizing the issuance of the most recently issued series of outstanding Previously Issued Prior Lien Obligations in a manner that (i) prohibits the Issuer from issuing Additional LGFC Contract Revenue Bonds other than for the purpose of refunding outstanding LGFC Obligations to achieve debt service savings during each Fiscal Year, and (ii) Sections 23 and 24 have been added to recognize the issuance of the hereinafter defined New Series Obligations which are secured by a lien on and pledge of the Pledged Revenues that is subordinate and inferior to the lien on and pledge thereof securing the Parity Obligations and the LGFC Contract Revenue Bonds, to provide conditions under which the Issuer may issue Additional New Series Obligations (hereinafter defined), and to expressly recognize that when the currently outstanding Parity Obligations and LGFC Contract Revenue Bonds (and any refunding bonds hereafter issued on parity therewith for debt service savings in

each Fiscal Year) are no longer outstanding that the lien on and pledge of the Pledged Revenues securing the repayment of the New Series Obligations shall be a first and prior lien on such Pledged Revenues by operation of law.

B. Pledge. The Pledged Revenues are hereby irrevocably pledged to the payment and security of the Parity Obligations (including the Bonds) including the establishment and maintenance of the special funds (including the Bond Fund and the Reserve Fund) established in this Resolution or in any resolution authorizing the issuance of any Additional Prior Lien Obligations, all as hereinafter provided. The Parity Obligations (including the Bonds) shall constitute a lien on and pledge of the Pledged Revenues in accordance with the terms of this Resolution and any resolution authorizing the issuance of Additional Prior Lien Obligations, which lien shall be valid and binding without any further action by the Issuer and without any filing or recording with respect thereto except in the records of the Issuer. The Parity Obligations are and will be secured by and payable only from the Pledged Revenues, and are not secured by or payable from a mortgage or deed of trust on any real, personal or mixed properties constituting the Project.

C. Security Interest. Chapter 1208, as amended, Texas Government Code (*Chapter 1208*), applies to the issuance of the Parity Obligations which are considered “public securities” within the meaning of Chapter 1208, and the pledge of the Pledged Revenues granted by the Issuer by this Resolution, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Parity Obligations which are public securities are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Issuer by this Resolution is to be subject to the filing requirements of Chapter 9, as amended, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Parity Obligations which are public securities the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 11: Revenue Fund. The Issuer hereby ratifies and approves, and covenants to maintain on the books of the Issuer, and accounted for separate and apart from all other funds of the Issuer, a special fund entitled the “Edinburg Economic Development Corporation Sales Tax Revenue Fund” (hereinafter referred to as the *Revenue Fund*). All Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt. Monies in said Fund shall be maintained at an official Depository Bank of the City.

SECTION 12: Bond Fund. For the sole purpose of paying the principal of and interest on the Parity Obligations, as the same come due, there is hereby created and established, and shall be maintained, on the books of the Issuer a separate fund entitled the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds Debt Service Fund” (hereinafter referred to as the *Bond Fund*). Monies in said Fund shall be maintained at an official Depository Bank of the City. The Issuer 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 percent (100%) of the interest on and principal of the currently outstanding Parity Obligations then falling due and payable, and such deposits to pay principal and accrued interest on the currently outstanding Parity Obligations shall be made in substantially equal monthly installments on or

before the 25th day of the month, commencing on or before the 25th day of the month following delivery of the Bonds to the Purchaser.

The required deposits to the Bond Fund for the payment of principal of and interest on the currently outstanding Parity Obligations 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 Parity Obligations (including the Bonds) are no longer outstanding.

SECTION 13: Reserve Fund.

A. Creation of the Reserve Fund. There is hereby created for the benefit only of the holders of any particular series of Parity Obligations for which an account has been created in the resolution authorizing such series of Parity Obligations, and shall be maintained on the financial records of the Issuer (or at an official depository of the Issuer, for the pro rata benefit of all Parity Obligations of such series for which an account is created, the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds Reserve Fund” (hereinafter referred to as the *Reserve Fund*). The Issuer may create and establish accounts in the Reserve Fund pursuant to the provisions of any resolution authorizing the issuance of Parity Obligations for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said account shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the holders of the particular Parity Obligations for which such account in the Reserve Fund was established. Each such account in the Reserve Fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such account from all other accounts in the Reserve Fund created for the benefit of a particular series of Parity Obligations. All terms relating to the requirements to establish, fund and maintain required balances in an account of the Reserve Fund, including but not limited to the use of any reserve fund credit facility therein, shall be set forth in the resolution authorizing the issuance of the particular series of Parity Obligations for which such account is established.

B. Use of Funds. Funds on deposit in an account of the Reserve Fund established for the benefit of a particular series of Parity Obligations shall be used to (i) pay the principal of and interest on such series of Parity Obligations for which such account was created at any time when there is not sufficient money available in the Bond Fund for such purpose, (ii) pay the principal of or interest on the last maturing Parity Obligations of such series, or (iii) pay reimbursement obligations to restore the amount available to be drawn under a reserve fund credit facility to its original amount. If the amount on deposit in an account of the Reserve Fund for a particular series of Parity Obligations consists of cash and investments and a reserve fund credit facility, all cash and investments in such account shall be liquidated and withdrawn prior to drawing on the reserve fund credit facility. If more than one reserve fund credit facility is maintained in an account of the Reserve Fund, any withdrawals on such reserve fund credit facilities shall be pro rata.

C. Series 2013 Bonds Initially Not Secured with Account in Reserve Fund; Reserve Account for Series 2013 Bonds to be Funded Under Certain Circumstances.

(1) No Account Initially Established. Initially, no account is being established in the Reserve Fund for the benefit of the holders of the Series 2013 Bonds; consequently, no proceeds of the Series 2013 Bonds shall be deposited into the Reserve Fund, no Pledged Revenues shall be deposited into the Reserve Fund (unless otherwise provided by the Issuer in a subsequent resolution or the Issuer is required to do so as provided below in this subsection), and the holders of the Series 2013 Bonds shall not be entitled to any funds which may be on deposit in the Reserve Fund (unless otherwise provided by the Issuer in a subsequent resolution or the Issuer is required to establish an account in the Reserve Fund as provided below in this subsection).

(2) Account Required to be Established and Funded Under Certain Circumstances. Notwithstanding the provisions in Section 10(c)(i) above, in the event that the Pledged Revenues for any Fiscal Year are less than 1.40 times the average annual debt service requirements for all then outstanding Parity Obligations, the Issuer, within not later than 180 days after the end of the Fiscal Year in which such deficiency first occurred, (A) shall be required to establish an account in the Reserve Fund for the benefit of the holders of the Series 2013 Bonds (the *Series 2013 Reserve Fund Account*), and (B) shall commence funding the Series 2013 Reserve Fund Account to an aggregate amount equal to the average annual principal and interest requirements for the Series 2013 Bonds then outstanding (the *Series 2013 Required Reserve Amount*) by making monthly deposits (from Pledged Revenues on deposit in the Revenue Fund), on or before the 25th day of each month, in amounts not less than 1/60th of the Series 2013 Required Reserve Amount.

(3) Funding Deficiency in Account. When and so long as the cash and investments in the Series 2013 Reserve Fund Account equal the Series 2013 Required Reserve Amount, no deposits need be made to the credit of the Series 2013 Reserve Fund Account; but, if and when the Series 2013 Reserve Fund Account at any time contains less than the Series 2013 Required Reserve Amount (other than during the initial build-up period described in Section 10(c)(ii) above), the Issuer covenants and agrees to cure the deficiency in the Series 2013 Required Reserve Amount by resuming monthly deposits of Pledged Revenues from the Revenue Fund in an amount equal to not less than 1/60th of the Series 2013 Required Reserve Amount (or such greater amount agreed to by the Issuer), with any such deficiency payments being made on or before the 25th day of each month until the Series 2013 Required Reserve Amount has been fully restored.

(4) Withdrawal of Excess Funds. During such time as the Series 2013 Reserve Fund Account contains the Series 2013 Required Reserve Amount, the Issuer may, at its option, withdraw all surplus funds in the Series 2013 Reserve Fund Account in excess of the Series 2013 Required Reserve Amount and deposit such surplus in the Bond Fund.

(5) Authority to Discontinue Account Under Certain Circumstances. The obligation to maintain and fund the Series 2013 Reserve Fund Account described above shall continue until the earlier of (A) the Pledged Revenues in each of two consecutive Fiscal Years have been equal to not less than 1.40 times the average annual debt service

requirements of all then outstanding Parity Obligations, and (B) the date on which the Series 2013 Bonds are no longer outstanding. In the event any funds remain on the deposit in the Series 2013 Reserve Fund Account when the Issuer is no longer required to maintain such Account in accordance with the immediately preceding sentence, all funds on deposit therein shall (A) be transferred to the Bond Fund and used to pay debt service on outstanding Parity Obligations, and (B) be transferred to the Revenue Fund in the event no Parity Obligations remain outstanding following the transfer of such funds in accordance with clause (A) of this sentence.

D. Series 2015 Bonds Secured with Account in Reserve Fund. The Issuer hereby establishes an account in the Reserve Fund, known as the *Series 2015 Reserve Fund Account*, for the benefit of the Registered Owners of the Series 2015 Bonds. The amount required to be on deposit in the Series 2015 Reserve Fund Account is equal to 100% of the maximum annual principal and interest requirements of the Series 2015 Bonds (the *Series 2015 Reserve Account Requirement*). The Issuer initially funded the Series 2015 Reserve Fund Account by depositing proceeds of the Series 2015 Bonds in the amount of the Series 2015 Reserve Account Requirement. When and so long as the money and investments in the Series 2015 Reserve Fund Account total not less than the Series 2015 Reserve Account Requirement, no deposits need be made to the credit of the Series 2015 Reserve Fund Account; but when and if the Series 2015 Reserve Fund Account at any time contains less than the Series 2015 Reserve Account Requirement, the Issuer covenants and agrees to cure the deficiency in the Series 2015 Reserve Fund Requirement within sixty (60) months from the date the deficiency occurred by making monthly deposits from funds on deposit in the Revenue Fund (but only after making the required deposits into the Debt Service Fund) on the 25th day of each month in approximately equal amounts. During such time as the Series 2015 Reserve Fund Account contains the Series 2015 Reserve Account Requirement, the Issuer may, at its option, withdraw all surplus funds in the Series 2015 Reserve Fund Account in excess of the Series 2015 Reserve Account Requirement and deposit such surplus in the Revenue Fund. For the purpose of determining the amount on deposit to the credit of the Series 2015 Reserve Fund Account, investments in which money in such account shall have been invested shall be computed at cost. The amount on deposit to the credit of the Series 2015 Reserve Fund Account shall be computed by the Issuer at least annually, and shall be computed immediately upon any withdrawal from the Series 2015 Reserve Fund Account.

E. Reserve Fund Requirements to be Set Forth in Additional Prior Lien Obligations Resolution. In the event the Issuer establishes an account in the Reserve Fund for the benefit of the holders of a particular series of Parity Obligations (other than the Series 2013 Bonds or the Series 2015 Bonds), all provisions with respect to the funding requirements and other details shall be set forth in the resolution authorizing such series of Parity Obligations.

F. Bonds Not Secured with Account in Reserve Fund; Withdrawal of Surplus Funds in Series 2015 Reserve Fund Account.

(1) No Account Established for Bonds. No account is being established in the Reserve Fund for the benefit of the holders of the Bonds; consequently, no proceeds of the Bonds shall be deposited into the Reserve Fund, no Pledged Revenues shall be deposited into the Reserve Fund (unless otherwise provided by the Issuer in a subsequent resolution),

and the holders of the Bonds shall not be entitled to any funds which may be on deposit in the Reserve Fund (unless otherwise provided by the Issuer in a subsequent resolution).

(2) Withdrawal of Surplus Funds in Series 2015 Reserve Account. The Bonds are issued, in part, for the purpose of providing funds for the discharge and final payment of the Series 2015 Bonds. By reason of the issuance of the Bonds and the refunding of the Series 2015 Bonds, the Series 2015 Reserve Account Requirement shall be decreased to \$_____ (and \$_____ is currently on deposit in the Series 2015 Reserve Fund Account). The Director of Finance or Executive Director of the Issuer (or other officer of the Issuer then having the primary responsibility for the financial affairs of the Issuer), the City Manager, Assistant City Manager, and the Finance Director of the City are hereby authorized to withdraw the excess of \$_____ in the Series 2015 Reserve Fund Account into the Bond Fund and contribute such amount to the refunding being accomplished by the Bonds.

SECTION 14: Construction Fund.

A. There has previously been created and established, and shall continue to be maintained, on the books of the Issuer two separate funds entitled (i) the “Edinburg Economic Development Corporation Series 2013A Construction Fund” (the *2013A Construction Fund*) and the “Edinburg Economic Development Corporation Series 2013B Construction Fund” (the *2013B Construction Fund*). The 2013A Construction Fund and 2013B Construction shall be held by an official Depository Bank of the City and shall be subject to and charged with a lien in favor of the Registered Owners of the Series 2013A Bonds and Series 2013B Bonds, respectively, until said monies on deposit therein are paid out as herein provided. The proceeds from the sale of the Series 2013A Bonds and Series 2013B Bonds, other than any accrued interest and capitalized interest, if any (which shall be deposited to the credit of the Bond Fund), shall be credited to the 2013A Construction Fund and the 2013B Construction Fund, respectively. All interest and profits from investments made with moneys in the respective Construction Fund shall remain on deposit in such Construction Fund and as a part thereof unless the President or Secretary-Treasurer of the Board of Directors of the Issuer directs that all or a portion of such interest earnings are to be deposited to the Bond Fund. All funds on deposit in the 2013A Construction Fund or the 2013B Construction shall be deposited into the Bond Fund upon completion of the related Project (i.e. until the related Project is finally completed).

B. Money in the 2013A Construction Fund and the 2013B Construction Fund shall be subject to disbursement by the Issuer for payment of any Costs of the Project and in accordance with the provisions of the related Project Agreement; however, no proceeds shall be used to pay any maintenance or operating costs of the related Project. Disbursements from the 2013A Construction Fund and the 2013B Construction Fund shall be made in accordance with the financial policies and procedures established between the Issuer and the City and in accordance with the provisions of the related Project Agreement. Such disbursements shall be made only for valid Costs of the Project.

SECTION 15: Transfer of Sales Tax Revenues.

A. Pursuant to the provisions of the Transfer Agreement, the City has agreed to do any and all things necessary to accomplish the transfer of the Sales Tax revenues collected for the benefit of the Issuer to the Revenue Fund on a monthly basis. The Transfer Agreement shall govern matters with respect to the collection of sales taxes from the Comptroller, credits and refunds due and owing to the Comptroller, and other matters with respect to the collection and transfer of the Sales Tax revenues. The City shall maintain the proceeds from the collection of the Sales Tax in an account to be maintained at an official Depository Bank of the City. The Transfer Agreement has been duly authorized, executed and delivered by the Issuer and remains in full force and effect.

B. The President and the Secretary-Treasurer of the Board are hereby ordered to do any and all things necessary including mandamus, and any action at law or in equity to accomplish the transfer of monies to the Bond Fund in ample time to pay the principal of and interest on the Parity Obligations.

SECTION 16: Deposits of Pledged Revenues; Investments.

A. The Pledged Revenues shall be deposited in the Bond Fund and the Reserve Fund, or shall be used to reimburse a credit facility provider in the event a reserve fund credit facility has been drawn upon to pay debt service requirements on any Parity Obligations, when and as required by this Resolution.

B. Money in any Fund established by this Resolution may, at the option of the Board, be invested in eligible investment securities as described in the Public Funds Investment Act, Chapter 2256, as amended, Texas Government Code; provided that all such deposits and investments shall have a par value (or market value when less than par) exclusive of accrued interest at all times at least equal to the amount of money credited to such Funds, and shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Money in the Reserve Fund shall not be invested in securities maturing later than five years from the date such investment is made. Such investments shall be valued in terms of current market value as of the last day of each year, except that direct obligations of the United States (State and Local Government Series) in book-entry form shall be continuously valued at their par or face principal amount. Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

SECTION 17: Funds Secured. Money in all Funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the City.

SECTION 18: Debt Service Requirements; Transfers from Revenue Fund.

A. Promptly after the delivery of each series of Parity Obligations, the Issuer shall cause to be deposited to the credit of the Bond Fund any accrued interest and any capitalized interest received from the sale and delivery of such Parity Obligations, and any such deposit shall be used to pay the interest next coming due on such related Parity Obligations.

B. The Issuer shall transfer or cause to be transferred Pledged Revenues on deposit in the Revenue Fund, and deposit to the credit of the Bond Fund and the Reserve Fund, the amounts, in the priority, and at the times as follows:

(1) Such amounts, in substantially equal monthly installments, deposited on or before the 25th day of each month hereafter, as will be sufficient, together with other amounts, if any, then on hand in the Bond Fund and available for such purpose, to pay the interest scheduled to accrue and come due on the Parity Obligations on the next succeeding interest payment date;

(2) Such amounts, in substantially equal monthly installments deposited on or before the 25th day of each month hereafter as will be sufficient, together with other amounts, if any, then on hand in the Bond Fund and available for such purpose, to pay the principal scheduled to mature and come due on the Parity Obligations on the next succeeding principal payment date; and

(3) Such amounts, in substantially equal monthly installments deposited on or before the 25th day of each month hereafter, as will be sufficient, together with other amounts, if any, then on hand in the respective accounts of the Reserve Fund, if any, to satisfy the amount required to be deposited therein in accordance with the provisions of the resolution or resolutions which established each account in the Reserve Fund.

SECTION 19: Deficiencies; Excess Pledged Revenues.

A. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Bond Fund and the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

B. Subject to making the required deposits to the credit of the Bond Fund and the Reserve Fund when and as required by this Resolution, or any resolution authorizing the issuance of Additional Prior Lien Obligations, the excess Pledged Revenues may be used by the Issuer for any lawful purpose not inconsistent with the Act.

SECTION 20: Payment. On or before February 15, 2022, and semiannually on or before each August 15 and February 15 thereafter while any of the Parity Obligations are outstanding and unpaid, the Issuer shall make available to the paying agents therefor (including the Paying Agent/Registrar), out of the Bond Fund, and the Reserve Fund (if necessary), money sufficient to pay such interest on and such principal of the Parity Obligations as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. The aforesaid paying agents (including the Paying Agent/Registrar) shall destroy all paid Parity Obligations, and furnish the Issuer with an appropriate certificate of cancellation or destruction.

SECTION 21: Additional Prior Lien Obligations.

A. The Issuer shall have the right and power at any time and from time to time and in one or more series, issues or transactions, to authorize, issue and deliver additional parity revenue obligations (herein referred to as *Additional Prior Lien Obligations*), in accordance with law, in any

amounts, but solely for the purpose of refunding outstanding Parity Obligations to achieve debt service savings during each Fiscal Year. Such Additional Prior Lien Obligations, if and when authorized, issued and delivered in accordance with this Resolution, shall be secured by and made payable equally and ratably on a parity with the Parity Obligations then outstanding from a first lien on and pledge of the Pledged Revenues. The final maturity for any series of Additional Prior Lien Obligations may not exceed the final maturity of the Parity Obligations being refunded with such Additional Prior Lien Obligations.

B. The Bond Fund established by this Resolution shall secure and be used to pay all Parity Obligations, and the Reserve Fund shall be used to further secure only those specific Parity Obligations for which an account has been established therein for the benefit of such Parity Obligations. Each resolution under which Additional Prior Lien Obligations are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of any other resolution or resolutions authorizing all other Parity Obligations to be deposited to the credit of the Bond Fund, the Issuer shall deposit to the credit of the Bond Fund at least such amounts as are required for the payment of all principal and interest on said Additional Prior Lien Obligations then being issued, as the same come due.

C. No installment, series or issue of Additional Prior Lien Obligations shall be issued or delivered unless:

(1) The President of the Board of the Issuer, or the chief executive officer or the chief financial officer of the Issuer, signs a written certificate to the effect that the Issuer is not in default as to any covenant, condition or obligation in connection with all outstanding Parity Obligations, and the resolutions authorizing same and the agreements related thereto, and that the Bond Fund and the Reserve Fund each contains the amount then required to be therein;

(2) The President of the Board of the Issuer, or the chief executive officer or the chief financial officer of the Issuer or the City, signs a written certificate (i) stating that during either the next preceding year, or any twelve consecutive calendar month period ending not more than ninety days prior to the date of the then proposed Additional Prior Lien Obligations, the Pledged Revenues were, in his or her opinion, at least equal to 1.25 times the average annual principal and interest requirements (computed on a fiscal year basis) of all Parity Obligations to be outstanding after the issuance of then proposed Additional Prior Lien Obligations, and (ii) demonstrating that the issuance of such Additional Prior Lien Obligations will result in a reduction in total debt service requirements to be paid on all Parity Obligations during each Fiscal Year;

(3) The governing body of the City by official action approves the issuance of the Additional Prior Lien Obligations, as required by the Act;

(4) The Issuer receives the written consent of a credit facility provider in the event a credit facility provided by such credit facility provider has been drawn upon and such credit facility provider has not been fully reimbursed for costs related to such withdrawal.

The foregoing notwithstanding, the Issuer may issue Additional Prior Lien Obligations, all or a portion of the proceeds of which are to be used to refund all of the outstanding Parity Obligations, without the necessity of satisfying the provisions of clause (ii) of this subsection.

D. Any installment, series or issue of Additional Prior Lien Obligations may be issued in such a manner that such Additional Prior Lien Obligations would qualify as obligations described by Section 103(a) of the Code, without regard as to whether any other obligations of the Issuer then outstanding were so issued.

SECTION 22: Additional LGFC Contract Revenue Bonds. Pursuant to the Entertainment Center Project Funding Agreement, the Issuer is contractually committed, as long as any LGFC Contract Revenue Bonds remain outstanding, to provide Net Available EEDC Sales Tax Revenues to the LGFC in an amount sufficient to pay all debt service requirements on the LGFC Contract Revenue Bonds which are not covered with certain funds provided by the City and the LGFC in accordance with the Entertainment Center Project Funding Agreement (herein referred to as the *Entertainment Center Project Funding Agreement Commitment*). In order to provide for the ability for the Issuer to pledge the Net Available EEDC Sales Tax Revenues on a parity basis with the Entertainment Center Project Funding Agreement Commitment for the purpose of securing bonds, notes and other obligations issued or entered into by the Issuer in the future to accomplish any lawful purpose, the Issuer hereby reserves the right and power at any time, and from time to time and in one or more series, issues or transactions, to authorize, issue and deliver bonds, notes and other obligations, and enter into other contractual commitments, which are secured, in whole or in part, with a lien on and pledge of the Issuer's Net Available EEDC Sales Tax Revenues on a parity with the Entertainment Center Project Funding Agreement Commitment (referred to in this Section as *Additional LGFC Contract Revenue Bonds*) upon satisfaction of the following conditions:

A. No Default/Compliance with Covenants. The President of the Board of Directors, or the Executive Director or Assistant Executive Director of the Issuer shall have executed a certificate stating (a) that, to the best of his or her knowledge and belief, the Issuer is not then in default as to any covenant, obligation or agreement contained in any resolution, agreement or other proceeding relating to any obligations of the Issuer payable in whole or in part from, and secured by a lien on and pledge of, the revenues derived by the Issuer from the Sales Tax (including but not limited to the Parity Obligations, the Entertainment Center Project Funding Agreement Commitment and any then outstanding Additional LGFC Contract Revenue Bonds) that would materially affect the security or payment of the Additional LGFC Contract Revenue Bonds proposed to be issued or incurred, and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all outstanding Parity Obligations, the Entertainment Center Project Funding Agreement Commitment, and any then outstanding Additional LGFC Contract Revenue Bonds have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein, or (ii) the application of the proceeds of sale of such Additional LGFC Contract Revenue Bonds then being issued or incurred will cure any such deficiency.

B. Historical Net Available EEDC Sales Tax Revenues Test. The President of the Board of Directors, or the Executive Director or Assistant Executive Director of the Issuer shall have executed a certificate to the effect that, according to the books and records of the Issuer, the Net Available EEDC Sales Tax Revenues for the preceding Fiscal Year, or for a 12 consecutive

month period out of the 18 consecutive months immediately preceding the month the resolution authorizing the issuance of such Additional LGFC Contract Revenue Bonds is adopted, are at least equal to 125% of (A) the maximum principal and interest requirements for all Additional LGFC Contract Revenue Bonds (including such Additional LGFC Contract Revenue Bonds proposed to be issued or incurred) which will remain outstanding following delivery of such Additional LGFC Contract Revenue Bonds, plus (B) the maximum annual principal and interest requirements on the outstanding LGFC Contract Revenue Bonds.

