



**CITY OF HUTTO, TEXAS
SPECIAL CALLED CITY COUNCIL MEETING
WEDNESDAY, APRIL 18, 2018 AT 6:30 PM
CITY HALL - CITY COUNCIL CHAMBERS
401 WEST FRONT STREET**

CITY COUNCIL

Doug Gaul, Mayor
Tom Hines, Place 2, Mayor Pro-tem
Scott Rose, Place 1
Nathan Killough, Place 3
Tim Jordan, Place 4
Lucio Valdez, Place 5
Terri Grimm, Place 6

AGENDA

1. **CALL SESSION TO ORDER**

2. **ROLL CALL**

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT**

Any citizen wishing to speak during public comment regarding an item on or off the agenda may do so after completing the required registration card. In accordance with the Texas Attorney General's Opinion, any public comment that is made on an item that is not on the published final agenda will only be heard by the City Council. No formal action, discussion, deliberation, or comment will be made by the City Council. Each person providing public comment will be limited to 3 minutes.

4A. Remarks from visitors. (Three-minute time limit)

REGULAR AGENDA ITEMS

5. **RESOLUTIONS:**

- 5A. Consideration on second reading and possible action on a Resolution Approving a Resolution of the Hutto Economic Development Corporation Type B Authorizing the Issuance of Hutto Economic Development Corporation Type B Sales Tax Revenue Bonds, Taxable Series 2018; Authorizing a Pricing Officer of the Board to Approve the Amount, the Interest Rates, the Date, Payment Dates, Redemption Price, and Certain Other Terms of the Bonds; Approving Procedures and Documents Related to the Sale of the Bonds and Other Matters Related Thereto. (City Attorney)

6. **ADJOURNMENT**

The City Council for the City of Hutto reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by the Texas Government Code Sections 551.071 [Litigation/Consultation with Attorney], 551.072 [Deliberations regarding real property], 551.073 [Deliberations regarding gifts and donations], 551.074 [Deliberations regarding personnel matters] or 551.076 [Deliberations regarding deployment/implementation of security personnel or devices] and 551.087 [Deliberations regarding Economic Development negotiations].

CERTIFICATION

I certify that this notice of the April 18, 2018 Hutto City Council meeting was posted on the City Hall bulletin board of the City of Hutto on April 13, 2018 at 6:05 pm



Lisa L. Brown, City Secretary

The City of Hutto is committed to comply with the American with Disabilities Act. The Hutto City Council Chamber is wheelchair accessible. Request for reasonable special communications or accommodations must be made 48 hours prior to the meeting. Please contact the City Secretary at (512) 759-4033 or lisa.brown@huttotx.gov for assistance.

**CITY OF HUTTO
CITY COUNCIL AGENDA**

AGENDA ITEM NO.:

5A.

AGENDA DATE: April 18, 2018

PRESENTED BY:

ITEM:

Consideration on second reading and possible action on a Resolution Approving a Resolution of the Hutto Economic Development Corporation Type B Authorizing the Issuance of Hutto Economic Development Corporation Type B Sales Tax Revenue Bonds, Taxable Series 2018; Authorizing a Pricing Officer of the Board to Approve the Amount, the Interest Rates, the Date, Payment Dates, Redemption Price, and Certain Other Terms of the Bonds; Approving Procedures and Documents Related to the Sale of the Bonds and Other Matters Related Thereto. (City Attorney)

STRATEGIC GUIDE POLICY:

ITEM BACKGROUND:

BUDGETARY AND FINANCIAL SUMMARY:

RELATED COUNCIL COMMITTEE OR ADVISORY BOARD RECOMMENDATIONS:

CITY ATTORNEY REVIEW:

STAFF RECOMMENDATION:

SUPPORTING MATERIAL:

BOND RESOLUTION

of

HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B

Pertaining to

**Hutto Economic Development Corporation Type B
Sales Tax Revenue Bonds, Taxable Series 2018
and such other series or subseries
as may be designated**