SECTION 23: Issuance of Additional New Series Obligations. Pursuant to the resolutions authorizing the currently outstanding obligations of the Issuer equally and ratably secured solely and initially by a subordinate and inferior lien on and pledge of the Pledged Revenues (the *New Series Obligations*, as further described and defined in the resolutions authorizing the New Series Obligations), the Issuer reserves the right hereafter to issue “Additional New Series Obligations” which, when issued in compliance with the terms and conditions hereinafter prescribed, shall be payable from and equally and ratably secured, together with the currently outstanding New Series Obligations, initially by a subordinate and inferior lien on and pledge of the Pledged Revenues while the Parity Obligations and the LGFC Contract Revenue Bonds are outstanding, provided, however, when the Parity Obligations and the LGFC Contract Revenue Bonds are no longer outstanding, the Additional New Series Obligations shall be payable from and equally and ratably secured solely by a first and prior lien on and pledge of the Pledged Revenues in the same manner and to the same extent as the then outstanding New Series Obligations. The Additional New Series Obligations may be issued in such form and manner as the Issuer shall determine; provided, however, that none shall be issued unless and until the following conditions have been met:

A. Except for a refunding to cure a default or the deposit of all or a portion of the proceeds of any Additional New Series Obligations to satisfy the Issuer’s obligations under this Resolution, the Director of Finance or Executive Director of the Issuer (or other officer of the Issuer then having the primary responsibility for the financial affairs of the Issuer) shall have executed a certificate stating that, to the best of his or her knowledge and belief, the Issuer is not then in default as to any covenant, obligation or agreement contained in the Resolution, a Supplemental Resolution (as defined in the resolutions authorizing the outstanding New Series Obligations), or any covenant, obligation or agreement contained in the documents authorizing the issuance of the Parity Obligations and the LGFC Contract Revenue Bonds. The Issuer has secured from the Issuer’s Director of Finance or Executive Director a certificate or opinion to the effect that, according to the books and records of the Issuer, the total Gross Sales Tax Revenues (as defined in the resolutions authorizing the outstanding Previously Issued New Series Obligations) received by the Issuer and specifically pledged to the payment and security of the Parity Obligations (including TIRZ Three Revenues), the LGFC Contract Revenue Bonds (excluding TIRZ Three Revenues), and the Parity Obligations, as applicable, for either (i) the last completed Fiscal Year next preceding the adoption of the Supplemental Resolution authorizing the issuance of the proposed Additional New Series 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 New Series Obligations were equal to not less than 115% of the combined maximum annual principal and interest requirements for all New Series Obligations then outstanding, and after giving effect to the issuance of the Additional New Series Obligations then being issued; provided that, in the event of an increase in the rate of the Sales Tax that becomes effective prior to the date of the resolution authorizing the issuance of the Additional

New Series Obligations, such certificate or report shall calculate the Gross Sales Tax Revenues for the calculation period as if such increased rate were in effect during such period.

B. The Required Reserve is increased to the extent required by the resolutions authorizing the outstanding New Series Obligations, and due provision is made for such increase to be accumulated and maintained in the Reserve Fund or an Additional Reserve Fund (as such term is defined in the resolutions authorizing the outstanding New Series Obligations), to the extent and in the manner required by the resolutions authorizing the New Series Obligations.

C. Each of the funds created for the payment, security, and benefit of the New Series Obligations contains the amount of money then required to be on deposit therein.

D. Any Additional New Series Obligations are made to mature on February 15 or August 15 of each year in which they are scheduled to mature.

All such Additional New Series Obligations provided for in this Section, when issued in accordance with the above provisions, shall be payable from and equally and ratably secured by a (i) subordinate and inferior lien on and pledge of the Pledged Revenues for so long as the Parity Obligations and the LGFC Contract Revenue Bonds are outstanding, and (ii) by a first and prior lien on and pledge of the Pledged Revenues when the Parity Obligations and the LGFC Contract Revenue Bonds are no longer outstanding, and the provisions of the resolutions authorizing the outstanding New Series Obligations relating to the use of Pledged Revenues shall be applicable to such Additional New Series Obligations as though the same were a part of such original authorization.

The right to issue such other and further Additional New Series Obligations shall exist as often as the need therefor shall arise and so long as such Additional New Series Obligations are issued in compliance with law and the terms and conditions contained in the resolutions authorizing the issuance of the outstanding New Series Obligations.

THE ISSUER HEREBY COVENANTS AND AGREES WITH THE HOLDERS OF THE NEW SERIES OBLIGATIONS THAT IT WILL NOT PROSPECTIVELY AUTHORIZE THE ISSUANCE OF ANY OBLIGATIONS SECURED BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES THAT IS PRIOR AND SUPERIOR TO THE LIEN ON AND PLEDGE OF THE PLEDGED REVENUES SECURING THE PAYMENT OF THE NEW SERIES OBLIGATIONS (EXCEPT REFUNDING BONDS FOR DEBT SERVICE SAVINGS IN EACH FISCAL YEAR WITH RESPECT TO THE CURRENTLY OUTSTANDING PARITY OBLIGATIONS AND LGFC CONTRACT REVENUE BONDS). IT IS EXPRESSLY RECOGNIZED THAT WHEN THE CURRENTLY OUTSTANDING PARITY OBLIGATIONS AND LGFC CONTRACT REVENUE BONDS (AND ANY REFUNDING BONDS HEREAFTER ISSUED ON PARITY THEREWITH FOR DEBT SERVICE SAVINGS IN EACH FISCAL YEAR) ARE NO LONGER OUTSTANDING THAT THE LIEN ON AND PLEDGE OF THE PLEDGED REVENUES SECURING THE REPAYMENT OF THE NEW SERIES OBLIGATIONS SHALL BE A FIRST AND PRIOR LIEN ON SUCH PLEDGED REVENUES BY OPERATION OF LAW.

SECTION 24: New Series Refunding Bonds. In the resolutions authorizing the outstanding New Series Obligations, the Issuer has reserved the right to issue refunding bonds to refund all or any part of the outstanding New Series Obligations, pursuant to any Applicable Law then available, upon such terms and conditions as the Board may deem to be in the best interest of the Issuer, and if less than all such outstanding New Series Obligations are refunded, the conditions precedent prescribed for the issuance of any Additional New Series Obligations set forth in Section 23 of this Resolution shall be satisfied and the Director of Finance or Executive Director's certificate or opinion required in subparagraph B shall give effect to the Debt Service (as defined in the resolutions authorizing the outstanding New Series Obligations) requirements of the proposed refunding bonds (but shall not give effect to the Debt Service requirements of the bonds being refunded following their cancellation or provision being made for their payment); provided, however, that compliance with the test set forth in subparagraph B of Section 23 shall not be required if the issuance of such Additional New Series Obligation results in the reduction of the gross annual principal and interest requirements for the New Series Obligations then outstanding, after giving effect to the issuance of the Additional New Series Obligations, for every Fiscal Year such Additional New Series Obligations are outstanding.

The Issuer further reserves the right to issue Additional New Series Obligations to refund all or any part of the then outstanding Previously Issued Prior Lien Obligations, pursuant to any Applicable Law then available, upon such terms and conditions as the Board may deem to be in the best interest of the Issuer, but subject to the conditions precedent prescribed for the issuance of any Additional New Series Obligations set forth in Section 23 of this Resolution; provided, however, that compliance with the test set forth in subparagraph B of Section 23 shall not be required if the issuance of such Additional Parity Obligation results in the reduction of the combined gross annual principal and interest requirements for all Parity Obligations, LGFC Contract Revenue Bonds, and New Series Obligations then outstanding, after giving effect to the issuance of the Additional New Series Obligations, for every Fiscal Year such Additional New Series Obligations are outstanding.

SECTION 25: General Covenants. The Issuer further covenants and agrees that in accordance with and to the extent required or permitted by law:

A. Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, each resolution authorizing the issuance of Additional Prior Lien Obligations, and in each and every Parity Obligation; it will promptly pay or cause to be paid the principal of and interest on every Parity Obligation, on the dates and in the places and manner prescribed in such resolutions and Parity Obligations; and it will, at the times and in the manner prescribed, deposited or cause to be deposited the amounts required to be deposited into the Bond Fund and the Reserve Fund; and any Registered Owner of the Parity Obligations may require the Issuer, its officials and employees to carry out, respect or enforce the covenants and obligations of this Resolution, or any resolution authorizing the issuance of Additional Prior Lien Obligations, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its officials and employees, or by the appointment of a receiver in equity.

B. Legal Authority. It is a duly created and existing industrial development corporation, and is duly authorized under the laws of the State of Texas, including the Act, to create and issue the Parity Obligations; that all action on its part for the creation and issuance of the Parity Obligations has been duly and effectively taken, and that the Parity Obligations in the hands of the Registered Owners thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

C. Further Encumbrance. It, while the Parity Obligations are outstanding and unpaid, will not additionally encumber the Pledged Revenues in any manner, except as permitted in this Resolution in connection with Additional Prior Lien Obligations, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Resolution securing the Parity Obligations; but the right of the Issuer to issue revenue bonds payable from a subordinate lien on the Pledged Revenues (such as the Additional LGFC Contract Revenue Bonds or Additional New Series Obligations described in Sections 22 through 24 above), in accordance with the provisions of the Act and this Resolution, is specifically recognized and retained.

D. Collection of Sales Tax. The Issuer will take all steps necessary in any action at law or in equity to ensure that, for so long as the Parity Obligations are outstanding, that the City will levy, charge, collect and transfer to the Issuer the Sales Tax as required by the Transfer Agreement and the Act.

E. Records. It will keep proper books of record and account in which full, true and correct entries will be made of all dealings, activities and transactions relating to the Project, the Pledged Revenues and the Funds created or maintained pursuant to this Resolution, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bondholders.

SECTION 26: Defeasance of Parity Obligations.

A. Any Parity Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a *Defeased Parity Obligation*) within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Parity Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the *Future Escrow Agreement*) for such payment (1) lawful money of the United States of America sufficient to make such payment and/or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Parity Obligations shall have become due and payable. At such time as a Parity Obligation shall be deemed to be a Defeased Parity Obligation hereunder, as aforesaid, such Parity Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the taxes or revenues herein levied and pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or

Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Parity Obligations that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Parity Obligations for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Parity Obligations immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

C. The term *Defeasance Securities* means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof 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 that, on the date on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements 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 then applicable state law that may be used to defease obligations such as the Parity Obligations.

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

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

F. Notwithstanding the foregoing, no defeasance shall be deemed to occur until all costs (including draws, expenses and accrued interest) due to a credit facility provider for a draw on a credit facility have been paid in full.

SECTION 27: Resolution a Contract; Amendments.

A. This Resolution shall constitute a contract with the Registered Owners of the Parity Obligations, binding on the Issuer and its successors and assigns, and shall not be amended or repealed by the Issuer as long as any Parity Obligations remain outstanding except as permitted in this Section.

B. The Issuer may, with notice to each credit facility provider but without the consent of or notice to any Registered Owners, amend, change, or modify this Resolution (i) as may be required by the provisions hereof, (ii) as may be required for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change (other than any change described in clauses (i) through (iv) of the first sentence in subsection (c) below) with respect to which the Issuer receives written confirmation from each rating agency then maintaining a rating on the Parity Obligations at the request of the Issuer that such amendment would not cause such rating agency to withdraw or reduce its then current rating on the Parity Obligations.

C. In addition, the Issuer may, with the written consent of each credit facility provider and the Registered Owners of at least a majority in aggregate principal amount of the Parity Obligations then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Resolution; provided that without the consent of all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Parity Obligations, reduce the principal amount thereof or the rate of interest thereof, (ii) give any preference to any Parity Obligations over any other Parity Obligation, (i) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Parity Obligations required for consent to any such amendment, change, modification, or rescission.

D. Whenever the Issuer shall desire to make any amendment or addition to or rescission of this Resolution requiring consent of each credit facility provider and/or the Registered Owners of the Parity Obligations, the Issuer shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to (i) each credit facility provider, and (ii) the Registered Owners (if the Registered Owners of all Parity Obligations or at least a majority in aggregate principal amount of the Parity Obligations are required to consent) at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the Issuer shall receive an instrument or instruments in writing executed by each credit facility provider and the Registered Owners of all or a majority (as the case may be) in aggregate principal amount of the Parity Obligations then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise,

the Issuer may adopt such amendment, addition, or rescission in substantially such form, except as herein provided.

E. No Registered Owner may thereafter object to the adoption of any amendment, addition, or rescission which is accomplished pursuant to and in accordance with the provisions of this Section, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 28: Damaged, Mutilated, Lost, Stolen or Destroyed Bonds.

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

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

C. No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on such Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement bond, provided security or indemnity is furnished as above provided in this Section.

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

E. Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, as amended, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and

deliver such Bonds in the form and manner and with the effect, as provided in Section 4(d) of this Resolution, for Bonds issued in conversion and exchange for other Bonds.

SECTION 29: Control and Custody of Bonds. Each Authorized Official 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 Bond pending the approval thereof by the Texas Attorney General, the registration thereof by the Texas Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the President, Vice President, Secretary, Executive Director, a Director, or Treasurer of the Issuer, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the Issuer and the issuance of the Bonds, as may be necessary for the approval of the Texas Attorney General, registration by the Texas Comptroller of Public Accounts and delivery of the Bonds to the Purchaser thereof and, together with the Issuer's financial advisor, bond counsel, the Purchaser, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchaser thereof and the initial exchange thereof for definitive Bonds.

SECTION 30: Taxable Obligations. The Bonds are not "state or local bonds" within the meaning of section 103(a) and (c) of the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

SECTION 31: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the Issuer (i) defaults in the payment of the principal, premium, if any, or interest on the Bonds, (ii) defaults in the deposits and credits required to be made to the Bond Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution and the continuation thereof for 30 days after the Issuer has received written notice of such defaults, the Registered Owners of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition or obligation prescribed in this Resolution.

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

SECTION 32: Sale of the Bonds – Official Statement Approval – Approval of Purchase Contract - Use of Bond Proceeds. The Bonds authorized by this Resolution are hereby sold by the Issuer to Stifel, Nicolaus & Company, Inc., San Antonio, Texas, as the underwriter (the *Purchaser*, having all of the rights, benefits, and obligations of a Registered Owner), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated August 17, 2021, attached hereto as Exhibit C and incorporated herein by reference as a part of this Resolution for all purposes. The pricing and terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the Issuer. The Initial Bond shall be registered in the name

of Stifel, Nicolaus & Company, Inc. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Issuer and as the act and deed of the Board and in regard to the approval and execution of the Purchase Contract, the Board hereby finds, determines and declares that the representations, warranties, and agreements of the Issuer contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the Issuer. Delivery of the Bonds to the Purchaser shall occur as soon as practicable after the adoption of this Resolution, upon payment therefor in accordance with the terms of the Purchase Contract.

Furthermore, the Issuer hereby ratifies, confirms, and hereby ratifies, confirms and approves in all respects (i) the Issuer's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchaser in connection with the public offering and sale of the Bonds. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Purchase Contract (together with such changes approved by any Authorized Official), shall be and is hereby in all respects approved and the Purchaser is hereby authorized to use and distribute the final Official Statement, dated August 17, 2021, in the reoffering, sale and delivery of the Bonds to the public. The President, Vice President, and/or Secretary of the Board are further authorized and directed to manually execute and deliver for and on behalf of the Issuer copies of the Official Statement in final form as may be required by the Purchaser, and such final Official Statement in the form and content 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 Purchaser.

SECTION 33: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 34: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 35: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Resolution shall be given in such other manner and at such time or times as in the judgment of the Issuer or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirements for publication thereof.

SECTION 36: Legal Opinion. The obligation of the Purchaser to purchase the Bonds is subject to being furnished a final opinion of Locke Lord LLP, as Bond Counsel, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the definitive Bonds deposited with The Depository Trust Company.

SECTION 37: 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 Issuer 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 38: Continuing Disclosure Undertaking.

A. Definitions.

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

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

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) or (b); provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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.

Undertaking means the Issuer's continuing disclosure undertaking, described in Paragraphs B through E below, hereunder accepted and entered into by the Issuer for the purpose of compliance with the Rule.

B. Annual Reports.

The Issuer shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the Issuer ending in or after 2021, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 32 of this Resolution, being the information described in Clause 2 of Exhibit E hereto, and (2) within twelve months after the end of each fiscal year ending in or after 2021 financial information and operating data with respect to the Issuer of the general type included in the final Official Statement, being the information described in Clause 1 of Exhibit E hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation and (ii) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period,

then the Issuer shall file unaudited statements within such period and audited financial statements for the applicable Fiscal Year with the MSRB, when and if the audit report on such statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the Issuer must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the Director of Finance of the Issuer within 180 days after the last day of the Issuer's Fiscal Year. The Issuer's fiscal records and audit reports are available for public inspection during the regular hours of the Director of Finance of the Issuer. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the Issuer changes its Fiscal Year, it will file notice thereof with the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events.

The Issuer shall file 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 Issuer, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;

(15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, 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 Issuer, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, and (b) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 3483885, dated August 20, 2018.

The Issuer shall file notice with the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with this Section by the time required by this Section.

D. Limitations, Disclaimers, and Amendments.

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

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 Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has

expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITH 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 Issuer 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 Issuer under federal and state securities laws.

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

E. Information Format – Incorporation by Reference.

The information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with Federal Securities Laws.

Because the issuance of the Bonds is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Bonds or the initial purchasers in a competitive sale of the Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the Issuer hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the “Policies and Procedures”), attached hereto as Exhibit F, with which the Issuer shall follow to assure compliance with the Undertaking. The Issuer has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the Issuer’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the Issuer and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 39: Book-Entry Only System.

The Bonds initially shall be registered so as to participate in a securities depository system (the DTC System) with the Depository Trust Company, New York, New York or any successor entity thereto (“DTC”), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Issuer and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit B (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any broker dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an "Indirect Participant"). Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than a Registered Owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Registered Owner of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, or interest on the Bonds pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the Registered Owner, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Issuer determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify the Paying Agent/Registrar, DTC, and DTC Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Registered Owners of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

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

SECTION 40: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer, the Paying Agent/Registrar, Bond Counsel, and the Registered Owners, 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 Issuer, the Paying Agent/Registrar, Bond Counsel, and the Registered Owners.

SECTION 41: Ratification of Transfer Agreement. The Sales Tax Remittance Agreement, dated as of December 15, 2013, between the Issuer and the City (a copy of which is attached hereto as Exhibit D, the *Transfer Agreement*) provides for the transfer of the Sales Tax from the City to the Issuer for use by the Issuer as security for its bonds issued for the Project. As the Bonds refund the Refunded Obligations, which were originally issued to refinance the Project, the Issuer hereby finds that the Bonds are also bonds issued for the Project. As a result, the Issuer hereby affirms, ratifies, and approves the validity and enforceability of the Transfer Agreement for so long as the Bonds (or any bonds issued to refund the Bonds) remain outstanding.

SECTION 42: 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 43: 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 44: 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 45: 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 46: Further Procedures. The officers and employees of the Issuer are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the initial sale and delivery of the Bonds, the Purchase Contract, the Blanket Issuer Letter of Representations, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bonds, an Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution, (ii) obtain a rating from any of the national bond rating agencies, (iii) obtain an insurance policy, including a credit facility or credit agreement; or (iv) obtain the approval of the Bonds by the Texas Attorney General's office. In case any officer of the Issuer whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47: 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 Chapter 551, as amended, Texas Government Code.

SECTION 48: Contracts with Financial Advisor and/or Bond Counsel. The Board authorizes any Authorized Official, or their designee, to take all actions necessary to execute any necessary financial advisory contracts with Hilltop Securities Inc., as the financial advisor to the Issuer (the Financial Advisor). The Issuer understands that under applicable federal securities laws and regulations, the Issuer must have a contractual agreement with its Financial Advisor relating to the sale, issuance, and delivery of the Bonds. In addition, the Board also authorizes any Authorized Official, or their designee, to take all actions necessary to execute any necessary engagement agreement with Locke Lord LLP, as Bond Counsel to the Issuer.

SECTION 49: Issuer's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the Issuer hereby consents to and authorizes any Authorized Official, Bond Counsel to the Issuer, and/or Financial Advisor to the Issuer to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Bonds; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 50: Effective Date. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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PASSED AND ADOPTED, this 17th day of August, 2021.

EDINBURG ECONOMIC
DEVELOPMENT CORPORATION

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(ISSUER SEAL)

INDEX TO EXHIBITS

Schedule I – Schedule of Refunded Obligations

Exhibit A – Paying Agent Registrar Agreement

Exhibit B – DTC Letter of Representations

Exhibit C – Purchase Contract

Exhibit D – Sales Tax Remittance Agreement

Exhibit E – Description of Annual Financial Information

Exhibit F – General Policies and Procedures Concerning Compliance with the Rule

SCHEDULE I

Refunded Obligations

“Edinburg Economic Development Corporation Sales Tax Revenue Refunding Bonds, Series 2015”, dated March 1, 2015 in the original aggregate principal amount of \$13,715,000 and maturing on February 15, 2025, February 15, 2030, and February 15, 2025 in the aggregate principal amount of \$13,125,000, to be redeemed on February 15, 2025.

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. ____

EXHIBIT B

DTC Letter of Representations

See Tab No. ____

EXHIBIT C

Purchase Contract

See Tab No. ____

EXHIBIT D

Sales Tax Remittance Agreement

See Tab No. ____

EXHIBIT E

Description of Annual Financial Information

The following information is referred to in Section 39 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The Issuer's audited financial statements for the most recently concluded Fiscal Year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the Issuer appended to the Official Statement as Appendix B, but for the most recently concluded Fiscal Year.
2. The quantitative financial information and operating data of the Issuer of the general type included in Tables 1 through 3 in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT F

General Policies and Procedures Concerning Compliance with the Rule

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 39 of the Resolution. “Bonds” refer to the Bonds that are the subject of the Resolution to which this Exhibit is attached.

II. As a capital markets participant, the Issuer is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the “Effective Date”), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the Issuer’s compliance with the Rule.

III. The Issuer is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 39C of the Resolution, which provisions are a part of the Undertaking.

IV. The Issuer is aware that “participating underwriters” (as such term is defined in the Rule) of the Bonds must make inquiry and reasonably believe that the Issuer is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The Issuer now establishes the following general policies and procedures (the “Policies and Procedures”) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the Issuer’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the Issuer’s obligations under the Rule, the advice from and discussions with the Issuer’s internal senior staff (including staff charged with administering the Issuer’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the “Compliance Team”):

1. the Executive Director of the Issuer (the “Compliance Officer”) shall be responsible for satisfying the Issuer’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the Issuer’s information of the type described in Section 39B of the Resolution;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 39C of the Resolution;

4. the Compliance Officer shall work with external consultants of the Issuer, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the Issuer and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the Issuer, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any Issuer agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the Issuer; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the Issuer’s internal staff identified by the Compliance Officer to assist with the Issuer’s satisfaction of the terms and provisions of the Undertaking.

Edinburg Economic Development Corporation

Meeting Date: August 17, 2021

Consider approval of a resolution authorizing the issuance of “Edinburg Economic Development Corporation Sales Tax Revenue Bonds, New Series 2021A”; pledging certain “Pledged Revenues” of the Corporation, including “Gross Sales Tax Revenues”, to the payment of the principal of and interest on the Bonds; prescribing the form, terms, conditions, and resolving other matters related to the foregoing.

1. Agenda Item:

Consider approval of a resolution authorizing the issuance of "Edinburg Economic Development Corporation Sales Tax Revenue Bonds, New Series 2021A "; pledging certain “Pledged Revenues” of the Corporation, including “Gross Sales Tax Revenues”, to the payment of the principal of and interest on the Bonds; prescribing the form, terms, conditions, and resolving other matters related to the foregoing.

2. Description/Scope:

In support of the City of Edinburg's Capital Improvement Program, the Edinburg EDC and the City have started the initial phase of planning of major projects including: (1) A City Multi-Purpose Facility and downtown improvements; and (2) Downtown Area Parking Facilities.

3. Estimated Timeline:

Upon approval of resolution.

4. Budget:

Series 2021A Bonds - \$7,000,000

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

Downtown revitalization and business development are key priorities for the EDC. Debt service resulting from this transaction will be manageable under conservative assumptions of sales tax growth and the EDC's healthy financial position.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: Edinburg EDC Bond Resolution for Series 2021A

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF “EDINBURG ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE BONDS, NEW SERIES 2021A”; PLEDGING CERTAIN “PLEDGED REVENUES” OF THE CORPORATION, INCLUDING “GROSS SALES TAX REVENUES”, TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A FINANCING/USE AGREEMENT, A PURCHASE CONTRACT, AND A BLANKET ISSUER LETTER OF REPRESENTATIONS TO FILE WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Edinburg Economic Development Corporation (the *Corporation*) is a non-profit corporation created by the City of Edinburg, Texas (the *City*) pursuant to the provisions of the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon’s Annotated Texas Civil Statutes, now codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapter 501, Texas Local Government Code, as amended (collectively, the *Act*); and

WHEREAS, at an election held on January 20, 1990 in which the majority of the qualified voters of the City voting at such election authorized the City to levy a sales tax on the receipts at retail of taxable items within the City at a rate of one-half of one percent (1/2 of 1%) (defined herein as the *Sales Tax*) to be used for improving and promoting economic development in accordance with the *Act*; and

WHEREAS, pursuant to Section 504.152 of the *Act* and an election held on November 8, 2011, a majority of the qualified voters of the City voting at such election authorized the Corporation to use the Sales Tax for “recreational facilities which are limited to entertainment, public parks and park facilities, and all related store, restaurant, concession and automobile parking facilities and all related roads, streets, water and sewer facilities as allowed pursuant to Section 505.152 of the Texas Local Government Code”; and

WHEREAS, the City is located within 25 miles of an international border and, for the previous 12-month period, has had an average rate of unemployment that is greater than the state average rate of unemployment; and

WHEREAS, the Board of Directors (the *Board*) of the Corporation and the City Council of the City (the *Council*) intend to undertake projects, including (i) constructing, acquiring, purchasing, renovating, enlarging, and improving a City multi-purpose facility (for use as a

conference, cultural arts, performances, and events facility and City administrative and departmental offices) and signage, equipment, and furnishings related thereto; (ii) constructing, acquiring, purchasing, renovating, enlarging, and improving the greater downtown area parking facilities; (iii) street and road improvements (including any necessary traffic signalization), and drainage improvements related thereto; and (iv) the payment of professional services related to the acquisition and financing of the aforementioned projects (collectively, the *Project*), which Project will promote or develop new or expanded business enterprises in the City; and

WHEREAS, the Act authorizes the Corporation to operate, maintain, and finance the costs of the Project and to issue obligations and bonds on behalf of the City to finance the Project as described in the Act, and the Corporation determined that the Project should be financed by the Corporation through the issuance of sales tax revenue bonds; and

WHEREAS, the City has levied the Sales Tax for the benefit of the Corporation on the receipts from the sale at retail of taxable items within the City and on the use, storage or other consumption within the City of taxable items purchased, leased or rented from a retailer; and

WHEREAS, upon the City's receipt of proceeds of the Sales Tax from the Comptroller of Public Accounts of the State of Texas, the City is required to deliver the proceeds of such tax to the Corporation for use in carrying out its functions; and

WHEREAS, the Board hereby finds and determines that the adoption of this Resolution and the issuance of the sales tax revenue bonds is in the best interests of the residents of the City and the Corporation; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Bonds of the Corporation shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title "Edinburg Economic Development Corporation Sales Tax Revenue Bonds, New Series 2021A" (the *Bonds*) to finance the Project (and with respect to the Project, associated "costs"), including (i) constructing, acquiring, purchasing, renovating, enlarging, and improving a City multi-purpose facility (for use as a conference, cultural arts, performances, and events facility and City administrative and departmental offices) and signage, equipment, and furnishings related thereto; (ii) constructing, acquiring, purchasing, renovating, enlarging, and improving the greater downtown area parking facilities; (iii) street and road improvements (including any necessary traffic signalization), and drainage improvements related thereto; and (iv) the payment of professional services related to the acquisition and financing of the aforementioned projects, which Project the Board previously determined will promote or develop new or expanded business enterprises in the City.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities – Interest Rate – Dated Date. The Bonds shall be issued as fully registered obligations, without coupons, shall be dated August 15, 2021 (the *Dated Date*), and shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered "R- " and numbered consecutively from One (1) upward and principal shall become due

and payable on August 15 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding (hereinafter defined), in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		

The Bonds shall bear interest until paid on the unpaid principal amounts from the Closing Date (anticipated to occur on September 14, 2021), or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, to Stated Maturity, while Outstanding, at the per annum rates shown above (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 (each, an *Interest Payment Date*), commencing February 15, 2022.

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of Stated Maturity, redemption or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium, if any, and interest on the Bonds shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Bonds.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Corporation agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Corporation covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and is authorized by law to serve as a Paying Agent/Registrar.

The Corporation reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the Corporation agrees to promptly cause a written notice of this substitution to be sent on or prior to the appropriate date of payment to each Holder of the Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner or holder of the Bonds (hereinafter referred to as the *Bondholder* or *Bondholders*) appearing on the Security Register (the *Holder* or *Holders*) maintained on behalf of the Corporation by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined), (ii) on the date of surrender of the Bonds for the purposes of receiving payment of principal thereof upon redemption of the Bonds or at the Bonds' Stated Maturity or upon redemption of the Bonds, and (iii) on any other date for any other purpose. The Corporation and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owners of a Bond for the purposes of receiving payment and all other purposes whatsoever, and neither the Corporation nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Bonds, shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office in Dallas, Texas. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding an Interest Payment Date for the Bonds (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or

executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Bonds was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (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 a Bond 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 4: Redemption.

A. Mandatory Redemption of Term Bonds. The Bonds stated to mature on August 15, 20___, August 15, 20___ and August 15, 20___ are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturities from money required to be deposited in the Bond Fund (but not the Reserve Fund) for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in each of the years as set forth below:

Term Bonds Stated to Mature on August 15, 20___		Term Bonds Stated to Mature on August 15, 20___		Term Bonds Stated to Mature on August 15, 20___	
Principal		Principal		Principal	
Year	Amount (\$)	Year	Amount (\$)	Year	Amount (\$)

*

*

*

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Corporation, by the principal amount of any Term Bonds of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Corporation and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Corporation with money in the Bond Fund (but not the Reserve Fund), or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption. The Bonds having Stated Maturities on and after August 15, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the Corporation, on August 15, 20__, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

C. Extraordinary Optional Redemption. At such time as no Previously Issued Obligations remain outstanding and the Pledged Revenues of the Corporation have been more than 200% of the maximum annual Debt Service on all Parity Obligations then Outstanding for the immediately preceding two consecutive Fiscal Years, the Bonds shall be subject to redemption prior to stated maturity, at the option of the Corporation, on any date, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the price of par plus accrued interest to such date of redemption, in an amount equal to the amount then held in the Reserve Fund (and apportioned to the Bonds on a pro rata basis, as applicable, if the Reserve Fund secures any other series of Parity Obligations).

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

E. Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by \$5,000. If less than the entire principal amount of a Bond is to be redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than an authorized denomination, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued, and shall thereafter be an authorized denomination.

F. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, the Paying Agent/Registrar shall cause a notice of redemption shall be sent by United States mail, first-class postage prepaid, in the name of the Corporation and at the Corporation's expense, by the Paying Agent/Registrar to each Holder of a Bond to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust or other office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on said Bonds (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Bonds shall not be deemed to be Outstanding in accordance with the provisions of this Resolution.

G. Transfer/Exchange of Bonds. Neither the Corporation nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Bond during a period beginning forty-five (45) days prior to the date fixed for redemption of the Bonds or (2) to transfer or exchange any Bond selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 5: Execution - Registration. The Bonds shall be executed on behalf of the Corporation by the President or Vice President, Board of Directors under the seal of the Corporation reproduced or impressed thereon, and attested to by the Secretary, Board of Directors. The signature of either of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were, at the time of the Dated Date, the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Bonds to the Purchaser (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bonds shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bonds either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 6: 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 every Holder of the Bonds, or, if appropriate, the nominee thereof. 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 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 any Bonds at the corporate trust office of the Paying Agent/Registrar, the Corporation shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denomination and having the same Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

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 corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the Corporation shall execute, and the Paying Agent/Registrar shall register and deliver the Bonds to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail, to the Holder at his request, risk, and expense, and, upon the delivery thereof, the same shall be the valid and binding obligations of the Corporation, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered upon 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 debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any Bond, registered and delivered in lieu thereof pursuant to Section 25 in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7: Initial Bond. The Bonds herein authorized shall be issued initially either (i) as a fully registered Bond in the total principal amount of \$ _____ with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Bond for each year of Stated Maturity in the applicable principal amount, interest rate, and denomination and to be numbered consecutively from T-1 and upward (the *Initial Bond*) and, in either case, the Initial Bond shall be registered in the name of the Purchaser (defined herein) or the designee thereof. The Initial Bond shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval and certified and registered by the Office of the Comptroller of

Public Accounts of the State of Texas and delivered to the Purchaser. Any time after the delivery of the Initial Bond to the Purchaser, the Paying Agent/Registrar, pursuant to written instructions from the Purchaser, or their designee, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, and principal amounts and shall be lettered "R" and numbered consecutively from one (1) upward 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 Purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured and 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 and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the Corporation or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Bond.

REGISTERED
NO.

REGISTERED PRINCIPAL
AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BONDS,
NEW SERIES 2021A

Dated Date:
August 15, 2021

Interest Rate:

Stated Maturity:

CUSIP No.:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Edinburg Economic Development Corporation (hereinafter referred to as the *Corporation*), a non-profit economic development corporation organized and existing under the laws of the State of Texas, including Section 4A of Texas Revised Civil Statutes Annotated Article 5190.6, as amended, now codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapter 501, Texas Local Government Code, as amended (collectively, the *Act*), with its principal office located in the City of Edinburg, Texas (the *City*), for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, solely from the revenues hereinafter defined, on the Stated Maturity date specified above, the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on September 14, 2021), or the most recent Interest Payment Date (defined below) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year (each an *Interest Payment Date*), commencing February 15, 2022.

Principal and premium, if any, of this Bond shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or a successor thereof. Interest shall be payable to the Holder 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 last business 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, except the payment to any Holder of at least \$500,000 in principal amount of Bonds shall be made by wire transfer to an account at a financial institution located within the United States, or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be 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 made by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register on the Record Date or by such other method, acceptable to the Paying Agent/ Registrar, requested by, and at the risk and expense of, the registered owner.

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 finance the “costs” of the “project”, as defined in the Development Corporation Act of 1979, as amended, Texas Revised Civil Statutes Annotated Article 5190.6 (the *Act*), including (i) constructing, acquiring, purchasing, renovating, enlarging, and improving a City multi-purpose facility (for use as a conference, cultural arts, performances, and events facility and City administrative and departmental offices) and signage, equipment, and furnishings related thereto; (ii) constructing, acquiring, purchasing, renovating, enlarging, and improving the greater downtown area parking facilities; (iii) street and road improvements (including any necessary traffic signalization), and drainage improvements related thereto; and (iv) the payment of professional services related to the acquisition and financing of the aforementioned projects, which Project the Board previously determined will promote or develop new or expanded business enterprises in the City, and pursuant to a Resolution adopted by the governing body of the Corporation (herein referred to as the *Resolution*).

As specified in the Resolution, the Bonds stated to mature on August 15, 20____, August 15, 20____ and August 15, 20____ are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturities from money required to be deposited in the Bond Fund (but not the Reserve Fund) for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in each of the years as set forth below:

Term Bonds Stated to Mature on August 15, 20____		Term Bonds Stated to Mature on August 15, 20____		Term Bonds Stated to Mature on August 15, 20____	
Principal		Principal		Principal	
Year	Amount (\$)	Year	Amount (\$)	Year	Amount (\$)

*

*

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*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Corporation, by the principal amount of any Term Bonds of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Corporation and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and

canceled by the Paying Agent/Registrar at the request of the Corporation with money in the Bond Fund (but not the Reserve Fund), or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As specified in this Resolution, the Bonds stated to mature on and after August 15, 20____ may be redeemed prior to their Stated Maturities, at the option of the Corporation, on August 15, 20____, or on any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond is subject to redemption prior to Stated Maturity and is of a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust or other office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Resolution for the then unredeemed balance of the principal sum hereof.

At such time as no Previously Issued Obligations remain outstanding and the Pledged Revenues of the Corporation have been more than 200% of the maximum annual Debt Service on all Parity Obligations then Outstanding for the immediately preceding two consecutive Fiscal Years, the Bonds shall be subject to redemption prior to stated maturity, at the option of the Corporation, on any date, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the price of par plus accrued interest to such date of redemption, in an amount equal to the amount then held in the Reserve Fund (and apportioned to the Bonds on a pro rata basis, as applicable, if the Reserve Fund secures any other series of Parity Obligations).

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Bond is called for redemption, in whole or in part, the Corporation or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are payable solely from and equally and ratably secured, together with the currently Outstanding Previously Issued Parity Obligations, by a lien on and pledge of the Pledged Revenues that is subordinate and inferior to the lien on and pledge of the Pledged Revenues securing the payment of the currently outstanding Previously Issued Obligations, in accordance with the terms and provisions of the Resolution and any Supplemental Resolution, which

subordinate and inferior lien shall be valid and binding without any further action by the Corporation and without any filing or recording with respect thereto except in the records of the Corporation; provided, however, that when the Previously Issued Obligations are no longer outstanding, the contract terms are amended, or the requisite consents are obtained, the Parity Obligations hereafter issued by the Corporation shall be payable from and equally and ratably secured by a first and prior lien on and pledge of the Pledged Revenues. In the Resolution, the Corporation has covenanted to not issue revenue bonds or any other obligations secured by a lien on and pledge of the Pledged Revenues that is prior and superior to the lien on and pledge of the Pledged Revenues securing the payment of the Parity Obligations, but the Corporation reserves and retains the right to issue Additional Parity Obligations and Inferior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions, or restrictions set forth in a Supplemental Resolution or as may be applicable thereto under law or otherwise.

The Bonds do not constitute a legal or equitable, pledge, charge, lien or encumbrance upon any property of the Corporation or 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 Gross Sales 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 of Texas, 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 the same manner and to the same extent as the Bonds.

Reference is hereby made to the Resolution, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the Pledged Revenues pledged to the payment of the principal of and interest on the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of any Additional Parity Obligations and Inferior Lien Obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Bondholders; the rights, duties, and obligations of the Corporation and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. 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 corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer

in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent and thereupon 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 hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving 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 (the *Special Payment Date* - which shall be fifteen (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 a Bond 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, represented, and declared that the Corporation is a non-profit economic 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 the issuance of the Bonds is duly authorized by law; 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 a legal, valid, and binding obligation of the Corporation, have been performed, exist, and have been done, in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Resolution; that the issuance of the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium, if any, and interest on the Bonds by a pledge of the Pledged Revenues. In case any provision in this Bond or any application thereof shall be deemed 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 under the official seal of the Corporation as of the Dated Date.

EDINBURG ECONOMIC
DEVELOPMENT CORPORATION

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(CORPORATION SEAL)

C. *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond 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)

*NOTE TO PRINTER: Do Not Print on Definitive Bonds

D. *Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

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; the Bond or Bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas, as
Paying Agent/Registrar

_____ By: _____
Authorized Signature

*NOTE TO PRINTER: Print on Definitive Bonds.

[The remainder of this page intentionally left blank.]

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: _____

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.

Signature guaranteed:

[The remainder of this page intentionally left blank.]

F. Form of Initial Bond. The Initial Bond shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

(1) immediately under the name of the bond the headings “Interest Rate ____” and “Stated Maturity ____” type “As Shown Below;”

(2) the first two paragraphs shall read as follows:

Edinburg Economic Development Corporation (hereinafter referred to as the *Corporation*), a non-profit economic development corporation organized and existing under the laws of the State of Texas, including Section 4A of Texas Revised Civil Statutes Annotated Article 5190.6, as amended, now codified as Chapter 504, Texas Local Government Code, as amended and to the extent applicable, Chapter 501, Texas Local Government Code, as amended (the *Act*), with its principal office located in the City of Edinburg, Texas (the *City*), for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, solely from the revenues hereinafter identified, on the fifteenth day of August in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
(Information to be inserted from schedule in Section 2 hereof).		

(or so much thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Closing Date (anticipated to occur on September 14, 2021), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year (each, an *Interest Payment Date*), commencing February 15, 2022.

Principal of this Bond shall be payable to the registered owner hereof, upon presentation and surrender to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*) at its offices in Dallas, Texas. Interest shall be payable to the registered owner of this Bond whose name appears on the *Security Register* maintained by the Paying Agent/Register at the close of business on the *Record Date*, which is the last business day of the month next preceding each interest payment date. All payments of principal of premium, if any, and interest on this Bond 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 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 on the Record Date or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the registered owner.

G. Insurance Legend. If bond insurance is obtained by the Corporation or the Purchaser for the Bonds, the Definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer.

SECTION 9: Definitions. For all purposes of this Resolution (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 27 and 39 of this Resolution have the meanings assigned to them in Sections 27 and 39 of this Resolution, and all such terms, include the plural as well as the singular; (ii) all references in this Resolution to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Resolution as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Section or other subdivision.

A. The term *Act* shall mean the Development Corporation Act of 1979, as amended, Texas Revised Civil Statutes Annotated Article 5190.6, currently codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapter 501, Texas Local Government Code, as amended.

B. The term *Additional Parity Obligations* shall mean (i) any 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 17 of this Resolution and a Supplemental Resolution, and which are equally and ratably secured, together with the Outstanding Previously Issued Parity Obligations, solely and initially by a subordinate and inferior lien on and pledge of the Pledged Revenues (while the Previously Issued Obligations remain outstanding), and (ii) any obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and secured by a subordinate and inferior lien on and pledge of the Pledged Revenues (while the Previously Issued Obligations remain outstanding) as determined by the Board in accordance with Applicable Law.

C. The term *Applicable Law* shall mean the Act and all other laws or statutes, rules or regulations of the State of Texas or the United States of America which govern the Corporation or its property.

D. The term *Authorized Officials* shall mean the Board President, Board Vice President, Board Secretary, Executive Director, or Director of Finance of the Corporation and the Mayor, City Manager, and Director of Finance for the City.

E. The term *Board* shall mean the Board of Directors of the Corporation.

F. The term *Bonds* shall mean the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds, New Series 2021A”, dated August 15, 2021, authorized by this Resolution.

G. The term *City* shall mean the City of Edinburg, Texas.

H. The term *Closing Date* shall mean the date of physical delivery of the Initial Bond in exchange for the payment of the agreed purchase price for the Bonds.

I. The term *Concurrently Issued Obligations* shall mean the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2021B”, dated August 15, 2021, in the original principal amount of \$_____, to be issued concurrently with the Bonds.

J. The term *Contract Revenue Obligations* shall mean, collectively (i) the (1) “City of Edinburg, Texas Local Government Finance Corporation Contract Revenue Bonds, Series 2015A”, dated March 1, 2015, in the original principal amount of \$37,250,000; and (2) the “City of Edinburg, Texas Local Government Finance Corporation Contract Revenue Bonds, Taxable Series 2015B”, dated March 1, 2015, in the original principal amount of \$3,475,000; and (ii) obligations hereafter issued to refund for debt service savings in each Fiscal Year any of the foregoing that are payable, in part, from a lien on and pledge of the Pledged Revenues that is junior and inferior to the lien on and pledge of the Pledged Revenues securing the payment of the currently outstanding Prior Lien Obligations, but prior and superior to the lien on and pledge of the Pledged Revenues securing the Parity Obligations or any Inferior Lien Obligations hereafter issued (subject to satisfying the conditions of Section 17 hereof) as determined by the Board in accordance with Applicable Law.

K. The term *Corporation* shall mean the Edinburg Economic Development Corporation, a non-profit economic development corporation organized and existing under and pursuant to the laws of the State of Texas, including the Act, with its principal place of business in Hidalgo County, Texas.

L. The term *Credit Agreement* shall mean a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase debt, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized, and approved by the Corporation as a Credit Agreement in connection with the authorization, issuance, security, or payment of any Parity Obligation.

M. The term *Credit Facility* shall mean (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations under and pursuant to Texas law, or (ii) a letter or line of credit issued by any financial institution authorized under applicable Texas law to deliver such types of financial instrument.

N. The term *Credit Provider* shall mean any bank, financial institution, insurance company, surety bond provider, or other institution which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement or a Credit Facility.

O. The term *Debt Service* shall mean 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 interest calculated by assuming (i) that the interest rate for every 12-month period on such obligations is equal to the rate of interest reported in the most recently published edition of The Bond Buyer (or its successor) at the time of calculation as the “Revenue Bond Index” or, if such Revenue Bond Index is no

longer being maintained by The Bond Buyer (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the rate of interest then being paid on United States Treasury obligations of like maturity and (ii) that the principal of such obligations is amortized such that annual debt service is substantially level over the remaining stated life of 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.

P. The term *Depository* shall mean a commercial bank or other qualified financial institution eligible and qualified to serve as the custodian of the Corporation's monetary accounts and funds.

Q. The term *Fiscal Year* shall mean the twelve month financial accounting period used by the Corporation ending September 30 in each year, provided, however, the Corporation may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by Applicable Law.

R. The term *Government Securities* shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, 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 that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

S. The term *Gross Sales Tax Revenues* shall mean 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 20, 1990, 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 the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by Applicable Law.

T. The term *Inferior Lien Obligations* shall mean (i) any bonds, notes, or other debt hereafter issued by the Corporation that are payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues that is subordinate and inferior to the pledge thereof securing payment of the Previously Issued Parity Obligations, the Bonds, and any Additional Parity Obligations hereafter issued by the Corporation, all as further provided in Section 19 of the Resolution, and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a subordinate and inferior lien on and pledge of the Pledged Revenues as determined by the Board in accordance with Applicable Law.

U. The term *La Sienna Agreement* shall mean that agreement, as amended, effective as of June 2, 2015, by and among the City, the Corporation, and the La Sienna Developer, by which the Corporation has agreed to provide certain payments to the La Sienna Developer, such payments to be derived solely from one hundred percent (100%) of the TIRZ Three Revenues, but subject to the first and prior lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations.

V. The term *La Sienna Developer* shall mean Burns Brothers, Ltd., and its successors or assigns, as party under the La Sienna Agreement, which is entitled to payments from the Corporation to reimburse certain costs of construction within TIRZ Three pursuant to the La Sienna Agreement, such payments to be paid from TIRZ Three Revenues, but subject to the lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations.

W. The term *Outstanding* when used in this Resolution with respect to the Parity Obligations means, as of the date of determination, all Parity Obligations theretofore sold, issued and delivered by the Corporation, except:

(1) those 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 Parity Obligations paid or deemed to be paid in accordance with the provisions of Section 23 hereof or similar provisions of any Supplemental Resolution authorizing the issuance of any Additional Parity Obligations; and

(3) those Parity Obligations that have been mutilated, destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof.

X. The term *Parity Obligations* shall mean collectively, the Previously Issued Parity Obligations, the Bonds, the Concurrently Issued Obligations, and any Additional Parity Obligations hereafter issued.

Y. The term *Pledged Revenues* shall mean collectively (i) Gross Sales Tax Revenues from time to time deposited or owing to the Pledged Revenue Fund, less any TIRZ Three Revenues (except with respect to the currently outstanding Prior Lien Obligations); 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 any Parity Obligations hereafter issued by the Corporation; provided, however, that at such time as the La Sienna Agreement is terminated, the contract terms are amended, or the requisite consents are obtained, the term “Pledged Revenues” shall include TIRZ Three Revenues.

Z. The term *Previously Issued Obligations* shall mean, collectively the (i) Prior Lien Obligations and (ii) the Contract Revenue Obligations.

AA. The term *Previously Issued Parity Obligations* shall mean (i) the currently Outstanding bonds of the Corporation equally and ratably secured solely and initially by a subordinate and inferior lien on and pledge of the Pledged Revenues (while the Previously Issued Obligations remain outstanding) and designated as follows:

(1) “Edinburg Economic Development Corporation Sales Tax Revenue Bonds, New Series 2019”, dated April 15, 2019, in the original principal amount of \$10,840,000;

and (ii) upon issuance, the Bonds.

BB. The term *Prior Lien Obligations* shall mean, collectively, (i) the (1) “Edinburg Economic Development Corporation Sales Tax Revenue Bonds (Ebony Hills Golf Course Project), Series 2013A”, dated December 15, 2013, in the original principal amount of \$2,300,000; (2) the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds (Emergency Shelter/Recreational Facility Project), Series 2013B”, dated December 15, 2013, in the original principal amount of \$4,575,000; and (3) the “Edinburg Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2021”, dated August 15, 2021, in the original principal amount of \$_____, to be issued concurrently with the Bonds; and (ii) obligations hereafter issued to refund for Debt Service savings in each Fiscal Year any of the foregoing that are payable from and secured by a first and prior lien on and pledge of the Gross Sales Tax Revenues (subject to satisfying the conditions of Section 17 hereof) as determined by the Board in accordance with Applicable Law.

CC. The term *Purchaser* shall mean the initial purchaser of the Bonds named in Section 35 of this Resolution.

DD. The term *Required Reserve* shall mean, from time to time and calculated in the manner described in Section 13 hereof, an amount equal to the lesser of (i) 10% of the principal amount of all Parity Obligations then-Outstanding; (ii) the maximum annual Debt Service for all Parity Obligations then-Outstanding; and (iii) 125% of the average annual Debt Service requirements of all Parity Obligations then-Outstanding; provided, however, that the Required Reserve shall mean, if less than the lesser of clauses (i), (ii), and (iii) above, the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

EE. The term *Sales Tax* shall mean the local sales and use tax authorized under the Act, approved at an election held on January 20, 1990, and the effective date for the imposition and application of such Sales Tax within the corporate limits of the City as they now or hereafter exist, together with any increases in the rate of such Sales Tax authorized and provided by Applicable Law.

FF. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on August 15 of each year the Bonds are Outstanding, as set forth in Section 2 of this Resolution.

GG. The term *Supplemental Resolution* shall mean any resolution of the Board supplementing this Resolution for the purpose of authorizing and providing the terms and provisions of the Bonds, any Additional Parity Obligations, or any Inferior Lien Obligations, or supplementing or amending this Resolution for any other authorized purpose permitted in Section 17, 18 or 19 hereof, including resolutions authorizing the issuance of Bonds, any Additional Parity Obligations, or any Inferior Lien Obligations or pledging and encumbering income, revenues,

receipts or property other than the Gross Sales Tax Revenues to the payment and security of the Bonds, any Additional Parity Obligations, or Inferior Lien Obligations.

HH. The term *TIRZ Three* shall mean that reinvestment zone known as “Reinvestment Zone Number Three, City of Edinburg, Texas” created by the City pursuant to Ordinance No. 083323 adopted on November 18, 2008, as amended. The payments by the Corporation to the La Sienna Developer pursuant to the La Sienna Agreement shall be subject to the prior lien on and pledge of the Gross Sales Tax Revenues securing the currently outstanding Prior Lien Obligations.

II. The term *TIRZ Three Revenues* shall mean the Gross Sales Tax Revenues generated and received by the Corporation from within TIRZ Three, which are pledged to the payment of the currently outstanding Prior Lien Obligations and which have been dedicated to reimburse certain costs of construction within TIRZ Three to the La Sienna Developer pursuant to the La Sienna Agreement, subject to the first and prior lien on and pledge thereof securing the Prior Lien Obligations.

SECTION 10: Pledge.

A. 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 Previously Issued Parity Obligations) are hereby irrevocably pledged to the payment and security of the Parity Obligations (including the Bonds), including the establishment and maintenance of the special funds created and established in this Resolution and any Supplemental Resolution, all as hereinafter provided. The Corporation hereby resolves that the Parity Obligations (including the Bonds), shall constitute a lien on and pledge of the Pledged Revenues initially subordinate and inferior to the lien on and pledge of the Pledged Revenues securing the currently outstanding Previously Issued Obligations, in accordance with the terms and provisions of this Resolution and any Supplemental Resolution, which subordinate and inferior lien shall be valid and binding without any further action by the Corporation and without any filing or recording with respect thereto except in the records of the Corporation; provided, however, that when the Previously Issued Obligations are no longer outstanding, the Parity Obligations (including the Bonds) shall be payable from and equally and ratably secured by a first and prior lien on and pledge of the Pledged Revenues.

For the avoidance of doubt, TIRZ Three Revenues shall not constitute Pledged Revenues for purposes of securing the Parity Obligations (including the Bonds) for so long as the La Sienna Agreement remains effective and, until such time as the La Sienna Agreement is terminated, the contract terms are amended, or the requisite consents are obtained, Bondholders shall have no claim to any TIRZ Three Revenues for the payment of the Bonds. TIRZ Three Revenues are pledged to the payment and security of the currently outstanding Prior Lien Obligations, but are not pledged to the payment and security of the currently outstanding Contract Revenue Obligations. The obligation of the Corporation to pay the La Sienna Developer pursuant to the La Sienna Agreement from TIRZ Three Revenues is subordinate and inferior to the prior lien on and pledge of the TIRZ Three Revenues securing the currently outstanding Prior Lien Obligations. The Corporation hereby covenants that, at such time as the La Sienna Agreement is terminated, the contract terms are amended, or the requisite consents are obtained, TIRZ Three Revenues shall constitute Pledged Revenues irrevocably pledged to the payment and security of the Parity

Obligations (including the Bonds), but subject to the lien on and pledge thereof securing the Prior Lien Obligations.

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

SECTION 11: Pledged Revenue Fund. The Corporation hereby agrees and covenants 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 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 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, in substantially equal monthly installments, required to be deposited on or before the 25th day of each month before payment is due in the following month, as will be sufficient, together with other amounts, if any, in the bond fund and available for such purpose, for the payment of Debt Service on the Prior Lien Obligations as the same becomes due and payable.

Second: To the payment of the amounts, in substantially equal monthly installments, required to be deposited on or before the 25th day of each month before payment is due in the following month, as will be sufficient, together with other amounts, if any, in the respective accounts of the reserve fund to establish and maintain the required reserve in accordance with the provisions of the resolutions authorizing the Prior Lien Obligations.

Third: To the payment of the amounts required to be deposited (being an amount equal to 100% of the Gross Sales Tax Revenues collected and received by the Corporation from within TIRZ Three), on or before March 31 and September 30, as will be sufficient to satisfy the Corporation's payment obligations, if any, in accordance with the La Sienna Agreement.

Fourth: To the payment of the amounts required to be deposited, on or before the last business day of November in each year the Contract Revenue Obligations are outstanding, as will be sufficient to satisfy the Corporation's payment obligations

(to include payment of debt service, replenishment of the reserve fund therefor if necessary, and payment of annual fees and expenses) in accordance with the orders and agreements related to the Contract Revenue Obligations.

Fifth: To the payment of the amounts required to be deposited into the Bond Fund for the payment of Debt Service on the Parity Obligations as the same becomes due and payable.

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

Seventh: To the payment of the amounts required to be deposited in any other fund or account required by any Supplemental Resolution authorizing the issuance of any Additional Parity Obligations.

Eighth: 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 and pledge of the Pledged Revenues subordinate and inferior to the lien created herein on behalf of the Parity Obligations, including any Inferior Lien Obligations.

Ninth: To the payment of any other outstanding debt or obligation of the Corporation.

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 Applicable Law, including capital improvements.

SECTION 12: Bond Fund - Surplus Bond Proceeds. For the purpose of providing funds to pay the principal of and interest on the Parity Obligations, the Corporation agrees and covenants to maintain a separate and special account or fund on the books and records of the Corporation known as "Edinburg Economic Development Corporation New Series Debt Service Account" (the *Bond Fund*), and all money deposited to the credit of such Fund shall be held in a special banking fund or account maintained at a Depository of the Corporation. The Corporation covenants that there shall be deposited into the Bond Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred percent (100%) of the interest on and principal of the Parity Obligations then falling due and payable, and such deposits to pay principal and accrued interest on the Parity Obligations shall be made in substantially equal monthly installments on or before (i) the 25th day of the month commencing on or before the 25th day of the month following delivery of the Bonds or (ii) the first business day next following the date Gross Sales Tax Revenues are first received from the State Comptroller of Public Accounts, whichever date is the later.

The required deposits to the Bond Fund for the payment of principal of and interest on the Parity Obligations 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 the Parity Obligations (principal and interest) then Outstanding or (ii) the Parity Obligations are no longer Outstanding.

Accrued interest and capitalized interest, if any, received from the issuance of the Bonds and any Additional Parity Obligations shall be taken into consideration and shall reduce the amount of the monthly deposits hereinabove required to be deposited into the Bond Fund from the Pledged Revenues. Additionally, any proceeds of the Bonds not required to construct the Project shall be deposited into the Bond Fund and shall be taken into consideration and shall reduce the amount of monthly deposits required to be deposited into the Bond Fund from the Pledged Revenues. Lastly, any investment income transferred to the Bond Fund from the Reserve Fund or the Construction Fund shall reduce the amount of monthly deposits required to be deposited into the Bond Fund from the Pledged Revenues.

SECTION 13: Reserve Fund.

A. Reserve Fund Covenants. 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 “Edinburg Economic Development Corporation New Series Reserve Fund” (the *Reserve Fund*), which fund or account shall be a special banking fund maintained at a Depository, and shall maintain in such fund (except as otherwise herein provided) the Required Reserve. All amounts, including Pledged Revenues, deposited to the credit of such fund or account shall be used solely for the payment of the principal of and interest on the Parity Obligations when (whether at maturity, upon defeasance, upon an optional or extraordinary redemption date, or on any interest payment date) other funds available for such purposes are insufficient, 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 Obligations so that such series of Parity Obligations is no longer deemed to be Outstanding as such term is defined herein.

The Required Reserve shall be calculated, on a Fiscal Year basis, at the time of issuance of a series of Additional Parity Obligations (taking into account the Debt Service on such anticipated series of Additional Parity Obligations) and annually, not later than the 30th day after the conclusion of each Fiscal Year.

The Corporation currently has \$_____ on deposit in the Reserve Fund. As a result of the issuance of the Bonds and the Concurrently Issued Obligations, the Required Reserve equals \$_____, which shall be accumulated by the deposit of the necessary amount of proceeds of the Bonds or other lawfully available funds of the Corporation in the Reserve Fund on the Closing Date. Any additional amount required to be accumulated to maintain the Required Reserve in the Reserve Fund resultant from the issuance of Additional Parity Obligations shall be funded by depositing to the credit of the Reserve Fund the necessary amount of proceeds of such Additional Parity Obligations or other lawfully available funds of the Corporation in the amount of such necessary additional amount, deposited immediately after the initial delivery of the proposed Additional Parity Obligations.

B. Additional Reserve Funds. The Corporation reserves the right to authorize in any Supplemental Resolution the creation of one or more separate debt service reserve funds for the purpose of securing any series or any specific group of series of Additional Parity Obligations

hereafter issued (each, an *Additional Reserve Fund*). Each Additional Reserve Fund shall be subject to the same terms, covenants, and restrictions as the Reserve Fund described in this Section 13; provided, however, that in any Additional Reserve Fund there shall be maintained an amount (the *Additional Reserve Fund Requirement*) equal to (A) the lesser of (i) 10% of the principal amount of the particular series or group of series of Parity Obligations then-Outstanding and secured by such Additional Reserve Fund; (ii) the maximum annual Debt Service for the particular series or group of series of Parity Obligations then-Outstanding and secured by such Additional Reserve Fund; and (iii) 125% of the average annual Debt Service requirements of the particular series or group of series of Parity Obligations then-Outstanding and secured by such Additional Reserve Fund; or (B) if less than the lesser of clauses (i), (ii), and (iii) above, the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder. Any Additional Reserve Fund Requirement shall be calculated, on a Fiscal Year basis, at the time of issuance of a series of Additional Parity Obligations (taking into account the Debt Service on such anticipated series of Additional Parity Obligations) and annually, not later than the 30th day after the conclusion of each Fiscal Year. Upon establishing an Additional Reserve Fund, the amount required to be maintained in the Reserve Fund shall thereafter be calculated in the same manner as an Additional Reserve Fund Requirement.

Each Additional Reserve Fund shall be designated in a manner sufficient to identify the series or group of series of Parity Obligations it secures and to distinguish itself from the Reserve Fund or any other Additional Reserve Fund then existing for the benefit of any other Parity Obligations. Upon establishing an Additional Reserve Fund, all amounts, including Pledged Revenues, deposited to the credit of the Reserve Fund or any Additional Reserve Fund shall be used solely for the payment, on a pro rata basis, of the principal of and interest on the particular series or group of series of Parity Obligations for which each such Reserve Fund or Additional Reserve Fund was established when (whether at maturity, upon defeasance, upon an optional or extraordinary redemption date, or on any interest payment date) other funds available for such purposes are insufficient. All amounts, including Pledged Revenues, deposited to the credit of the Reserve Fund or any Additional Reserve Fund may additionally be used, to the extent not required to maintain the Required Reserve amount or Additional Reserve Fund Requirement amount, as applicable, to pay or provide for the payment, on a pro rata basis, of the final principal amount of the particular series or group of series of Parity Obligations for which the Additional Reserve Fund was established, so that such series or group of series of Parity Obligations is no longer deemed to be Outstanding as such term is defined herein.

C. Reserve Fund Deficiencies. While the value of the cash, investments, and coverage amounts of insurance policies (if and to the extent applicable) in the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the value of the Reserve Fund at any time is less than the Required Reserve, the Corporation covenants and agrees to cure the deficiency in the Required Reserve by the deposit of monthly installments into the Reserve Fund, made on or before the 25th day of each month following the month of the Reserve Fund withdrawal, of not less than 1/60th of the additional amount required to cure the deficiency in the Required Reserve (or not less than 1/60th of the balance of the additional amount not deposited immediately in cash) until the total Required Reserve then required to be maintained in the Reserve Fund has been fully restored. 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.

D. Reserve Fund Covenants While Parity Obligations are Secured by First and Prior Lien on Pledged Revenues. Notwithstanding anything to the contrary in this Section 13, at such time as (i) no Previously Issued Obligations remain outstanding, and (ii) the Pledged Revenues of the Corporation for each Fiscal Year are not less than 115% but not greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations, any additional amount required to be accumulated and maintained in the Reserve Fund resultant from the issuance of any Additional Parity Obligations or otherwise shall be funded, at the Corporation's option and in whole or in part (or in combination of such options) by depositing to the credit of the Reserve Fund (A) cash or proceeds of the Additional Parity Obligations (i) in the amount of such necessary additional amount, deposited immediately after the delivery of the then proposed Additional Parity Obligations, or (ii) by the deposit of monthly installments, made on or before the 25th day of each month following the month of initial delivery of the then proposed Additional Parity Obligations or Reserve Fund withdrawal, of not less than 1/60th of the additional amount to be maintained in said Reserve Fund by reason of the issuance of the Additional Parity Obligations then being issued (or not less than 1/60th of the balance of the additional amount not deposited immediately in cash); or (B) by delivery of an insurance policy, including a Credit Facility or Credit Agreement, with at least one rating of not less than "A" or its equivalent by a nationally recognized rating agency, providing coverage in the amount of such necessary deposit. For so long as no Previously Issued Obligations remain outstanding and the Pledged Revenues of the Corporation for each Fiscal Year are not less than 115% but not greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations, the Corporation expressly reserves the right at any time to fund the Reserve Fund up to the amount of the Required Reserve by purchasing an insurance policy, including a Credit Facility or a Credit Agreement that will unconditionally obligate the insurance company or other entity to pay all, or any part, of the Required Reserve in the event funds on deposit in the Bond Fund are not sufficient to pay the Debt Service requirements on the Parity Obligations. All resolutions adopted after the date hereof authorizing the issuance of any Additional Parity Obligations shall contain a provision to this effect.

Notwithstanding anything to the contrary contained in this Section 13, the requirements set forth above to fund the Reserve Fund in the amount of the Required Reserve shall be suspended for such time as (i) no Previously Issued Obligations remain outstanding, and (ii) the Pledged Revenues for the immediately preceding two consecutive Fiscal Years are greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations. Funds held in the Reserve Fund at such time as clause (i) and (ii) have been satisfied may be transferred in accordance with subparagraph E hereof or may be used, at the option of the Corporation, to redeem Bonds on a pro rata basis, in accordance with Section 4C hereof.

In the event that the Pledged Revenues for any Fiscal Year is less than or equal to 200% of the maximum annual Debt Service requirements on all Parity Obligations then Outstanding, the Corporation will be required to commence making the deposits to the Reserve Fund as of the next Fiscal Year, as provided above, and to continue making such deposits until the earlier of (i) such time as the Reserve Fund has contained the Required Reserve amount for a Fiscal Year, or (ii) the Pledged Revenues for the immediately preceding two Fiscal Years has been greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations Outstanding.

E. Excess Reserve Fund Amounts. At such time as the Required Reserve amount for the Reserve Fund described in this Section 13 is recalculated or re-determined as discussed above such that the Reserve Fund contains an amount in excess (including any investment income thereon) of the Required Reserve (including upon the Corporation's acquisition of a Credit Agreement or Credit Facility issued to satisfy all or part of the Corporation's obligation to maintain on deposit in the Reserve Fund the Required Reserve, or upon maintaining for the immediately preceding two Fiscal Years an amount of Pledged Revenues greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations then Outstanding), the Corporation may transfer such excess amount, on a pro rata basis, to the Bond Fund or other account established for the payment of each series of Parity Obligations secured thereby (including any escrow established for the final payment of any such obligations pursuant to any Applicable Law); provided, however, to the extent that such excess amount represents bond proceeds, then such amount must be transferred to the Bond Fund or as otherwise permitted in accordance with then Applicable Law. If any excess funds remain in the Reserve Fund after firm banking and financial arrangements have been made for the payment of all then Outstanding Parity Obligations, such excess amount may be used by the Corporation for any lawful purpose now or hereafter provided by Applicable Law.

SECTION 14: Pledged Revenue Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into (i) the funds and accounts required to be established, funded and maintained in accordance with the resolutions authorizing the issuance of the currently outstanding Previously Issued Obligations, and (ii) 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 lawfully available for such purpose, and such payments shall be in addition to the amounts required to be paid into these funds or accounts during such month or months.

SECTION 15: Payment of Bonds. While any of the Bonds are Outstanding, the Authorized Officials 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 16: 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 time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by state law including, but not limited to, the Public Funds Investment Act, Chapter 2256, as amended, Texas Government Code, or any successor provision of law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investments with any national bank) that the money required to be expended from any fund will be available at the proper time or times. All such investments shall be valued in terms of current market value no less frequently than the last business day of the Corporation's Fiscal

Year. Any obligation in which money is so invested shall be kept and held at a Depository. For purposes of maximizing investment returns, money in such funds may be invested, together with money in other funds or with other money of the Corporation, in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at a Depository, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such fund are held by or on behalf of each such Fund. All interest and income derived from deposits and investments in any Fund established pursuant to the provisions of this Resolution shall be credited to, and any losses debited to, such Fund. If necessary, such investments shall be promptly sold to prevent any default.

SECTION 17: Issuance of Additional Parity Obligations. The Corporation reserves the right hereafter to issue Additional Parity Obligations which, when issued in compliance with the terms and conditions hereinafter prescribed, shall be payable from and equally and ratably secured, together with the Outstanding Previously Issued Parity Obligations, initially by a subordinate and inferior lien on and pledge of the Pledged Revenues while the Previously Issued Obligations are outstanding, provided, however, when the Previously Issued Obligations are no longer outstanding, the Additional Parity Obligations shall be payable from and equally and ratably secured solely by a first and prior lien on and pledge of the Pledged Revenues in the same manner and to the same extent as the Bonds. The Additional Parity Obligations may be issued in such form and manner as the Corporation shall determine; provided, however, that none shall be issued unless and until the following conditions have been met:

A. Except for a refunding to cure a default or the deposit of all or a portion of the proceeds of any Additional Parity Obligations to satisfy the Corporation's obligations under this Resolution, the Director of Finance or Executive Director of the Corporation (or other officer 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, a Supplemental Resolution, or any covenant, obligation or agreement contained in the documents authorizing the issuance of the Previously Issued Obligations. The Corporation has secured from the Corporation's Director of Finance or Executive Director a certificate or opinion to the effect that, according to the books and records of the Corporation, the total Gross Sales Tax Revenues received by the Corporation and specifically pledged to the payment and security of the Prior Lien Obligations (including TIRZ Three Revenues), the Contract Revenue Obligations (excluding TIRZ Three Revenues), and the Parity Obligations (being the Pledged Revenues), as applicable, for either (i) the last completed Fiscal Year next preceding the adoption of the Supplemental Resolution authorizing the issuance of the proposed Additional Parity 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 Parity Obligations were equal to not less than 115% of the combined maximum annual principal and interest requirements for all Previously Issued Obligations and Parity Obligations then outstanding, and after giving effect to the issuance of the Additional Parity Obligations then being issued; provided that, in the event of an increase in the rate of the Sales Tax that becomes effective prior to the date of the resolution authorizing the issuance of the Additional Parity Obligations, such certificate or report

shall calculate the Gross Sales Tax Revenues for the calculation period as if such increased rate were in effect during such period.

B. The Required Reserve is increased to the extent required by Section 13, and due provision is made for such increase to be accumulated and maintained in the Reserve Fund or an Additional Reserve Fund, to the extent and in the manner required by Section 13.

C. Each of the funds created for the payment, security, and benefit of the Parity Obligations contains the amount of money then required to be on deposit therein.

D. Any Additional Parity Obligations are made to mature on February 15 or August 15 of each year in which they are scheduled to mature.

All such Additional Parity Obligations provided for in this Section, when issued in accordance with the above provisions, shall be payable from and equally and ratably secured by a (i) subordinate and inferior lien on and pledge of the Pledged Revenues for so long as the Previously Issued Obligations are outstanding, and (ii) by a first and prior lien on and pledge of the Pledged Revenues when the Previously Issued Obligations are no longer outstanding, and the provisions of this Resolution relating to the use of Pledged Revenues shall be applicable to such Additional Parity Obligations as though the same were a part of such original authorization.

The right to issue such other and further Additional Parity Obligations shall exist as often as the need therefor shall arise and so long as such Additional Parity Obligations are issued in compliance with law and the terms and conditions contained in this Order.

THE CORPORATION HEREBY COVENANTS AND AGREES WITH THE HOLDERS OF THE PARITY OBLIGATIONS THAT IT WILL NOT PROSPECTIVELY AUTHORIZE THE ISSUANCE OF ANY OBLIGATIONS SECURED BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES THAT IS PRIOR AND SUPERIOR TO THE LIEN ON AND PLEDGE OF THE PLEDGED REVENUES SECURING THE PAYMENT OF THE PARITY OBLIGATIONS (EXCEPT REFUNDING BONDS FOR DEBT SERVICE SAVINGS IN EACH FISCAL YEAR WITH RESPECT TO THE CURRENTLY OUTSTANDING PREVIOUSLY ISSUED OBLIGATIONS). IT IS EXPRESSLY RECOGNIZED THAT WHEN THE CURRENTLY OUTSTANDING PREVIOUSLY ISSUED OBLIGATIONS (AND ANY REFUNDING BONDS HEREAFTER ISSUED ON PARITY THEREWITH FOR DEBT SERVICE SAVINGS IN EACH FISCAL YEAR) ARE NO LONGER OUTSTANDING THAT THE LIEN ON AND PLEDGE OF THE PLEDGED REVENUES SECURING THE REPAYMENT OF THE PARITY OBLIGATIONS SHALL BE A FIRST AND PRIOR LIEN ON SUCH PLEDGED REVENUES BY OPERATION OF LAW.

SECTION 18: Refunding Bonds. The Corporation reserves the right to issue refunding bonds to refund all or any part of the Outstanding Parity Obligations, pursuant to any Applicable Law then available, upon such terms and conditions as the Board of Directors may deem to be in the best interest of the Corporation, and if less than all such Outstanding Parity Obligations are refunded, the conditions precedent prescribed for the issuance of any Additional Parity Obligations set forth in Section 17 of this Resolution shall be satisfied and the Director of Finance or Executive

Director's certificate or opinion required in subparagraph B shall give effect to the Debt Service requirements of the proposed refunding bonds (but shall not give effect to the Debt Service requirements of the bonds being refunded following their cancellation or provision being made for their payment); provided, however, that compliance with the test set forth in subparagraph B of Section 17 shall not be required if the issuance of such Additional Parity Obligation results in the reduction of the gross annual principal and interest requirements for the Parity Obligations then outstanding, after giving effect to the issuance of the Additional Parity Obligations, for every Fiscal Year such Additional Parity Obligations are Outstanding.

The Corporation further reserves the right to issue Additional Parity Obligations to refund all or any part of the then outstanding Previously Issued Obligations, pursuant to any Applicable Law then available, upon such terms and conditions as the Board of Directors may deem to be in the best interest of the Corporation, but subject to the conditions precedent prescribed for the issuance of any Additional Parity Obligations set forth in Section 17 of this Resolution; provided, however, that compliance with the test set forth in subparagraph B of Section 17 shall not be required if the issuance of such Additional Parity Obligation results in the reduction of the combined gross annual principal and interest requirements for all Previously Issued Obligations and Parity Obligations then outstanding, after giving effect to the issuance of the Additional Parity Obligations, for every Fiscal Year such Additional Parity Obligations are Outstanding.

SECTION 19: Right to Create Subordinate and Inferior Debt. Except as may be limited by a Supplemental Resolution, the Corporation shall have the right to issue or create any debt, including Inferior Lien Obligations, 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 17 or 18 hereof, provided the pledge and the lien securing such debt is subordinate and inferior to the pledge and lien established, made and created in Section 10 of this Resolution with respect to the Pledged Revenues to the payment and security of the Parity Obligations.

SECTION 20: Confirmation and Levy of Sales Tax.

A. The Board hereby represents that 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 20, 1990, and such Sales Tax is being imposed within the corporate limits of the City and the receipts of such Sales Tax are being 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 Applicable 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 to pay all Gross Sales Tax Revenues directly to the Corporation for deposit to the Pledged Revenue Fund.

SECTION 21: 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:

A. A statement in reasonable detail regarding the receipt and disbursement of the Pledged Revenues for such Fiscal Year; and

B. A balance sheet for the Corporation as of the end of such Fiscal Year.

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

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 22: Representations as to Security for the Bonds.

A. The Corporation represents and warrants that, except for the currently outstanding Previously Issued Obligations, the Corporation's obligation under the La Sienna Agreement, the Bonds, and any Additional Parity Obligations hereafter issued by the Corporation in accordance with the provisions hereunder, 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 principles of governmental immunity and bankruptcy or insolvency laws or to any laws affecting creditors rights generally.

C. The Corporation shall at all times, to the extent permitted by Applicable 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 Applicable Law.

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 solely by (i) a subordinate and inferior lien on and pledge of the Pledged Revenues of the Corporation while the Previously Issued Obligations are outstanding, and (ii) when the Previously Issued Obligations are no longer outstanding, the contract terms are amended, or the requisite consents are obtained, a first and prior lien on and pledge of the Pledged Revenues of the Corporation, and in no instance 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 of Texas or of the City. The Holders of the Bonds shall never have the right to demand payment out of any funds raised or to be raised by any system of ad valorem taxation. This Resolution or any subsequent agreement entered into by the Corporation shall not in any manner provide a grant, conveyance, transfer, mortgage, encumbrance, pledge, or assignment of property owned by the City.

SECTION 23: 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.

The Bonds, or any principal amount(s) thereof, 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 or the principal amount(s) thereof at Stated Maturity or 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, and/or (ii) Government

Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will 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 money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, at the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangement therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the Corporation shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent accounting firm, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. As and to the extent applicable, if at all, the Corporation covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 27 hereof).

Any money 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 money was 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.

Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem defeased Bonds that is made in conjunction with the payment arrangements specified in (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Corporation expressly reserves the right to call the defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

SECTION 24: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Corporation, and shall not be amended or repealed by the Corporation while any Bond remains Outstanding except as permitted in this Section. The Corporation, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Corporation may, with the written consent from the owners holding a

majority in aggregate principal amount of the Parity 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 Parity Obligation over any other Parity Obligation, or (3) reduce the aggregate principal amount of Bonds or Additional Parity Obligations, as the case may be, required to be held for consent to any such amendment, addition, or rescission.

SECTION 25: 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.

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

SECTION 26: Events of Default and Remedies.

A. Events of Default. Under this Resolution, each of the following occurrences or events is an “Event of Default”:

- (1) The failure to make payment of the principal of, or interest on, any of the Bonds or Additional Parity Obligations, when the same is due and payable;
- (2) The failure to make a deposit in the Bond Fund or Reserve Fund, in the amounts and at the times required by Sections 12 and 13, respectively, and the continuation of such failure for a period of 30 days;
- (3) Default in the performance or observance of any covenant, agreement or obligation of the Corporation under this Resolution (other than those in clauses (1) and (2))

of this Section (A), and the continuation thereof for a period of sixty (60) days after written notice specifying such default has been provided to the Corporation by the Holders (51%) and requesting that the default be remedied; provided that such sixty (60) day period shall not include any period of time during which the Corporation or the Board is prevented by reason of Force Majeure (as defined below) at the time from performing or observing the covenant, condition or agreement with respect to which any default exists but during which the Corporation is diligently attempting to cure such default;

(4) An order of relief shall be issued by the Bankruptcy Court of the United States District Court having jurisdiction, granting the Corporation any relief under any Applicable Law relating to the bankruptcy of governmental units of the State of Texas, or any other court having valid jurisdiction shall issue an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, sequestrator, or other similar official for the Corporation or any substantial part of its property, affairs or assets, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(5) The Corporation shall have consented to the institution of proceedings in bankruptcy against it, or shall have consented to the institution of any insolvency proceeding against it under any federal or state insolvency laws, or shall have consented to the filing of any petition, application or complaint seeking the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Corporation or of any substantial part of its property, affairs or assets.

For purposes of this Resolution, “Force Majeure” means any act of God or the public enemy; strike, lockout, work slowdown or stoppage or other labor dispute; insurrection, riot or other civil disturbance; order of the government of the United States or of any state thereof or order of any other civil or military authority; failure of a public utility; or other condition or event beyond the reasonable control of the Corporation or the Board, other than a financial condition, business condition or condition or event constituting frustration of purpose.

B. Remedies for Event of Default.

(1) Upon the occurrence and continuance of any Event of Default, the Paying Agent/Registrar may (a) proceed against the Corporation for the purpose of protecting and enforcing the rights of all of the Holders under this Resolution, by action seeking mandamus or by other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Law, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction, or, in the appropriate case, for the appointment of a receiver (with the powers established in 501.157 of Chapter 501 of the Act) or administrator of the affairs, properties and assets of the Corporation seeking the better management of the affairs of the Corporation in order to increase the likelihood that such default will be cured and that all Bonds will be thereafter paid in a timely manner and in full, and (b) exercise any other rights and remedies available under Applicable Law (including, without limitation, any available to a secured party under the uniform commercial code).

(2) From and after the 30th day after any Event of Default under this Resolution (for which a remedy is required or is sought under subsection (1)) has been cured, the Corporation will be restored to its former position under this Resolution prior to such default. Any proceedings theretofore commenced for relief are to be abandoned and dismissed by the Paying Agent/Registrar within 30 days after such default has been cured.

(3) The right to accelerate the maturity of any Bond is not granted in this Resolution.

C. Restriction on Holder's Action.

(1) Except as provided in subsections (2) and (3) of this Section 26.C, all remedies available upon an Event of Default shall be exercised solely by the Paying Agent/Registrar, on behalf of the Holders of all Outstanding Parity Obligations, and no Holder of any Outstanding Parity Obligations has any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Resolution, the execution of any lien or security interest provided by this Resolution or for any other remedy under this Resolution, unless:

(a) such Holder shall have previously given to the Paying Agent/Registrar written notice of the happening of an Event of Default;

(b) the Holders of at least 25% in principal amount of the Parity Obligations then Outstanding shall have (A) filed a written request with the Paying Agent/Registrar, and shall have offered the Paying Agent/Registrar reasonable opportunity to exercise the powers available under this Resolution or Applicable Law or to institute such action, suit or proceeding in the Paying Agent/Registrar's own name, and (B) offered to the Paying Agent/Registrar security and indemnity satisfactory to the Paying Agent/Registrar against the costs, expenses and liabilities to be incurred in connection with such suit, action or proceeding; and

(c) the Paying Agent/Registrar shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity;

provided that, no Holder of Parity Obligations shall have any right in any manner whatever by his action to affect, disturb or prejudice the pledge and security interests created by this Resolution, except in the manner herein provided and, further provided that, all proceedings at law or in equity to enforce any provisions of this Resolution shall be instituted or maintained in the manner provided in this Resolution and for the equal benefit of all Holders of the Outstanding Bonds.

(2) Any Holder of Parity Obligations has the right individually and in his own name to (a) enforce a Paying Agent/Registrar's obligation to make payment of Parity Obligations when due from funds available therefor, and (b) perfect such Holder's claim on the Pledged Revenues for matured and unpaid amounts by direct action on their Parity Obligation.

(3) During any period in which all Parity Obligations Outstanding under this Resolution shall be owned by a single Holder, such Holder may proceed to enforce all rights and remedies available hereunder without regard to the restrictions set forth in this Section 26.C.

D. Application of Pledged Revenues and Other Money After Default.

(1) During the continuance of an Event of Default, all money, securities, funds and the Pledged Revenues and the income therefrom which are received by the Paying Agent/Registrar under this Resolution shall be applied by the Paying Agent/Registrar as follows and in the following order:

(a) to the payment of amounts then due to the Paying Agent/Registrar;

(b) to the payment ratably of all unpaid installments of interest then due on the Parity Obligations, without discrimination or preference among the Holders entitled to such payment;

(c) to the payment of all principal and premium, if any, then due on the Parity Obligations, together with interest on such overdue principal from the respective dates upon which such principal became due, and if the amount available is not sufficient to pay in full such amounts on any particular date, then to the payment ratably according to the amount of principal due on such date, without discrimination or preference among the Holders entitled to such payment;

(d) to the extent that the principal of all of the Parity Obligations shall not have become due and payable, to make the deposits in the Bond Fund and Reserve Fund, in the amounts and in the order of priority required by Section 11 hereof, and if the amount available is not sufficient to make all such deposits in full, then such deposits shall be made ratably among such funds or accounts, subject to the priority given to the Bond Fund over the Reserve Fund and to each of such funds over any other funds or accounts.

(2) Within ten (10) days of receipt of such good and available funds, the Paying Agent/Registrar may fix a record and payment date for any payment to be made to Holders pursuant to this Section.

(3) The restoration of the Corporation to its prior position after any and all Events of Default have been cured, does not extend to or affect any subsequent default under this Resolution or impair any right consequent thereon.

E. Notice of Event of Default. The Corporation is required to promptly give to the Paying Agent/Registrar, notice of each Event of Default under this Resolution, unless such Event of Default shall have been remedied or cured before the giving of such notice.

SECTION 27: Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

Yield of

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

(2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

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

C. No Private Use or Private Payments. Except to the extent it will not cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the

Regulations and rulings thereunder, the Corporation shall at all times prior to the last Stated Maturity of Bonds:

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

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

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

E. Not to Invest at Higher Yield. Except to the extent it will not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the Corporation shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Bonds.

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

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

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

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

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

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

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

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

transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

J. Bonds Not Hedge Bonds.

(1) The Corporation reasonably expects to spend at least 85% of the spendable proceeds of the Bonds within three years after such Bonds are issued.

(2) Not more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

K. Elections. The Corporation hereby directs and authorizes any Authorized Official, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document. Such elections shall be deemed to be made on the Closing Date.

SECTION 28: Notices and Other Communications.

A. All notices, consents, approvals, requests and other communications under this Resolution or with respect to the Bonds under this Resolution shall be in writing and delivered by registered or certified mail, return receipt, postage paid, or by other electronic transmission, or by express or personal delivery, addressed as follows:

(1) if to the Paying Agent/Registrar, at the address specified in the Paying Agent/Registrar Agreement.

(2) if to the City; at:

City of Edinburg, Texas
415 West University Drive
Edinburg, Texas 78541
Attention: City Manager

(3) if to the Corporation; at

Edinburg Economic Development Corporation
415 West University Drive
Edinburg, Texas 78541
Attention: Executive Director

B. A duplicate of each communication given under this Resolution to anyone other than the Paying Agent/Registrar shall also be delivered to the Paying Agent/Registrar. Notices to the Paying Agent/Registrar are effective only upon actual receipt. Such communication shall identify this Resolution, and the section thereof which is the subject of the communication.

C. Each Person to whom communications are delivered pursuant to this Resolution may designate any additional or different addresses to which subsequent communications under this Resolution shall be delivered by giving at least ten days' advance notice thereof to each affected party.

D. Except as provided in Subsection C. herein, any communication delivered by mail in compliance with this section is deemed to have been delivered as of the date of deposit in the mail. Any communication delivered by facsimile or other electronic transmission is deemed to have been delivered at the time a confirmation of receipt is generated by the sending mechanism or is obtained by other means.

E. Notice or other communications to any Holder under this Resolution shall be delivered by first class United States mail, postage paid, addressed to such Holder's address appearing in the Security Register.

F. A provision of this Resolution that provides for a different method of giving notice or otherwise conflicts with this section supersedes this section to the extent of the conflict.

SECTION 29: 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 30: 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 31: Security of Funds. All money on deposit in the Funds for which this Resolution makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Resolution.

SECTION 32: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 34: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Resolution shall be given in such other manner and at such time or times as in the judgment of the Corporation or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirements for publication thereof.

SECTION 35: Sale of the Bonds – Official Statement Approval – Approval of Purchase Contract - Use of Bond Proceeds. The Bonds authorized by this Resolution are hereby sold by the Corporation to Stifel, Nicolaus & Company, Inc., San Antonio, Texas, as the underwriter (the *Purchaser*, having all of the rights, benefits, and obligations of a Holder), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated August 17, 2021, attached hereto as Exhibit C and incorporated herein by reference as a part of this Resolution for all purposes. The pricing and terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the Corporation. The Initial Bond shall be registered in the name of Stifel, Nicolaus & Company, Inc. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Corporation and as the act and deed of the Board and in regard to the approval and execution of the Purchase Contract, the Board hereby finds, determines and declares that the representations, warranties, and agreements of the Corporation contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the Corporation. Delivery of the Bonds to the Purchaser shall occur as soon as practicable after the adoption of this Resolution, upon payment therefor in accordance with the terms of the Purchase Contract.

Furthermore, the Corporation hereby ratifies, confirms, and hereby ratifies, confirms and approves in all respects (i) the Corporation's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchaser in connection with the public offering and sale of the Bonds. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Purchase Contract (together with such changes approved by any Authorized Official), shall be and is hereby in all respects approved and the Purchaser is hereby authorized to use and distribute the final Official Statement, dated August 17, 2021, in the reoffering, sale and delivery of the Bonds to the public. The President, Vice President, and/or Secretary of the Board are further authorized and directed to manually execute and deliver for and on behalf of the Corporation copies of the Official Statement in final form as may be required by the Purchaser, and such final Official Statement in the form and content 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 Purchaser.

SECTION 36: Approval and Execution of Financing/Use Agreement with the City. The “Financing/Use Agreement” (the *Financing/Use Agreement*) by and between the Corporation and the City, attached hereto as Exhibit D and incorporated herein by reference as a part of this Resolution for all purposes, is hereby approved as to form and content, and such Financing/Use Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the financing or benefit the Corporation or the City, is hereby authorized to be executed by the President and Secretary of the Corporation and as the act and deed of this Board; and such Financing/Use Agreement as executed by said officials shall be deemed approved by the Board and constitute the Financing/Use Agreement herein approved. Pursuant to the Financing/Use Agreement, the City will own, maintain, and operate the Project upon completion and the Corporation is responsible for all aspects of the construction, acquisition, and design, of the Project and in connection therewith, the Corporation shall comply with Applicable Law relating to the construction of public works, including, without limitation, the provisions of Chapter 2253, as amended, Texas Government Code (pertaining to public works performance and payment bonds). Funds on deposit in the Construction Fund may be disbursed from time to time upon request of authorized officers of the City and the Corporation to pay “Costs” (as defined in the Act) of the Project which are then due and payable and which have not been the subject of previous disbursements from such fund. Any interest earned on money on deposit in the Construction Fund shall be retained in the Construction Fund until the Project is complete, and at such time any funds held in the Construction Fund shall be transferred by the Corporation for deposit into the Bond Fund all as required by the provisions of the Resolution and the Financing/Use Agreement.

SECTION 37: Legal Opinion. The obligation of the Purchaser to purchase the Bonds is subject to being furnished a final opinion of Locke Lord LLP, as Bond Counsel, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the definitive Bonds deposited with The Depository Trust Company.

SECTION 38: 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 39: Continuing Disclosure Undertaking.

A. Definitions.

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

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

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) or (b); provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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.

Undertaking means the Corporation's continuing disclosure undertaking, described in Paragraphs B through E below, hereunder accepted and entered into by the Corporation for the purpose of compliance with the Rule.

B. Annual Reports.

The Corporation shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the Corporation ending in or after 2021, financial information and operating data with respect to the Corporation of the general type included in the final Official Statement authorized by Section 35 of this Resolution, being the information described in Clause 2 of Exhibit E hereto, and (2) within twelve months after the end of each fiscal year ending in or after 2021 financial information and operating data with respect to the Corporation of the general type included in the final Official Statement, being the information described in Clause 1 of Exhibit E hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E hereto, or such other accounting principles as the Corporation may be required to employ from time to time pursuant to state law or regulation 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 such period, then the Corporation shall file unaudited statements within such period and audited financial statements for the applicable Fiscal Year with the MSRB, when and if the audit report on such statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the Corporation must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the Director of Finance of the Corporation within 180 days after the last day of the Corporation's Fiscal Year. The Corporation's fiscal records and audit reports are available for public inspection during the regular hours of the Director of Finance of the Corporation. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the Corporation changes its Fiscal Year, it will file notice thereof with 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.

C. Notice of Certain Events.

The Corporation shall file 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 paying agent/registrars or the change of name of a paying agent/registrars, 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 paragraph (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 paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 3483885, dated August 20, 2018.

The Corporation shall file notice with the MSRB, in a timely manner, of any failure by the Corporation to provide financial information or operating data in accordance with this Section by the time required by this 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 notice of any deposit that causes the Bonds to be no longer Outstanding.

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 and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Corporation’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The 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 WITH 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.

The provisions of this Section may be amended by the Corporation from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the 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 Corporation may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Corporation also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Corporation so amends the provisions of this Section, the Corporation shall include with any amended financial information or operating data next provided in accordance with 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.

E. Information Format – Incorporation by Reference.

The information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with Federal Securities Laws.

Because the issuance of the Bonds is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Bonds or the initial purchasers in a competitive sale of the Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the Corporation hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the “Policies and Procedures”), attached hereto as Exhibit F, with which the Corporation shall follow to assure compliance with the Undertaking. The Corporation has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the Corporation’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the Corporation and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 40: Book-Entry Only System.

The Bonds initially shall be registered so as to participate in a securities depository system (the DTC System) with the Depository Trust Company, New York, New York or any successor entity thereto (“DTC”), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Corporation and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit B (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Corporation and the Paying Agent/Registrar shall have no responsibility or obligation to any broker dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an “Indirect Participant”). Without limiting the immediately preceding sentence, the Corporation and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the

delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Corporation to make payments of principal, premium, if any, or interest on the Bonds pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

In the event that (a) the Corporation determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Corporation determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Corporation shall notify the Paying Agent/Registrar, DTC, and DTC Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Corporation may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Corporation, or such depository's agent or designee, and if the Corporation and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

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

SECTION 41: Control and Custody of Bonds. Each Authorized Official 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 Bond pending the approval thereof by the Texas Attorney General, the registration thereof by the Texas Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the President, Vice President, Secretary, Executive Director, a Director, or Treasurer of the Corporation, any one or more of said officials, 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 Texas Attorney General, registration by the Texas Comptroller of Public Accounts and delivery of the Bonds to the Purchaser thereof and, together with the Corporation's financial advisor, bond counsel, the Purchaser, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchaser thereof and the initial exchange thereof for definitive Bonds.

SECTION 42: 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, Bond Counsel, 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, Bond Counsel, and the Holders.

SECTION 43: 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 44: 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 45: 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 46: 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 47: Further Procedures. The officers and employees of the Corporation are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Corporation all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the initial sale and delivery of the Bonds, the Purchase Contract, the Financing/Use Agreement, the Blanket Corporation Letter of Representations, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bonds, an Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution, (ii) obtain a rating from any of the national bond rating agencies, (iii) obtain an insurance policy, including a Credit Facility or Credit Agreement; or (iv) obtain the approval of the Bonds by the Texas Attorney General's office. In case any officer of the Corporation whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 48: 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 Chapter 551, as amended, Texas Government Code.

SECTION 49: Contracts with Financial Advisor and/or Bond Counsel. The Board authorizes any Authorized Official, or their designee, to take all actions necessary to execute any necessary financial advisory contracts with Hilltop Securities Inc., as the financial advisor to the Corporation (the Financial Advisor). The Corporation understands that under applicable federal securities laws and regulations, the Corporation must have a contractual agreement with its Financial Advisor relating to the sale, issuance, and delivery of the Bonds. In addition, the Board also authorizes any Authorized Official, or their designee, to take all actions necessary to execute any necessary engagement agreement with Locke Lord LLP, as Bond Counsel to the Corporation.

SECTION 50: Corporation's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the Corporation hereby consents to and authorizes any Authorized Official, Bond Counsel to the Corporation, and/or Financial Advisor to the Corporation to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Bonds; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 51: Effective Date. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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PASSED AND ADOPTED, this 17th day of August, 2021.

EDINBURG ECONOMIC
DEVELOPMENT CORPORATION

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(CORPORATION SEAL)

INDEX TO EXHIBITS

Exhibit A – Paying Agent Registrar Agreement

Exhibit B – DTC Letter of Representations

Exhibit C – Purchase Contract

Exhibit D – Financing/Use Agreement

Exhibit E – Description of Annual Financial Information

Exhibit F – General Policies and Procedures Concerning Compliance with the Rule

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. ____

EXHIBIT B

DTC Letter of Representations

See Tab No. ____

EXHIBIT C

Purchase Contract

See Tab No. ____

EXHIBIT D

Financing/Use Agreement

See Tab No. ____

EXHIBIT E

Description of Annual Financial Information

The following information is referred to in Section 39 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Corporation to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The Corporation's audited financial statements for the most recently concluded Fiscal Year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the Corporation appended to the Official Statement as Appendix B, but for the most recently concluded Fiscal Year.
2. The quantitative financial information and operating data of the Corporation of the general type included in Table 1A (including financial information related to the Corporation's annual transfer pursuant to the terms of the Project Funding Agreement for the Contract Revenue Obligations) and Tables 2 through 5 (excluding Table 3B) in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT F

General Policies and Procedures Concerning Compliance with the Rule

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 39 of the Resolution. “Bonds” refer to the Bonds that are the subject of the Resolution to which this Exhibit is attached.

II. As a capital markets participant, the Corporation is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the “Effective Date”), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the Corporation’s compliance with the Rule.

III. The Corporation is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 39C of the Resolution, which provisions are a part of the Undertaking.

IV. The Corporation is aware that “participating underwriters” (as such term is defined in the Rule) of the Bonds must make inquiry and reasonably believe that the Corporation is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The Corporation now establishes the following general policies and procedures (the “Policies and Procedures”) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the Corporation’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the Corporation’s obligations under the Rule, the advice from and discussions with the Corporation’s internal senior staff (including staff charged with administering the Corporation’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the “Compliance Team”):

1. the Executive Director of the Corporation (the “Compliance Officer”) shall be responsible for satisfying the Corporation’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the Corporation’s information of the type described in Section 39B of the Resolution;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 39C of the Resolution;

4. the Compliance Officer shall work with external consultants of the Corporation, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the Corporation and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the Corporation, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any Corporation agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the Corporation; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the Corporation’s internal staff identified by the Compliance Officer to assist with the Corporation’s satisfaction of the terms and provisions of the Undertaking.

Edinburg Economic Development Corporation

Meeting Date: August 17, 2021

Consider approval of a resolution authorizing the issuance of "Edinburg Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2021B"; pledging certain "Pledged Revenues" of the Corporation, including "Gross Sales Tax Revenues", to the payment of the principal of and interest on the Bonds; prescribing the form, terms, conditions, and resolving other matters related to the foregoing.

1. Agenda Item:

Consider approval of a resolution authorizing the issuance of "Edinburg Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2021B"; pledging certain "Pledged Revenues" of the Corporation, including "Gross Sales Tax Revenues", to the payment of the principal of and interest on the Bonds; prescribing the form, terms, conditions, and resolving other matters related to the foregoing.

2. Description/Scope:

In support of the City of Edinburg's Capital Improvement Program, the Edinburg EDC and the City have started the initial phase of planning of major projects including: (1) A City Multi-Purpose Facility and downtown improvements; and (2) Downtown Area Parking Facilities.

3. Estimated Timeline:

Upon approval of resolution.

4. Budget:

Series 2021B Bonds - \$2,000,000

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Staff recommends approval.

7. Justification:

Downtown revitalization and business development are key priorities for the EDC. Debt service resulting from this transaction will be manageable under conservative assumptions of sales tax growth and the EDC's healthy financial position.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Attachment A: Edinburg EDC Bond Resolution for Taxable Series 2021B

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF “EDINBURG ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE BONDS, TAXABLE NEW SERIES 2021B”; PLEDGING CERTAIN “PLEDGED REVENUES” OF THE CORPORATION, INCLUDING “GROSS SALES TAX REVENUES”, TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A FINANCING/USE AGREEMENT, A PURCHASE CONTRACT, AND A BLANKET ISSUER LETTER OF REPRESENTATIONS TO FILE WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Edinburg Economic Development Corporation (the *Corporation*) is a non-profit corporation created by the City of Edinburg, Texas (the *City*) pursuant to the provisions of the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon’s Annotated Texas Civil Statutes, now codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapter 501, Texas Local Government Code, as amended (collectively, the *Act*); and

WHEREAS, at an election held on January 20, 1990 in which the majority of the qualified voters of the City voting at such election authorized the City to levy a sales tax on the receipts at retail of taxable items within the City at a rate of one-half of one percent (1/2 of 1%) (defined herein as the *Sales Tax*) to be used for improving and promoting economic development in accordance with the *Act*; and

WHEREAS, pursuant to Section 504.152 of the *Act* and an election held on November 8, 2011, a majority of the qualified voters of the City voting at such election authorized the Corporation to use the Sales Tax for “recreational facilities which are limited to entertainment, public parks and park facilities, and all related store, restaurant, concession and automobile parking facilities and all related roads, streets, water and sewer facilities as allowed pursuant to Section 505.152 of the Texas Local Government Code”; and

WHEREAS, the City is located within 25 miles of an international border and, for the previous 12-month period, has had an average rate of unemployment that is greater than the state average rate of unemployment; and

WHEREAS, the Board of Directors (the *Board*) of the Corporation and the City Council of the City (the *Council*) intend to undertake projects, including (i) constructing, acquiring, purchasing, renovating, enlarging, and improving the greater downtown area parking facilities;

(ii) street and road improvements (including any necessary traffic signalization), and drainage improvements related thereto; and (iii) the payment of professional services related to the acquisition and financing of the aforementioned projects (collectively, the *Project*), which Project will promote or develop new or expanded business enterprises in the City; and

WHEREAS, the Act authorizes the Corporation to operate, maintain, and finance the costs of the Project and to issue obligations and bonds on behalf of the City to finance the Project as described in the Act, and the Corporation determined that the Project should be financed by the Corporation through the issuance of sales tax revenue bonds; and

WHEREAS, the City has levied the Sales Tax for the benefit of the Corporation on the receipts from the sale at retail of taxable items within the City and on the use, storage or other consumption within the City of taxable items purchased, leased or rented from a retailer; and

WHEREAS, upon the City's receipt of proceeds of the Sales Tax from the Comptroller of Public Accounts of the State of Texas, the City is required to deliver the proceeds of such tax to the Corporation for use in carrying out its functions; and

WHEREAS, the Board hereby finds and determines that the adoption of this Resolution and the issuance of the sales tax revenue bonds is in the best interests of the residents of the City and the Corporation; now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Bonds of the Corporation shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title "Edinburg Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2021B" (the *Bonds*) to finance the Project (and with respect to the Project, associated "costs"), including (i) constructing, acquiring, purchasing, renovating, enlarging, and improving the greater downtown area parking facilities; (ii) street and road improvements (including any necessary traffic signalization), and drainage improvements related thereto; and (iii) the payment of professional services related to the acquisition and financing of the aforementioned projects, which Project the Board previously determined will promote or develop new or expanded business enterprises in the City.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities – Interest Rate – Dated Date. The Bonds shall be issued as fully registered obligations, without coupons, shall be dated August 15, 2021 (the *Dated Date*), and shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered "R- " and numbered consecutively from One (1) upward and principal shall become due and payable on August 15 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding (hereinafter defined), in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		

The Bonds shall bear interest until paid on the unpaid principal amounts from the Closing Date (anticipated to occur on September 14, 2021), or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, to Stated Maturity, while Outstanding, at the per annum rates shown above (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 (each, an *Interest Payment Date*), commencing February 15, 2022.

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of Stated Maturity, redemption or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium, if any, and interest on the Bonds shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Bonds.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Corporation agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as

provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Corporation covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and is authorized by law to serve as a Paying Agent/Registrar.

The Corporation reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the Corporation agrees to promptly cause a written notice of this substitution to be sent on or prior to the appropriate date of payment to each Holder of the Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner or holder of the Bonds (hereinafter referred to as the *Bondholder* or *Bondholders*) appearing on the Security Register (the *Holder* or *Holders*) maintained on behalf of the Corporation by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined), (ii) on the date of surrender of the Bonds for the purposes of receiving payment of principal thereof upon redemption of the Bonds or at the Bonds' Stated Maturity or upon redemption of the Bonds, and (iii) on any other date for any other purpose. The Corporation and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owners of a Bond for the purposes of receiving payment and all other purposes whatsoever, and neither the Corporation nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Bonds, shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office in Dallas, Texas. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding an Interest Payment Date for the Bonds (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

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

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (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 a Bond 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 4: Redemption.

A. Mandatory Redemption of Term Bonds. The Bonds stated to mature on August 15, 20____, August 15, 20____ and August 15, 20____ are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturities from money required to be deposited in the Bond Fund (but not the Reserve Fund) for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in each of the years as set forth below:

Term Bonds Stated to Mature on August 15, 20____		Term Bonds Stated to Mature on August 15, 20____		Term Bonds Stated to Mature on August 15, 20____	
Principal		Principal		Principal	
Year	Amount (\$)	Year	Amount (\$)	Year	Amount (\$)

*

*

*

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Corporation, by the principal amount of any Term Bonds of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Corporation and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Corporation with money in the Bond Fund (but not the Reserve Fund), or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption. The Bonds having Stated Maturities on and after August 15, 20____ shall be subject to redemption prior to Stated Maturity, at the option of the Corporation, on August 15, 20____, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by

the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

C. Extraordinary Optional Redemption. At such time as no Previously Issued Obligations remain outstanding and the Pledged Revenues of the Corporation have been more than 200% of the maximum annual Debt Service on all Parity Obligations then Outstanding for the immediately preceding two consecutive Fiscal Years, the Bonds shall be subject to redemption prior to stated maturity, at the option of the Corporation, on any date, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the price of par plus accrued interest to such date of redemption, in an amount equal to the amount then held in the Reserve Fund (and apportioned to the Bonds on a pro rata basis, as applicable, if the Reserve Fund secures any other series of Parity Obligations).

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

E. Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by \$5,000. If less than the entire principal amount of a Bond is to be redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than an authorized denomination, a Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued, and shall thereafter be an authorized denomination.

F. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, the Paying Agent/Registrar shall cause a notice of redemption shall be sent by United States mail, first-class postage prepaid, in the name of the Corporation and at the Corporation's expense, by the Paying Agent/Registrar to each Holder of a Bond to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on

the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust or other office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on said Bonds (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Bonds shall not be deemed to be Outstanding in accordance with the provisions of this Resolution.

G. Transfer/Exchange of Bonds. Neither the Corporation nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Bond during a period beginning forty-five (45) days prior to the date fixed for redemption of the Bonds or (2) to transfer or exchange any Bond selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 5: Execution - Registration. The Bonds shall be executed on behalf of the Corporation by the President or Vice President, Board of Directors under the seal of the Corporation reproduced or impressed thereon, and attested to by the Secretary, Board of Directors. The signature of either of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were, at the time of the Dated Date, the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Bonds to the Purchaser (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bonds shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bonds either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 6: 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 every Holder of the Bonds, or, if appropriate, the nominee thereof. 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 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 any Bonds at the corporate trust office of the Paying Agent/Registrar, the Corporation shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denomination and having the same Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

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 corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the Corporation shall execute, and the Paying Agent/Registrar shall register and deliver the Bonds to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail, to the Holder at his request, risk, and expense, and, upon the delivery thereof, the same shall be the valid and binding obligations of the Corporation, evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bonds surrendered upon 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 debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any Bond, registered and delivered in lieu thereof pursuant to Section 25 in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7: Initial Bond. The Bonds herein authorized shall be issued initially either (i) as a fully registered Bond in the total principal amount of \$_____ with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Bond for each year of Stated Maturity in the applicable principal amount, interest rate, and denomination and to be numbered consecutively from T-1 and upward (the *Initial Bond*) and, in either case, the Initial Bond shall be registered in the name of the Purchaser (defined herein) or the designee thereof. The Initial Bond shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval and certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchaser. Any time after the delivery of the Initial Bond to the Purchaser, the Paying Agent/Registrar, pursuant to written instructions from the Purchaser, or their designee, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, and principal amounts and

shall be lettered “R” and numbered consecutively from one (1) upward 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 Purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured and 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 and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the Corporation or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Bond.

REGISTERED
NO.

REGISTERED PRINCIPAL
AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
EDINBURG ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BONDS,
TAXABLE NEW SERIES 2021B

Dated Date:
August 15, 2021

Interest Rate:

Stated Maturity:

CUSIP No.:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Edinburg Economic Development Corporation (hereinafter referred to as the *Corporation*), a non-profit economic development corporation organized and existing under the laws of the State of Texas, including Section 4A of Texas Revised Civil Statutes Annotated Article 5190.6, as amended, now codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapter 501, Texas Local Government Code, as amended (collectively, the *Act*), with its principal office located in the City of Edinburg, Texas (the *City*), for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, solely from the revenues hereinafter defined, on the Stated Maturity date specified above, the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on September 14, 2021), or the most recent Interest Payment Date (defined below) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year (each an *Interest Payment Date*), commencing February 15, 2022.

Principal and premium, if any, of this Bond shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or a successor thereof. Interest shall be payable to the Holder 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 last business 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, except the payment to any Holder of at least \$500,000 in principal amount of Bonds shall be made by wire transfer to an account at a financial institution located within the United States, or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be 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 made by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register on the Record Date or by such other method, acceptable to the Paying Agent/ Registrar, requested by, and at the risk and expense of, the registered owner.

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 finance the “costs” of the “project”, as defined in the Development Corporation Act of 1979, as amended, Texas Revised Civil Statutes Annotated Article 5190.6 (the *Act*), including (i) constructing, acquiring, purchasing, renovating, enlarging, and improving the greater downtown area parking facilities; (ii) street and road improvements (including any necessary traffic signalization), and drainage improvements related thereto; and (iii) the payment of professional services related to the acquisition and financing of the aforementioned projects, which Project the Board previously determined will promote or develop new or expanded business enterprises in the City, and pursuant to a Resolution adopted by the governing body of the Corporation (herein referred to as the *Resolution*).

As specified in the Resolution, the Bonds stated to mature on August 15, 20____, August 15, 20____ and August 15, 20____ are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturities from money required to be deposited in the Bond Fund (but not the Reserve Fund) for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in each of the years as set forth below:

Term Bonds Stated to Mature on August 15, 20____		Term Bonds Stated to Mature on August 15, 20____		Term Bonds Stated to Mature on August 15, 20____	
Principal		Principal		Principal	
<u>Year</u>	<u>Amount (\$)</u>	<u>Year</u>	<u>Amount (\$)</u>	<u>Year</u>	<u>Amount (\$)</u>

*

*

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*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Corporation, by the principal amount of any Term Bonds of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Corporation and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Corporation with money in the Bond Fund (but not the Reserve Fund), or (3) shall have been redeemed pursuant to the optional

redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As specified in this Resolution, the Bonds stated to mature on and after August 15, 20____ may be redeemed prior to their Stated Maturities, at the option of the Corporation, on August 15, 20____, or on any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Resolution. If this Bond is subject to redemption prior to Stated Maturity and is of a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust or other office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Resolution for the then unredeemed balance of the principal sum hereof.

At such time as no Previously Issued Obligations remain outstanding and the Pledged Revenues of the Corporation have been more than 200% of the maximum annual Debt Service on all Parity Obligations then Outstanding for the immediately preceding two consecutive Fiscal Years, the Bonds shall be subject to redemption prior to stated maturity, at the option of the Corporation, on any date, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the price of par plus accrued interest to such date of redemption, in an amount equal to the amount then held in the Reserve Fund (and apportioned to the Bonds on a pro rata basis, as applicable, if the Reserve Fund secures any other series of Parity Obligations).

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Bond is called for redemption, in whole or in part, the Corporation or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are payable solely from and equally and ratably secured, together with the currently Outstanding Previously Issued Parity Obligations, by a lien on and pledge of the Pledged Revenues that is subordinate and inferior to the lien on and pledge of the Pledged Revenues securing the payment of the currently outstanding Previously Issued Obligations, in accordance with the terms and provisions of the Resolution and any Supplemental Resolution, which subordinate and inferior lien shall be valid and binding without any further action by the Corporation and without any filing or recording with respect thereto except in the records of the

Corporation; provided, however, that when the Previously Issued Obligations are no longer outstanding, the contract terms are amended, or the requisite consents are obtained, the Parity Obligations hereafter issued by the Corporation shall be payable from and equally and ratably secured by a first and prior lien on and pledge of the Pledged Revenues. In the Resolution, the Corporation has covenanted to not issue revenue bonds or any other obligations secured by a lien on and pledge of the Pledged Revenues that is prior and superior to the lien on and pledge of the Pledged Revenues securing the payment of the Parity Obligations, but the Corporation reserves and retains the right to issue Additional Parity Obligations and Inferior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions, or restrictions set forth in a Supplemental Resolution or as may be applicable thereto under law or otherwise.

The Bonds do not constitute a legal or equitable, pledge, charge, lien or encumbrance upon any property of the Corporation or 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 Gross Sales 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 of Texas, 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 the same manner and to the same extent as the Bonds.

Reference is hereby made to the Resolution, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the Pledged Revenues pledged to the payment of the principal of and interest on the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of any Additional Parity Obligations and Inferior Lien Obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Bondholders; the rights, duties, and obligations of the Corporation and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. 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 corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent and thereupon 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 hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving 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 (the *Special Payment Date* - which shall be fifteen (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 a Bond 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, represented, and declared that the Corporation is a non-profit economic 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 the issuance of the Bonds is duly authorized by law; 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 a legal, valid, and binding obligation of the Corporation, have been performed, exist, and have been done, in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Resolution; that the issuance of the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium, if any, and interest on the Bonds by a pledge of the Pledged Revenues. In case any provision in this Bond or any application thereof shall be deemed 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 under the official seal of the Corporation as of the Dated Date.

EDINBURG ECONOMIC
DEVELOPMENT CORPORATION

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(CORPORATION SEAL)

C. *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond 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)

*NOTE TO PRINTER: Do Not Print on Definitive Bonds

D. *Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

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; the Bond or Bonds of the above entitled and designated series originally delivered having been approved by the Attorney General

of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas, as
Paying Agent/Registrar

By: _____
Authorized Signature

*NOTE TO PRINTER: Print on Definitive Bonds.

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: _____

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.

Signature guaranteed:

[The remainder of this page intentionally left blank.]

F. Form of Initial Bond. The Initial Bond shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

(1) immediately under the name of the bond the headings “Interest Rate ____” and “Stated Maturity ____” type “As Shown Below;”

(2) the first two paragraphs shall read as follows:

Edinburg Economic Development Corporation (hereinafter referred to as the *Corporation*), a non-profit economic development corporation organized and existing under the laws of the State of Texas, including Section 4A of Texas Revised Civil Statutes Annotated Article 5190.6, as amended, now codified as Chapter 504, Texas Local Government Code, as amended and to the extent applicable, Chapter 501, Texas Local Government Code, as amended (the *Act*), with its principal office located in the City of Edinburg, Texas (the *City*), for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, solely from the revenues hereinafter identified, on the fifteenth day of August in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
(Information to be inserted from schedule in Section 2 hereof).		

(or so much thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Closing Date (anticipated to occur on September 14, 2021), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year (each, an *Interest Payment Date*), commencing February 15, 2022.

Principal of this Bond shall be payable to the registered owner hereof, upon presentation and surrender to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the *Paying Agent/Registrar*) at its offices in Dallas, Texas. Interest shall be payable to the registered owner of this Bond whose name appears on the *Security Register* maintained by the Paying Agent/Register at the close of business on the *Record Date*, which is the last business day of the month next preceding each interest payment date. All payments of principal of premium, if any, and interest on this Bond 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 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 on the Record Date or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of the registered owner.

G. Insurance Legend. If bond insurance is obtained by the Corporation or the Purchaser for the Bonds, the Definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer.

SECTION 9: Definitions. For all purposes of this Resolution (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 27 and 39 of this Resolution have the meanings assigned to them in Sections 27 and 39 of this Resolution, and all such terms, include the plural as well as the singular; (ii) all references in this Resolution to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Resolution as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Section or other subdivision.

A. The term *Act* shall mean the Development Corporation Act of 1979, as amended, Texas Revised Civil Statutes Annotated Article 5190.6, currently codified as Chapter 504, Texas Local Government Code, as amended, and to the extent applicable, Chapter 501, Texas Local Government Code, as amended.

B. The term *Additional Parity Obligations* shall mean (i) any 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 17 of this Resolution and a Supplemental Resolution, and which are equally and ratably secured, together with the Outstanding Previously Issued Parity Obligations, solely and initially by a subordinate and inferior lien on and pledge of the Pledged Revenues (while the Previously Issued Obligations remain outstanding), and (ii) any obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and secured by a subordinate and inferior lien on and pledge of the Pledged Revenues (while the Previously Issued Obligations remain outstanding) as determined by the Board in accordance with Applicable Law.

C. The term *Applicable Law* shall mean the Act and all other laws or statutes, rules or regulations of the State of Texas or the United States of America which govern the Corporation or its property.

D. The term *Authorized Officials* shall mean the Board President, Board Vice President, Board Secretary, Executive Director, or Director of Finance of the Corporation and the Mayor, City Manager, and Director of Finance for the City.

E. The term *Board* shall mean the Board of Directors of the Corporation.

F. The term *Bonds* shall mean the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds, Taxable New Series 2021B”, dated August 15, 2021, authorized by this Resolution.

G. The term *City* shall mean the City of Edinburg, Texas.

H. The term *Closing Date* shall mean the date of physical delivery of the Initial Bond in exchange for the payment of the agreed purchase price for the Bonds.

I. The term *Concurrently Issued Obligations* shall mean the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds, New Series 2021A”, dated August 15, 2021, in the original principal amount of \$_____, to be issued concurrently with the Bonds.

J. The term *Contract Revenue Obligations* shall mean, collectively (i) the (1) “City of Edinburg, Texas Local Government Finance Corporation Contract Revenue Bonds, Series 2015A”, dated March 1, 2015, in the original principal amount of \$37,250,000; and (2) the “City of Edinburg, Texas Local Government Finance Corporation Contract Revenue Bonds, Taxable Series 2015B”, dated March 1, 2015, in the original principal amount of \$3,475,000; and (ii) obligations hereafter issued to refund for debt service savings in each Fiscal Year any of the foregoing that are payable, in part, from a lien on and pledge of the Pledged Revenues that is junior and inferior to the lien on and pledge of the Pledged Revenues securing the payment of the currently outstanding Prior Lien Obligations, but prior and superior to the lien on and pledge of the Pledged Revenues securing the Parity Obligations or any Inferior Lien Obligations hereafter issued (subject to satisfying the conditions of Section 17 hereof) as determined by the Board in accordance with Applicable Law.

K. The term *Corporation* shall mean the Edinburg Economic Development Corporation, a non-profit economic development corporation organized and existing under and pursuant to the laws of the State of Texas, including the Act, with its principal place of business in Hidalgo County, Texas.

L. The term *Credit Agreement* shall mean a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase debt, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized, and approved by the Corporation as a Credit Agreement in connection with the authorization, issuance, security, or payment of any Parity Obligation.

M. The term *Credit Facility* shall mean (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations under and pursuant to Texas law, or (ii) a letter or line of credit issued by any financial institution authorized under applicable Texas law to deliver such types of financial instrument.

N. The term *Credit Provider* shall mean any bank, financial institution, insurance company, surety bond provider, or other institution which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement or a Credit Facility.

O. The term *Debt Service* shall mean 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 interest calculated by assuming (i) that the interest rate for every 12-month period on such obligations is equal to the rate of interest reported in the most recently published edition of The Bond Buyer (or its successor) at the time of calculation as the “Revenue Bond Index” or, if such Revenue Bond Index is no longer being maintained by The Bond Buyer (or its successor) at the time of calculation, such

interest rate shall be assumed to be 80% of the rate of interest then being paid on United States Treasury obligations of like maturity and (ii) that the principal of such obligations is amortized such that annual debt service is substantially level over the remaining stated life of 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.

P. The term *Depository* shall mean a commercial bank or other qualified financial institution eligible and qualified to serve as the custodian of the Corporation's monetary accounts and funds.

Q. The term *Fiscal Year* shall mean the twelve month financial accounting period used by the Corporation ending September 30 in each year, provided, however, the Corporation may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by Applicable Law.

R. The term *Government Securities* shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, 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 that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

S. The term *Gross Sales Tax Revenues* shall mean 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 20, 1990, 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 the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by Applicable Law.

T. The term *Inferior Lien Obligations* shall mean (i) any bonds, notes, or other debt hereafter issued by the Corporation that are payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues that is subordinate and inferior to the pledge thereof securing payment of the Previously Issued Parity Obligations, the Bonds, and any Additional Parity Obligations hereafter issued by the Corporation, all as further provided in Section 19 of the Resolution, and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a subordinate and inferior lien on and pledge of the Pledged Revenues as determined by the Board in accordance with Applicable Law.

U. The term *La Sienna Agreement* shall mean that agreement, as amended, effective as of June 2, 2015, by and among the City, the Corporation, and the La Sienna Developer, by which the Corporation has agreed to provide certain payments to the La Sienna Developer, such payments to be derived solely from one hundred percent (100%) of the TIRZ Three Revenues, but subject to the first and prior lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations.

V. The term *La Sienna Developer* shall mean Burns Brothers, Ltd., and its successors or assigns, as party under the La Sienna Agreement, which is entitled to payments from the Corporation to reimburse certain costs of construction within TIRZ Three pursuant to the La Sienna Agreement, such payments to be paid from TIRZ Three Revenues, but subject to the lien on and pledge thereof securing the payment of the currently outstanding Prior Lien Obligations.

W. The term *Outstanding* when used in this Resolution with respect to the Parity Obligations means, as of the date of determination, all Parity Obligations theretofore sold, issued and delivered by the Corporation, except:

(1) those 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 Parity Obligations paid or deemed to be paid in accordance with the provisions of Section 23 hereof or similar provisions of any Supplemental Resolution authorizing the issuance of any Additional Parity Obligations; and

(3) those Parity Obligations that have been mutilated, destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof.

X. The term *Parity Obligations* shall mean collectively, the Previously Issued Parity Obligations, the Bonds, the Concurrently Issued Obligations, and any Additional Parity Obligations hereafter issued.

Y. The term *Pledged Revenues* shall mean collectively (i) Gross Sales Tax Revenues from time to time deposited or owing to the Pledged Revenue Fund, less any TIRZ Three Revenues (except with respect to the currently outstanding Prior Lien Obligations); 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 any Parity Obligations hereafter issued by the Corporation; provided, however, that at such time as the La Sienna Agreement is terminated, the contract terms are amended, or the requisite consents are obtained, the term “Pledged Revenues” shall include TIRZ Three Revenues.

Z. The term *Previously Issued Obligations* shall mean, collectively the (i) Prior Lien Obligations and (ii) the Contract Revenue Obligations.

AA. The term *Previously Issued Parity Obligations* shall mean (i) the currently Outstanding bonds of the Corporation equally and ratably secured solely and initially by a subordinate and inferior lien on and pledge of the Pledged Revenues (while the Previously Issued Obligations remain outstanding) and designated as follows:

(1) “Edinburg Economic Development Corporation Sales Tax Revenue Bonds, New Series 2019”, dated April 15, 2019, in the original principal amount of \$10,840,000;

and (ii) upon issuance, the Bonds.

BB. The term *Prior Lien Obligations* shall mean, collectively, (i) the (1) “Edinburg Economic Development Corporation Sales Tax Revenue Bonds (Ebony Hills Golf Course Project), Series 2013A”, dated December 15, 2013, in the original principal amount of \$2,300,000; (2) the “Edinburg Economic Development Corporation Sales Tax Revenue Bonds (Emergency Shelter/Recreational Facility Project), Series 2013B”, dated December 15, 2013, in the original principal amount of \$4,575,000; and (3) the “Edinburg Economic Development Corporation Sales Tax Revenue Refunding Bonds, Taxable Series 2021, dated August 15, 2021, in the original principal amount of \$_____, to be issued concurrently with the Bonds; and (ii) obligations hereafter issued to refund for Debt Service savings in each Fiscal Year any of the foregoing that are payable from and secured by a first and prior lien on and pledge of the Gross Sales Tax Revenues (subject to satisfying the conditions of Section 17 hereof) as determined by the Board in accordance with Applicable Law.

CC. The term *Purchaser* shall mean the initial purchaser of the Bonds named in Section 35 of this Resolution.

DD. The term *Required Reserve* shall mean, from time to time and calculated in the manner described in Section 13 hereof, an amount equal to the lesser of (i) 10% of the principal amount of all Parity Obligations then-Outstanding; (ii) the maximum annual Debt Service for all Parity Obligations then-Outstanding; and (iii) 125% of the average annual Debt Service requirements of all Parity Obligations then-Outstanding; provided, however, that the Required Reserve shall mean, if less than the lesser of clauses (i), (ii), and (iii) above, the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

EE. The term *Sales Tax* shall mean the local sales and use tax authorized under the Act, approved at an election held on January 20, 1990, and the effective date for the imposition and application of such Sales Tax within the corporate limits of the City as they now or hereafter exist, together with any increases in the rate of such Sales Tax authorized and provided by Applicable Law.

FF. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on August 15 of each year the Bonds are Outstanding, as set forth in Section 2 of this Resolution.

GG. The term *Supplemental Resolution* shall mean any resolution of the Board supplementing this Resolution for the purpose of authorizing and providing the terms and provisions of the Bonds, any Additional Parity Obligations, or any Inferior Lien Obligations, or supplementing or amending this Resolution for any other authorized purpose permitted in Section 17, 18 or 19 hereof, including resolutions authorizing the issuance of Bonds, any Additional Parity Obligations, or any Inferior Lien Obligations or pledging and encumbering income, revenues,

receipts or property other than the Gross Sales Tax Revenues to the payment and security of the Bonds, any Additional Parity Obligations, or Inferior Lien Obligations.

HH. The term *TIRZ Three* shall mean that reinvestment zone known as “Reinvestment Zone Number Three, City of Edinburg, Texas” created by the City pursuant to Ordinance No. 083323 adopted on November 18, 2008, as amended. The payments by the Corporation to the La Sienna Developer pursuant to the La Sienna Agreement shall be subject to the prior lien on and pledge of the Gross Sales Tax Revenues securing the currently outstanding Prior Lien Obligations.

II. The term *TIRZ Three Revenues* shall mean the Gross Sales Tax Revenues generated and received by the Corporation from within TIRZ Three, which are pledged to the payment of the currently outstanding Prior Lien Obligations and which have been dedicated to reimburse certain costs of construction within TIRZ Three to the La Sienna Developer pursuant to the La Sienna Agreement, subject to the first and prior lien on and pledge thereof securing the Prior Lien Obligations.

SECTION 10: Pledge.

A. 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 Previously Issued Obligations are hereby irrevocably pledged to the payment and security of the Parity Obligations, including the establishment and maintenance of the special funds created and established in this Resolution and any Supplemental Resolution, all as hereinafter provided. The Corporation hereby resolves that the Parity Obligations (including the Bonds) shall constitute a lien on and pledge of the Pledged Revenues initially subordinate and inferior to the lien on and pledge of the Pledged Revenues securing the currently outstanding Previously Issued Obligations, in accordance with the terms and provisions of this Resolution and any Supplemental Resolution, which subordinate and inferior lien shall be valid and binding without any further action by the Corporation and without any filing or recording with respect thereto except in the records of the Corporation; provided, however, that when the Previously Issued Obligations are no longer outstanding, the Parity Obligations (including the Bonds) shall be payable from and equally and ratably secured by a first and prior lien on and pledge of the Pledged Revenues.

For the avoidance of doubt, TIRZ Three Revenues shall not constitute Pledged Revenues for purposes of securing the Parity Obligations (including the Bonds) for so long as the La Sienna Agreement remains effective and, until such time as the La Sienna Agreement is terminated, the contract terms are amended, or the requisite consents are obtained, Bondholders shall have no claim to any TIRZ Three Revenues for the payment of the Bonds. TIRZ Three Revenues are pledged to the payment and security of the currently outstanding Prior Lien Obligations, but are not pledged to the payment and security of the currently outstanding Contract Revenue Obligations. The obligation of the Corporation to pay the La Sienna Developer pursuant to the La Sienna Agreement from TIRZ Three Revenues is subordinate and inferior to the prior lien on and pledge of the TIRZ Three Revenues securing the currently outstanding Prior Lien Obligations. The Corporation hereby covenants that, at such time as the La Sienna Agreement is terminated, the contract terms are amended, or the requisite consents are obtained, TIRZ Three Revenues shall constitute Pledged Revenues irrevocably pledged to the payment and security of the Parity

Obligations (including the Bonds), but subject to the lien on and pledge thereof securing the Prior Lien Obligations.

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

SECTION 11: Pledged Revenue Fund. The Corporation hereby agrees and covenants 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 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 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, in substantially equal monthly installments, required to be deposited on or before the 25th day of each month before payment is due in the following month, as will be sufficient, together with other amounts, if any, in the bond fund and available for such purpose, for the payment of Debt Service on the Prior Lien Obligations as the same becomes due and payable.

Second: To the payment of the amounts, in substantially equal monthly installments, required to be deposited on or before the 25th day of each month before payment is due in the following month, as will be sufficient, together with other amounts, if any, in the respective accounts of the reserve fund to establish and maintain the required reserve in accordance with the provisions of the resolutions authorizing the Prior Lien Obligations.

Third: To the payment of the amounts required to be deposited (being an amount equal to 100% of the Gross Sales Tax Revenues collected and received by the Corporation from within TIRZ Three), on or before March 31 and September 30, as will be sufficient to satisfy the Corporation's payment obligations, if any, in accordance with the La Sienna Agreement.

Fourth: To the payment of the amounts required to be deposited, on or before the last business day of November in each year the Contract Revenue Obligations are outstanding, as will be sufficient to satisfy the Corporation's payment obligations

(to include payment of debt service, replenishment of the reserve fund therefor if necessary, and payment of annual fees and expenses) in accordance with the orders and agreements related to the Contract Revenue Obligations.

Fifth: To the payment of the amounts required to be deposited into the Bond Fund for the payment of Debt Service on the Parity Obligations as the same becomes due and payable.

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

Seventh: To the payment of the amounts required to be deposited in any other fund or account required by any Supplemental Resolution authorizing the issuance of any Additional Parity Obligations.

Eighth: 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 and pledge of the Pledged Revenues subordinate and inferior to the lien created herein on behalf of the Parity Obligations, including any Inferior Lien Obligations.

Ninth: To the payment of any other outstanding debt or obligation of the Corporation.

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 Applicable Law, including capital improvements.

SECTION 12: Bond Fund - Surplus Bond Proceeds. For the purpose of providing funds to pay the principal of and interest on the Parity Obligations, the Corporation agrees and covenants to maintain a separate and special account or fund on the books and records of the Corporation known as "Edinburg Economic Development Corporation New Series Debt Service Account" (the *Bond Fund*), and all money deposited to the credit of such Fund shall be held in a special banking fund or account maintained at a Depository of the Corporation. The Corporation covenants that there shall be deposited into the Bond Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred percent (100%) of the interest on and principal of the Parity Obligations then falling due and payable, and such deposits to pay principal and accrued interest on the Parity Obligations shall be made in substantially equal monthly installments on or before (i) the 25th day of the month commencing on or before the 25th day of the month following delivery of the Bonds or (ii) the first business day next following the date Gross Sales Tax Revenues are first received from the State Comptroller of Public Accounts, whichever date is the later.

The required deposits to the Bond Fund for the payment of principal of and interest on the Parity Obligations 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 the Parity Obligations (principal and interest) then Outstanding or (ii) the Parity Obligations are no longer Outstanding.

Accrued interest and capitalized interest, if any, received from the issuance of the Bonds and any Additional Parity Obligations shall be taken into consideration and shall reduce the amount of the monthly deposits hereinabove required to be deposited into the Bond Fund from the Pledged Revenues. Additionally, any proceeds of the Bonds not required to construct the Project shall be deposited into the Bond Fund and shall be taken into consideration and shall reduce the amount of monthly deposits required to be deposited into the Bond Fund from the Pledged Revenues. Lastly, any investment income transferred to the Bond Fund from the Reserve Fund or the Construction Fund shall reduce the amount of monthly deposits required to be deposited into the Bond Fund from the Pledged Revenues.

SECTION 13: Reserve Fund.

A. Reserve Fund Covenants. 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 “Edinburg Economic Development Corporation New Series Reserve Fund” (the *Reserve Fund*), which fund or account shall be a special banking fund maintained at a Depository, and shall maintain in such fund (except as otherwise herein provided) the Required Reserve. All amounts, including Pledged Revenues, deposited to the credit of such fund or account shall be used solely for the payment of the principal of and interest on the Parity Obligations when (whether at maturity, upon defeasance, upon an optional or extraordinary redemption date, or on any interest payment date) other funds available for such purposes are insufficient, 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 Obligations so that such series of Parity Obligations is no longer deemed to be Outstanding as such term is defined herein.

The Required Reserve shall be calculated, on a Fiscal Year basis, at the time of issuance of a series of Additional Parity Obligations (taking into account the Debt Service on such anticipated series of Additional Parity Obligations) and annually, not later than the 30th day after the conclusion of each Fiscal Year.

The Corporation currently has \$_____ on deposit in the Reserve Fund. As a result of the issuance of the Bonds and the Concurrently Issued Obligations, the Required Reserve equals \$_____, which shall be accumulated by the deposit of the necessary amount of proceeds of the Bonds or other lawfully available funds of the Corporation in the Reserve Fund on the Closing Date. Any additional amount required to be accumulated to maintain the Required Reserve in the Reserve Fund resultant from the issuance of Additional Parity Obligations shall be funded by depositing to the credit of the Reserve Fund the necessary amount of proceeds of such Additional Parity Obligations or other lawfully available funds of the Corporation in the amount of such necessary additional amount, deposited immediately after the initial delivery of the proposed Additional Parity Obligations.

B. Additional Reserve Funds. The Corporation reserves the right to authorize in any Supplemental Resolution the creation of one or more separate debt service reserve funds for the purpose of securing any series or any specific group of series of Additional Parity Obligations

hereafter issued (each, an *Additional Reserve Fund*). Each Additional Reserve Fund shall be subject to the same terms, covenants, and restrictions as the Reserve Fund described in this Section 13; provided, however, that in any Additional Reserve Fund there shall be maintained an amount (the *Additional Reserve Fund Requirement*) equal to (A) the lesser of (i) 10% of the principal amount of the particular series or group of series of Parity Obligations then-Outstanding and secured by such Additional Reserve Fund; (ii) the maximum annual Debt Service for the particular series or group of series of Parity Obligations then-Outstanding and secured by such Additional Reserve Fund; and (iii) 125% of the average annual Debt Service requirements of the particular series or group of series of Parity Obligations then-Outstanding and secured by such Additional Reserve Fund; or (B) if less than the lesser of clauses (i), (ii), and (iii) above, the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder. Any Additional Reserve Fund Requirement shall be calculated, on a Fiscal Year basis, at the time of issuance of a series of Additional Parity Obligations (taking into account the Debt Service on such anticipated series of Additional Parity Obligations) and annually, not later than the 30th day after the conclusion of each Fiscal Year. Upon establishing an Additional Reserve Fund, the amount required to be maintained in the Reserve Fund shall thereafter be calculated in the same manner as an Additional Reserve Fund Requirement.

Each Additional Reserve Fund shall be designated in a manner sufficient to identify the series or group of series of Parity Obligations it secures and to distinguish itself from the Reserve Fund or any other Additional Reserve Fund then existing for the benefit of any other Parity Obligations. Upon establishing an Additional Reserve Fund, all amounts, including Pledged Revenues, deposited to the credit of the Reserve Fund or any Additional Reserve Fund shall be used solely for the payment, on a pro rata basis, of the principal of and interest on the particular series or group of series of Parity Obligations for which each such Reserve Fund or Additional Reserve Fund was established when (whether at maturity, upon defeasance, upon an optional or extraordinary redemption date, or on any interest payment date) other funds available for such purposes are insufficient. All amounts, including Pledged Revenues, deposited to the credit of the Reserve Fund or any Additional Reserve Fund may additionally be used, to the extent not required to maintain the Required Reserve amount or Additional Reserve Fund Requirement amount, as applicable, to pay or provide for the payment, on a pro rata basis, of the final principal amount of the particular series or group of series of Parity Obligations for which the Additional Reserve Fund was established, so that such series or group of series of Parity Obligations is no longer deemed to be Outstanding as such term is defined herein.

C. Reserve Fund Deficiencies. While the value of the cash, investments, and coverage amounts of insurance policies (if and to the extent applicable) in the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the value of the Reserve Fund at any time is less than the Required Reserve, the Corporation covenants and agrees to cure the deficiency in the Required Reserve by the deposit of monthly installments into the Reserve Fund, made on or before the 25th day of each month following the month of the Reserve Fund withdrawal, of not less than 1/60th of the additional amount required to cure the deficiency in the Required Reserve (or not less than 1/60th of the balance of the additional amount not deposited immediately in cash) until the total Required Reserve then required to be maintained in the Reserve Fund has been fully restored. 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.

D. Reserve Fund Covenants While Parity Obligations are Secured by First and Prior Lien on Pledged Revenues. Notwithstanding anything to the contrary in this Section 13, at such time as (i) no Previously Issued Obligations remain outstanding, and (ii) the Pledged Revenues of the Corporation for each Fiscal Year are not less than 115% but not greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations, any additional amount required to be accumulated and maintained in the Reserve Fund resultant from the issuance of any Additional Parity Obligations or otherwise shall be funded, at the Corporation's option and in whole or in part (or in combination of such options) by depositing to the credit of the Reserve Fund (A) cash or proceeds of the Additional Parity Obligations (i) in the amount of such necessary additional amount, deposited immediately after the delivery of the then proposed Additional Parity Obligations, or (ii) by the deposit of monthly installments, made on or before the 25th day of each month following the month of initial delivery of the then proposed Additional Parity Obligations or Reserve Fund withdrawal, of not less than 1/60th of the additional amount to be maintained in said Reserve Fund by reason of the issuance of the Additional Parity Obligations then being issued (or not less than 1/60th of the balance of the additional amount not deposited immediately in cash); or (B) by delivery of an insurance policy, including a Credit Facility or Credit Agreement, with at least one rating of not less than "A" or its equivalent by a nationally recognized rating agency, providing coverage in the amount of such necessary deposit. For so long as no Previously Issued Obligations remain outstanding and the Pledged Revenues of the Corporation for each Fiscal Year are not less than 115% but not greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations, the Corporation expressly reserves the right at any time to fund the Reserve Fund up to the amount of the Required Reserve by purchasing an insurance policy, including a Credit Facility or a Credit Agreement that will unconditionally obligate the insurance company or other entity to pay all, or any part, of the Required Reserve in the event funds on deposit in the Bond Fund are not sufficient to pay the Debt Service requirements on the Parity Obligations. All resolutions adopted after the date hereof authorizing the issuance of any Additional Parity Obligations shall contain a provision to this effect.

Notwithstanding anything to the contrary contained in this Section 13, the requirements set forth above to fund the Reserve Fund in the amount of the Required Reserve shall be suspended for such time as (i) no Previously Issued Obligations remain outstanding, and (ii) the Pledged Revenues for the immediately preceding two consecutive Fiscal Years are greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations. Funds held in the Reserve Fund at such time as clause (i) and (ii) have been satisfied may be transferred in accordance with subparagraph E hereof or may be used, at the option of the Corporation, to redeem Bonds on a pro rata basis, in accordance with Section 4C hereof.

In the event that the Pledged Revenues for any Fiscal Year is less than or equal to 200% of the maximum annual Debt Service requirements on all Parity Obligations then Outstanding, the Corporation will be required to commence making the deposits to the Reserve Fund as of the next Fiscal Year, as provided above, and to continue making such deposits until the earlier of (i) such time as the Reserve Fund has contained the Required Reserve amount for a Fiscal Year, or (ii) the Pledged Revenues for the immediately preceding two Fiscal Years has been greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations Outstanding.

E. Excess Reserve Fund Amounts. At such time as the Required Reserve amount for the Reserve Fund described in this Section 13 is recalculated or re-determined as discussed above such that the Reserve Fund contains an amount in excess (including any investment income thereon) of the Required Reserve (including upon the Corporation's acquisition of a Credit Agreement or Credit Facility issued to satisfy all or part of the Corporation's obligation to maintain on deposit in the Reserve Fund the Required Reserve, or upon maintaining for the immediately preceding two Fiscal Years an amount of Pledged Revenues greater than 200% of the maximum annual Debt Service requirements on all Parity Obligations then Outstanding), the Corporation may transfer such excess amount, on a pro rata basis, to the Bond Fund or other account established for the payment of each series of Parity Obligations secured thereby (including any escrow established for the final payment of any such obligations pursuant to any Applicable Law); provided, however, to the extent that such excess amount represents bond proceeds, then such amount must be transferred to the Bond Fund or as otherwise permitted in accordance with then Applicable Law. If any excess funds remain in the Reserve Fund after firm banking and financial arrangements have been made for the payment of all then Outstanding Parity Obligations, such excess amount may be used by the Corporation for any lawful purpose now or hereafter provided by Applicable Law.

SECTION 14: Pledged Revenue Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into (i) the funds and accounts required to be established, funded and maintained in accordance with the resolutions authorizing the issuance of the currently outstanding Previously Issued Obligations, and (ii) 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 lawfully available for such purpose, and such payments shall be in addition to the amounts required to be paid into these funds or accounts during such month or months.

SECTION 15: Payment of Bonds. While any of the Bonds are Outstanding, the Authorized Officials 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 16: 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 time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by state law including, but not limited to, the Public Funds Investment Act, Chapter 2256, as amended, Texas Government Code, or any successor provision of law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investments with any national bank) that the money required to be expended from any fund will be available at the proper time or times. All such investments shall be valued in terms of current market value no less frequently than the last business day of the Corporation's Fiscal

Year. Any obligation in which money is so invested shall be kept and held at a Depository. For purposes of maximizing investment returns, money in such funds may be invested, together with money in other funds or with other money of the Corporation, in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at a Depository, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such fund are held by or on behalf of each such Fund. All interest and income derived from deposits and investments in any Fund established pursuant to the provisions of this Resolution shall be credited to, and any losses debited to, such Fund. If necessary, such investments shall be promptly sold to prevent any default.

SECTION 17: Issuance of Additional Parity Obligations. The Corporation reserves the right hereafter to issue Additional Parity Obligations which, when issued in compliance with the terms and conditions hereinafter prescribed, shall be payable from and equally and ratably secured, together with the Outstanding Previously Issued Parity Obligations, initially by a subordinate and inferior lien on and pledge of the Pledged Revenues while the Previously Issued Obligations are outstanding, provided, however, when the Previously Issued Obligations are no longer outstanding, the Additional Parity Obligations shall be payable from and equally and ratably secured solely by a first and prior lien on and pledge of the Pledged Revenues in the same manner and to the same extent as the Bonds. The Additional Parity Obligations may be issued in such form and manner as the Corporation shall determine; provided, however, that none shall be issued unless and until the following conditions have been met:

A. Except for a refunding to cure a default or the deposit of all or a portion of the proceeds of any Additional Parity Obligations to satisfy the Corporation's obligations under this Resolution, the Director of Finance or Executive Director of the Corporation (or other officer 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, a Supplemental Resolution, or any covenant, obligation or agreement contained in the documents authorizing the issuance of the Previously Issued Obligations. The Corporation has secured from the Corporation's Director of Finance or Executive Director a certificate or opinion to the effect that, according to the books and records of the Corporation, the total Gross Sales Tax Revenues received by the Corporation and specifically pledged to the payment and security of the Prior Lien Obligations (including TIRZ Three Revenues), the Contract Revenue Obligations (excluding TIRZ Three Revenues), and the Parity Obligations (being the Pledged Revenues), as applicable, for either (i) the last completed Fiscal Year next preceding the adoption of the Supplemental Resolution authorizing the issuance of the proposed Additional Parity 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 Parity Obligations were equal to not less than 115% of the combined maximum annual principal and interest requirements for all Previously Issued Obligations and Parity Obligations then outstanding, and after giving effect to the issuance of the Additional Parity Obligations then being issued; provided that, in the event of an increase in the rate of the Sales Tax that becomes effective prior to the date of the resolution authorizing the issuance of the Additional Parity Obligations, such certificate or report

shall calculate the Gross Sales Tax Revenues for the calculation period as if such increased rate were in effect during such period.

B. The Required Reserve is increased to the extent required by Section 13, and due provision is made for such increase to be accumulated and maintained in the Reserve Fund or an Additional Reserve Fund, to the extent and in the manner required by Section 13.

C. Each of the funds created for the payment, security, and benefit of the Parity Obligations contains the amount of money then required to be on deposit therein.

D. Any Additional Parity Obligations are made to mature on February 15 or August 15 of each year in which they are scheduled to mature.

All such Additional Parity Obligations provided for in this Section, when issued in accordance with the above provisions, shall be payable from and equally and ratably secured by a (i) subordinate and inferior lien on and pledge of the Pledged Revenues for so long as the Previously Issued Obligations are outstanding, and (ii) by a first and prior lien on and pledge of the Pledged Revenues when the Previously Issued Obligations are no longer outstanding, and the provisions of this Resolution relating to the use of Pledged Revenues shall be applicable to such Additional Parity Obligations as though the same were a part of such original authorization.

The right to issue such other and further Additional Parity Obligations shall exist as often as the need therefor shall arise and so long as such Additional Parity Obligations are issued in compliance with law and the terms and conditions contained in this Order.

THE CORPORATION HEREBY COVENANTS AND AGREES WITH THE HOLDERS OF THE PARITY OBLIGATIONS THAT IT WILL NOT PROSPECTIVELY AUTHORIZE THE ISSUANCE OF ANY OBLIGATIONS SECURED BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES THAT IS PRIOR AND SUPERIOR TO THE LIEN ON AND PLEDGE OF THE PLEDGED REVENUES SECURING THE PAYMENT OF THE PARITY OBLIGATIONS (EXCEPT REFUNDING BONDS FOR DEBT SERVICE SAVINGS IN EACH FISCAL YEAR WITH RESPECT TO THE CURRENTLY OUTSTANDING PREVIOUSLY ISSUED OBLIGATIONS). IT IS EXPRESSLY RECOGNIZED THAT WHEN THE CURRENTLY OUTSTANDING PREVIOUSLY ISSUED OBLIGATIONS (AND ANY REFUNDING BONDS HEREAFTER ISSUED ON PARITY THEREWITH FOR DEBT SERVICE SAVINGS IN EACH FISCAL YEAR) ARE NO LONGER OUTSTANDING THAT THE LIEN ON AND PLEDGE OF THE PLEDGED REVENUES SECURING THE REPAYMENT OF THE PARITY OBLIGATIONS SHALL BE A FIRST AND PRIOR LIEN ON SUCH PLEDGED REVENUES BY OPERATION OF LAW.

SECTION 18: Refunding Bonds. The Corporation reserves the right to issue refunding bonds to refund all or any part of the Outstanding Parity Obligations, pursuant to any Applicable Law then available, upon such terms and conditions as the Board of Directors may deem to be in the best interest of the Corporation, and if less than all such Outstanding Parity Obligations are refunded, the conditions precedent prescribed for the issuance of any Additional Parity Obligations set forth in Section 17 of this Resolution shall be satisfied and the Director of Finance or Executive

Director's certificate or opinion required in subparagraph B shall give effect to the Debt Service requirements of the proposed refunding bonds (but shall not give effect to the Debt Service requirements of the bonds being refunded following their cancellation or provision being made for their payment); provided, however, that compliance with the test set forth in subparagraph B of Section 17 shall not be required if the issuance of such Additional Parity Obligation results in the reduction of the gross annual principal and interest requirements for the Parity Obligations then outstanding, after giving effect to the issuance of the Additional Parity Obligations, for every Fiscal Year such Additional Parity Obligations are Outstanding.

The Corporation further reserves the right to issue Additional Parity Obligations to refund all or any part of the then outstanding Previously Issued Obligations, pursuant to any Applicable Law then available, upon such terms and conditions as the Board of Directors may deem to be in the best interest of the Corporation, but subject to the conditions precedent prescribed for the issuance of any Additional Parity Obligations set forth in Section 17 of this Resolution; provided, however, that compliance with the test set forth in subparagraph B of Section 17 shall not be required if the issuance of such Additional Parity Obligation results in the reduction of the combined gross annual principal and interest requirements for all Previously Issued Obligations and Parity Obligations then outstanding, after giving effect to the issuance of the Additional Parity Obligations, for every Fiscal Year such Additional Parity Obligations are Outstanding.

SECTION 19: Right to Create Subordinate and Inferior Debt. Except as may be limited by a Supplemental Resolution, the Corporation shall have the right to issue or create any debt, including Inferior Lien Obligations, 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 17 or 18 hereof, provided the pledge and the lien securing such debt is subordinate and inferior to the pledge and lien established, made and created in Section 10 of this Resolution with respect to the Pledged Revenues to the payment and security of the Parity Obligations.

SECTION 20: Confirmation and Levy of Sales Tax.

A. The Board hereby represents that 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 20, 1990, and such Sales Tax is being imposed within the corporate limits of the City and the receipts of such Sales Tax are being 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 Applicable 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 to pay all Gross Sales Tax Revenues directly to the Corporation for deposit to the Pledged Revenue Fund.

SECTION 21: 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:

A. A statement in reasonable detail regarding the receipt and disbursement of the Pledged Revenues for such Fiscal Year; and

B. A balance sheet for the Corporation as of the end of such Fiscal Year.

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

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 22: Representations as to Security for the Bonds.

A. The Corporation represents and warrants that, except for the currently outstanding Previously Issued Obligations, the Corporation's obligation under the La Sienna Agreement, the Bonds, and any Additional Parity Obligations hereafter issued by the Corporation in accordance with the provisions hereunder, 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 principles of governmental immunity and bankruptcy or insolvency laws or to any laws affecting creditors rights generally.

C. The Corporation shall at all times, to the extent permitted by Applicable 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 Applicable Law.

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 solely by (i) a subordinate and inferior lien on and pledge of the Pledged Revenues of the Corporation while the Previously Issued Obligations are outstanding, and (ii) when the Previously Issued Obligations are no longer outstanding, the contract terms are amended, or the requisite consents are obtained, a first and prior lien on and pledge of the Pledged Revenues of the Corporation, and in no instance 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 of Texas or of the City. The Holders of the Bonds shall never have the right to demand payment out of any funds raised or to be raised by any system of ad valorem taxation. This Resolution or any subsequent agreement entered into by the Corporation shall not in any manner provide a grant, conveyance, transfer, mortgage, encumbrance, pledge, or assignment of property owned by the City.

SECTION 23: 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.

The Bonds, or any principal amount(s) thereof, 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 or the principal amount(s) thereof at Stated Maturity or 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, and/or (ii) Government

Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will 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 money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, at the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangement therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the Corporation shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent accounting firm, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. As and to the extent applicable, if at all, the Corporation covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 27 hereof).

Any money 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 money was 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.

Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem defeased Bonds that is made in conjunction with the payment arrangements specified in (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Corporation expressly reserves the right to call the defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

SECTION 24: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Corporation, and shall not be amended or repealed by the Corporation while any Bond remains Outstanding except as permitted in this Section. The Corporation, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Corporation may, with the written consent from the owners holding a

majority in aggregate principal amount of the Parity 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 Parity Obligation over any other Parity Obligation, or (3) reduce the aggregate principal amount of Bonds or Additional Parity Obligations, as the case may be, required to be held for consent to any such amendment, addition, or rescission.

SECTION 25: 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.

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

SECTION 26: Events of Default and Remedies.

A. Events of Default. Under this Resolution, each of the following occurrences or events is an “Event of Default”:

- (1) The failure to make payment of the principal of, or interest on, any of the Bonds or Additional Parity Obligations, when the same is due and payable;
- (2) The failure to make a deposit in the Bond Fund or Reserve Fund, in the amounts and at the times required by Sections 12 and 13, respectively, and the continuation of such failure for a period of 30 days;
- (3) Default in the performance or observance of any covenant, agreement or obligation of the Corporation under this Resolution (other than those in clauses (1) and (2))

of this Section (A), and the continuation thereof for a period of sixty (60) days after written notice specifying such default has been provided to the Corporation by the Holders (51%) and requesting that the default be remedied; provided that such sixty (60) day period shall not include any period of time during which the Corporation or the Board is prevented by reason of Force Majeure (as defined below) at the time from performing or observing the covenant, condition or agreement with respect to which any default exists but during which the Corporation is diligently attempting to cure such default;

(4) An order of relief shall be issued by the Bankruptcy Court of the United States District Court having jurisdiction, granting the Corporation any relief under any Applicable Law relating to the bankruptcy of governmental units of the State of Texas, or any other court having valid jurisdiction shall issue an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, sequestrator, or other similar official for the Corporation or any substantial part of its property, affairs or assets, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(5) The Corporation shall have consented to the institution of proceedings in bankruptcy against it, or shall have consented to the institution of any insolvency proceeding against it under any federal or state insolvency laws, or shall have consented to the filing of any petition, application or complaint seeking the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Corporation or of any substantial part of its property, affairs or assets.

For purposes of this Resolution, “Force Majeure” means any act of God or the public enemy; strike, lockout, work slowdown or stoppage or other labor dispute; insurrection, riot or other civil disturbance; order of the government of the United States or of any state thereof or order of any other civil or military authority; failure of a public utility; or other condition or event beyond the reasonable control of the Corporation or the Board, other than a financial condition, business condition or condition or event constituting frustration of purpose.

B. Remedies for Event of Default.

(1) Upon the occurrence and continuance of any Event of Default, the Paying Agent/Registrar may (a) proceed against the Corporation for the purpose of protecting and enforcing the rights of all of the Holders under this Resolution, by action seeking mandamus or by other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Law, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction, or, in the appropriate case, for the appointment of a receiver (with the powers established in 501.157 of Chapter 501 of the Act) or administrator of the affairs, properties and assets of the Corporation seeking the better management of the affairs of the Corporation in order to increase the likelihood that such default will be cured and that all Bonds will be thereafter paid in a timely manner and in full, and (b) exercise any other rights and remedies available under Applicable Law (including, without limitation, any available to a secured party under the uniform commercial code).

(2) From and after the 30th day after any Event of Default under this Resolution (for which a remedy is required or is sought under subsection (1)) has been cured, the Corporation will be restored to its former position under this Resolution prior to such default. Any proceedings theretofore commenced for relief are to be abandoned and dismissed by the Paying Agent/Registrar within 30 days after such default has been cured.

(3) The right to accelerate the maturity of any Bond is not granted in this Resolution.

C. Restriction on Holder's Action.

(1) Except as provided in subsections (2) and (3) of this Section 26.C, all remedies available upon an Event of Default shall be exercised solely by the Paying Agent/Registrar, on behalf of the Holders of all Outstanding Parity Obligations, and no Holder of any Outstanding Parity Obligations has any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Resolution, the execution of any lien or security interest provided by this Resolution or for any other remedy under this Resolution, unless:

(a) such Holder shall have previously given to the Paying Agent/Registrar written notice of the happening of an Event of Default;

(b) the Holders of at least 25% in principal amount of the Parity Obligations then Outstanding shall have (A) filed a written request with the Paying Agent/Registrar, and shall have offered the Paying Agent/Registrar reasonable opportunity to exercise the powers available under this Resolution or Applicable Law or to institute such action, suit or proceeding in the Paying Agent/Registrar's own name, and (B) offered to the Paying Agent/Registrar security and indemnity satisfactory to the Paying Agent/Registrar against the costs, expenses and liabilities to be incurred in connection with such suit, action or proceeding; and

(c) the Paying Agent/Registrar shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity;

provided that, no Holder of Parity Obligations shall have any right in any manner whatever by his action to affect, disturb or prejudice the pledge and security interests created by this Resolution, except in the manner herein provided and, further provided that, all proceedings at law or in equity to enforce any provisions of this Resolution shall be instituted or maintained in the manner provided in this Resolution and for the equal benefit of all Holders of the Outstanding Bonds.

(2) Any Holder of Parity Obligations has the right individually and in his own name to (a) enforce a Paying Agent/Registrar's obligation to make payment of Parity Obligations when due from funds available therefor, and (b) perfect such Holder's claim on the Pledged Revenues for matured and unpaid amounts by direct action on their Parity Obligation.

(3) During any period in which all Parity Obligations Outstanding under this Resolution shall be owned by a single Holder, such Holder may proceed to enforce all rights and remedies available hereunder without regard to the restrictions set forth in this Section 26.C.

D. Application of Pledged Revenues and Other Money After Default.

(1) During the continuance of an Event of Default, all money, securities, funds and the Pledged Revenues and the income therefrom which are received by the Paying Agent/Registrar under this Resolution shall be applied by the Paying Agent/Registrar as follows and in the following order:

(a) to the payment of amounts then due to the Paying Agent/Registrar;

(b) to the payment ratably of all unpaid installments of interest then due on the Parity Obligations, without discrimination or preference among the Holders entitled to such payment;

(c) to the payment of all principal and premium, if any, then due on the Parity Obligations, together with interest on such overdue principal from the respective dates upon which such principal became due, and if the amount available is not sufficient to pay in full such amounts on any particular date, then to the payment ratably according to the amount of principal due on such date, without discrimination or preference among the Holders entitled to such payment;

(d) to the extent that the principal of all of the Parity Obligations shall not have become due and payable, to make the deposits in the Bond Fund and Reserve Fund, in the amounts and in the order of priority required by Section 11 hereof, and if the amount available is not sufficient to make all such deposits in full, then such deposits shall be made ratably among such funds or accounts, subject to the priority given to the Bond Fund over the Reserve Fund and to each of such funds over any other funds or accounts.

(2) Within ten (10) days of receipt of such good and available funds, the Paying Agent/Registrar may fix a record and payment date for any payment to be made to Holders pursuant to this Section.

(3) The restoration of the Corporation to its prior position after any and all Events of Default have been cured, does not extend to or affect any subsequent default under this Resolution or impair any right consequent thereon.

E. Notice of Event of Default. The Corporation is required to promptly give to the Paying Agent/Registrar, notice of each Event of Default under this Resolution, unless such Event of Default shall have been remedied or cured before the giving of such notice.

SECTION 27: Taxable Obligations. The Bonds are not “state or local bonds” within the meaning of section 103(a) and (c) of the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

SECTION 28: Notices and Other Communications.

A. All notices, consents, approvals, requests and other communications under this Resolution or with respect to the Bonds under this Resolution shall be in writing and delivered by registered or certified mail, return receipt, postage paid, or by other electronic transmission, or by express or personal delivery, addressed as follows:

(1) if to the Paying Agent/Registrar, at the address specified in the Paying Agent/Registrar Agreement.

(2) if to the City; at:

City of Edinburg, Texas
415 West University Drive
Edinburg, Texas 78541
Attention: City Manager

(3) if to the Corporation; at

Edinburg Economic Development Corporation
415 West University Drive
Edinburg, Texas 78541
Attention: Executive Director

B. A duplicate of each communication given under this Resolution to anyone other than the Paying Agent/Registrar shall also be delivered to the Paying Agent/Registrar. Notices to the Paying Agent/Registrar are effective only upon actual receipt. Such communication shall identify this Resolution, and the section thereof which is the subject of the communication.

B. Each Person to whom communications are delivered pursuant to this Resolution may designate any additional or different addresses to which subsequent communications under this Resolution shall be delivered by giving at least ten days' advance notice thereof to each affected party.

C. Except as provided in Subsection C. herein, any communication delivered by mail in compliance with this section is deemed to have been delivered as of the date of deposit in the mail. Any communication delivered by facsimile or other electronic transmission is deemed to have been delivered at the time a confirmation of receipt is generated by the sending mechanism or is obtained by other means.

D. Notice or other communications to any Holder under this Resolution shall be delivered by first class United States mail, postage paid, addressed to such Holder's address appearing in the Security Register.

F. A provision of this Resolution that provides for a different method of giving notice or otherwise conflicts with this section supersedes this section to the extent of the conflict.

SECTION 29: 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 30: 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 31: Security of Funds. All money on deposit in the Funds for which this Resolution makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Resolution.

SECTION 32: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 34: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Resolution shall be given in such other manner and at such time or times as in the judgment of the Corporation or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirements for publication thereof.

SECTION 35: Sale of the Bonds – Official Statement Approval – Approval of Purchase Contract - Use of Bond Proceeds. The Bonds authorized by this Resolution are hereby sold by the

Corporation to Stifel, Nicolaus & Company, Inc., San Antonio, Texas, as the underwriter (the *Purchaser*, having all of the rights, benefits, and obligations of a Holder), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated _____, 2021, attached hereto as Exhibit C and incorporated herein by reference as a part of this Resolution for all purposes. The pricing and terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the Corporation. The Initial Bond shall be registered in the name of Stifel, Nicolaus & Company, Inc. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Corporation and as the act and deed of the Board and in regard to the approval and execution of the Purchase Contract, the Board hereby finds, determines and declares that the representations, warranties, and agreements of the Corporation contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the Corporation. Delivery of the Bonds to the Purchaser shall occur as soon as practicable after the adoption of this Resolution, upon payment therefor in accordance with the terms of the Purchase Contract.

Furthermore, the Corporation hereby ratifies, confirms, and hereby ratifies, confirms and approves in all respects (i) the Corporation's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchaser in connection with the public offering and sale of the Bonds. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Purchase Contract (together with such changes approved by any Authorized Official), shall be and is hereby in all respects approved and the Purchaser is hereby authorized to use and distribute the final Official Statement, dated August 17, 2021, in the reoffering, sale and delivery of the Bonds to the public. The President, Vice President, and/or Secretary of the Board are further authorized and directed to manually execute and deliver for and on behalf of the Corporation copies of the Official Statement in final form as may be required by the Purchaser, and such final Official Statement in the form and content 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 Purchaser.

SECTION 36: Approval and Execution of Financing/Use Agreement with the City. The "Financing/Use Agreement" (the *Financing/Use Agreement*) by and between the Corporation and the City, attached hereto as Exhibit D and incorporated herein by reference as a part of this Resolution for all purposes, is hereby approved as to form and content, and such Financing/Use Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the financing or benefit the Corporation or the City, is hereby authorized to be executed by the President and Secretary of the Corporation and as the act and deed of this Board; and such Financing/Use Agreement as executed by said officials shall be deemed approved by the Board and constitute the Financing/Use Agreement herein approved. Pursuant to the Financing/Use Agreement, the City will own, maintain, and operate the Project upon completion and the Corporation is responsible for all aspects of the construction, acquisition, and design, of the Project and in connection therewith, the Corporation shall comply with Applicable Law relating to the construction of public works, including, without limitation, the provisions of Chapter 2253, as amended, Texas Government Code (pertaining to public works performance and payment bonds). Funds on deposit in the Construction Fund may be disbursed from time to time upon request of authorized officers of the City and the Corporation to pay

“Costs” (as defined in the Act) of the Project which are then due and payable and which have not been the subject of previous disbursements from such fund. Any interest earned on money on deposit in the Construction Fund shall be retained in the Construction Fund until the Project is complete, and at such time any funds held in the Construction Fund shall be transferred by the Corporation for deposit into the Bond Fund all as required by the provisions of the Resolution and the Financing/Use Agreement.

SECTION 37: Legal Opinion. The obligation of the Purchaser to purchase the Bonds is subject to being furnished a final opinion of Locke Lord LLP, as Bond Counsel, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the definitive Bonds deposited with The Depository Trust Company.

SECTION 38: 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 39: Continuing Disclosure Undertaking.

A. Definitions.

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

EMMA means the MSRB’s Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

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) or (b); provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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.

Undertaking means the Corporation’s continuing disclosure undertaking, described in Paragraphs B through E below, hereunder accepted and entered into by the Corporation for the purpose of compliance with the Rule.

B. Annual Reports.

The Corporation shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the Corporation ending in or after 2021, financial information and operating data with respect to the Corporation of the general type included in the final Official Statement authorized by Section 35 of this Resolution, being the information described in Clause 2 of Exhibit E hereto, and (2) within twelve months after the end of each fiscal year ending in or after 2021 financial information and operating data with respect to the Corporation of the general type included in the final Official Statement, being the information described in Clause 1 of Exhibit E hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E hereto, or such other accounting principles as the Corporation may be required to employ from time to time pursuant to state law or regulation 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 such period, then the Corporation shall file unaudited statements within such period and audited financial statements for the applicable Fiscal Year with the MSRB, when and if the audit report on such statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the Corporation must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the Director of Finance of the Corporation within 180 days after the last day of the Corporation's Fiscal Year. The Corporation's fiscal records and audit reports are available for public inspection during the regular hours of the Director of Finance of the Corporation. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the Corporation changes its Fiscal Year, it will file notice thereof with 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.

C. Notice of Certain Events.

The Corporation shall file 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 paying agent/registrar or the change of name of a paying agent/registrar, 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 paragraph (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 paragraphs (15) and (16) and the definition of Financial Obligation in this Section to

have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 3483885, dated August 20, 2018.

The Corporation shall file notice with the MSRB, in a timely manner, of any failure by the Corporation to provide financial information or operating data in accordance with this Section by the time required by this 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 notice of any deposit that causes the Bonds to be no longer Outstanding.

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 and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Corporation’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The 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 WITH 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.

The provisions of this Section may be amended by the Corporation from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the 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 Corporation may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Corporation also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Corporation so amends the provisions of this Section, the Corporation shall include with any amended financial information or operating data next provided in accordance with 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.

E. Information Format – Incorporation by Reference.

The information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with Federal Securities Laws.

Because the issuance of the Bonds is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Bonds or the initial purchasers in a competitive sale of the Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the Corporation hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the “Policies and Procedures”), attached hereto as Exhibit F, with which the Corporation shall follow to assure compliance with the Undertaking. The Corporation has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the Corporation’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the Corporation and any such amendment will not be deemed to be an amendment to the Undertaking. Each

Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 40: Book-Entry Only System.

The Bonds initially shall be registered so as to participate in a securities depository system (the DTC System) with the Depository Trust Company, New York, New York or any successor entity thereto (“DTC”), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Corporation and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit B (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Corporation and the Paying Agent/Registrar shall have no responsibility or obligation to any broker dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an “Indirect Participant”). Without limiting the immediately preceding sentence, the Corporation and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Corporation to make payments of principal, premium, if any, or interest on the Bonds pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the Holder, the word “Cede & Co.” in this Resolution shall refer to such new nominee of DTC.

In the event that (a) the Corporation determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Corporation determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Corporation shall notify the Paying Agent/Registrar, DTC, and DTC Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Corporation may determine that the Bonds shall be registered in the name of and deposited with a

successor depository operating a securities depository system, as may be acceptable to the Corporation, or such depository's agent or designee, and if the Corporation and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

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

SECTION 41: Control and Custody of Bonds. Each Authorized Official 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 Bond pending the approval thereof by the Texas Attorney General, the registration thereof by the Texas Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the President, Vice President, Secretary, Executive Director, a Director, or Treasurer of the Corporation, any one or more of said officials, 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 Texas Attorney General, registration by the Texas Comptroller of Public Accounts and delivery of the Bonds to the Purchaser thereof and, together with the Corporation's financial advisor, bond counsel, the Purchaser, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchaser thereof and the initial exchange thereof for definitive Bonds.

SECTION 42: 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, Bond Counsel, 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, Bond Counsel, and the Holders.

SECTION 43: 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 44: 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 45: 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 46: 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 47: Further Procedures. The officers and employees of the Corporation are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Corporation all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the initial sale and delivery of the Bonds, the Purchase Contract, the Financing/Use Agreement, the Blanket Corporation Letter of Representations, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bonds, an Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution, (ii) obtain a rating from any of the national bond rating agencies, (iii) obtain an insurance policy, including a Credit Facility or Credit Agreement; or (iv) obtain the approval of the Bonds by the Texas Attorney General's office. In case any officer of the Corporation whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 48: 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 Chapter 551, as amended, Texas Government Code.

SECTION 49: Contracts with Financial Advisor and/or Bond Counsel. The Board authorizes any Authorized Official, or their designee, to take all actions necessary to execute any necessary financial advisory contracts with Hilltop Securities Inc., as the financial advisor to the Corporation (the Financial Advisor). The Corporation understands that under applicable federal securities laws and regulations, the Corporation must have a contractual agreement with its Financial Advisor relating to the sale, issuance, and delivery of the Bonds. In addition, the Board also authorizes any Authorized Official, or their designee, to take all actions necessary to execute any necessary engagement agreement with Locke Lord LLP, as Bond Counsel to the Corporation.

SECTION 50: Corporation's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the Corporation hereby consents to and authorizes any Authorized Official, Bond Counsel to the Corporation, and/or Financial Advisor to the Corporation to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Bonds; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to

information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 51: Effective Date. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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PASSED AND ADOPTED, this 17th day of August, 2021.

EDINBURG ECONOMIC
DEVELOPMENT CORPORATION

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(CORPORATION SEAL)

INDEX TO EXHIBITS

Exhibit A – Paying Agent Registrar Agreement

Exhibit B – DTC Letter of Representations

Exhibit C – Purchase Contract

Exhibit D – Financing/Use Agreement

Exhibit E – Description of Annual Financial Information

Exhibit F – General Policies and Procedures Concerning Compliance with the Rule

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. ____

EXHIBIT B

DTC Letter of Representations

See Tab No. ____

EXHIBIT C

Purchase Contract

See Tab No. ____

EXHIBIT D

Financing/Use Agreement

See Tab No. ____

EXHIBIT E

Description of Annual Financial Information

The following information is referred to in Section 39 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the Corporation to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The Corporation's audited financial statements for the most recently concluded Fiscal Year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the Corporation appended to the Official Statement as Appendix B, but for the most recently concluded Fiscal Year.
2. The quantitative financial information and operating data of the Corporation of the general type included in Table 1A (including financial information related to the Corporation's annual transfer pursuant to the terms of the Project Funding Agreement for the Contract Revenue Obligations) and Tables 2 through 5 (excluding Table 3B) in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT F

General Policies and Procedures Concerning Compliance with the Rule

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 39 of the Resolution. “Bonds” refer to the Bonds that are the subject of the Resolution to which this Exhibit is attached.

II. As a capital markets participant, the Corporation is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the “Effective Date”), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the Corporation’s compliance with the Rule.

III. The Corporation is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 39C of the Resolution, which provisions are a part of the Undertaking.

IV. The Corporation is aware that “participating underwriters” (as such term is defined in the Rule) of the Bonds must make inquiry and reasonably believe that the Corporation is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The Corporation now establishes the following general policies and procedures (the “Policies and Procedures”) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the Corporation’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the Corporation’s obligations under the Rule, the advice from and discussions with the Corporation’s internal senior staff (including staff charged with administering the Corporation’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the “Compliance Team”):

1. the Executive Director of the Corporation (the “Compliance Officer”) shall be responsible for satisfying the Corporation’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the Corporation’s information of the type described in Section 39B of the Resolution;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 39C of the Resolution;

4. the Compliance Officer shall work with external consultants of the Corporation, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the Corporation and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the Corporation, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any Corporation agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the Corporation; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the Corporation’s internal staff identified by the Compliance Officer to assist with the Corporation’s satisfaction of the terms and provisions of the Undertaking.

Edinburg Economic Development Corporation

Meeting Date: August 17, 2021

Deliberation regarding economic development negotiations.
(§551.087 Deliberation Regarding Economic Development
Negotiations; §551.071. Consultation with Attorney; Closed
Meeting).

1. Agenda Item:

Deliberation regarding economic development negotiations. (§551.087 Deliberation Regarding Economic Development Negotiations; §551.071. Consultation with Attorney; Closed Meeting).

2. Description/Scope:

Closed Meeting.

3. Estimated Timeline:

N/A

4. Budget:

N/A

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Closed Meeting.

7. Justification:

Closed Meeting.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____

Edinburg Economic Development Corporation

Meeting Date: August 17, 2021

Discussion and possible action regarding the purchase, exchange, lease, or value of real property. (§551.072. Deliberation Regarding Real Property; Closed Meeting).

1. Agenda Item:

Discussion and possible action regarding the purchase, exchange, lease, or value of real property. (§551.072. Deliberation Regarding Real Property; Closed Meeting).

2. Description/Scope:

Closed Meeting.

3. Estimated Timeline:

Closed Meeting.

4. Budget:

N/A

5. Procurement/Selection Process:

N/A

6. Staff's Recommendation:

Closed Meeting.

7. Justification:

Closed Meeting.

Blanca Davila
Director of Economic Development

ATTACHMENTS

Approved:	_____
Not Approved:	_____
Tabled:	_____
No Action:	_____