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Resolution of the Hutto Economic Development Corporation Type B Authorizing the Issuance of Hutto Economic Development Corporation Type B Sales Tax Revenue Bonds, Taxable Series 2018; Authorizing a Pricing Officer of the Board to Approve the Amount, the Interest Rates, the Date, Payment Dates, Redemption Price, and Certain Other Terms of the Bonds; Approving Procedures and Documents Related to the Sale of the Bonds and Other Matters Related Thereto

THE STATE OF TEXAS
HUTTO ECONOMIC DEVELOPMENT
CORPORATION TYPE B

WHEREAS, Section 505.158, Texas Local Government Code, provides that a "Type B Corporation" authorized to be created by a municipality with a population of 20,000 or less may determine that a project includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's board of directors to promote new or expanded business development; and

WHEREAS, the 2010 federal census reflects that the City of Hutto, Texas (the "City") had a population of less than 20,000, and the Hutto Economic Development Corporation Type B (the "Corporation" or "Issuer") is a Type B Corporation as such term is used in the Economic Development Corporation Act, specifically Chapters 501, 502 and 505 of the Texas Local Government Code) (the "Act"); and

WHEREAS, since 1996, a sales and use tax in the amount of one-half of one percent (0.05%) has been levied and collected within the City for the benefit of the Hutto Economic Development Corporation Type A (the "Type A Corporation"), and pursuant to an Election (as defined herein) held on November 7, 2017, the City abolished the one-half of one percent (0.5%) sales and use tax for the Type A Corporation contingent upon the adoption of a replacement sales and use tax at the rate of one-half of one percent (0.5%) for the benefit of the Corporation; and

WHEREAS, on November 16, 2017, the City adopted Resolution No. R-17-11-16-11C canvassing the returns and declaring the results of the Election approving the imposition of the replacement one-half of one percent (0.5%) sales and use tax for the benefit of the Corporation; and

WHEREAS, the Board of Directors of the Corporation (the "Board" or "Board of Directors"), by adopting this resolution (this "Resolution"), finds that the "Project" (as defined herein) will promote new or expanded business development in the City; and

WHEREAS, proceeds from the sale of the Bonds (as defined herein) will be used to provide funds for the acquisition of approximately 489 acres of land located near the southwest corner of the

intersection of US HWY 79 and FM 3349 (the "proposed industrial park") to include construction, replacement and/or possible improvement to the land consisting of buildings, equipment, facilities, targeted infrastructure and other expenditures connected therewith (the "Project"); and

WHEREAS, the City has designed and constructed water and wastewater facilities to permit the City water and wastewater utilities to provide utility service to the proposed industrial park in sufficient quantities to support industrial and commercial uses within the proposed industrial park;

WHEREAS, the City, in cooperation with Williamson County (the "County") and the Texas Department of Transportation, has designed and prepared plans for construction of additional roadway infrastructure to service the proposed industrial park to allow commercial vehicles to access the proposed industrial park; and

WHEREAS, the City has conducted studies of required zoning for the area within the proposed industrial park and surrounding area and is prepared to process zoning applications for commercial enterprises proposing to locate within the proposed industrial park; and

WHEREAS, the City, along with the Corporation, are prepared to offer incentives to commercial enterprises to locate within the proposed industrial park when the availability of land within the proposed industrial park is assured by the acquisition of the land by the Corporation; and

WHEREAS, the Board further finds that the Project will promote new or expanded business development, including but not limited to transportation and warehousing, by allowing the Corporation to: (1) hold free and clear title to the proposed industrial park; (2) make certain infrastructure improvements requested by Union Pacific Railroad ("UP") to ensure efficient and safe rail service to the Corporation's proposed industrial park as provided in the Union Pacific Rail Access Memorandum of Understanding dated as of December 17, 2012, as extended by the Corporation from time to time (the "MOU"), such improvements being required under the MOU for UP to (A) approve the Corporation's facility track design/construction, (B) execute an industrial track agreement and (C) authorize the Corporation to construct rail lines within the proposed industrial park; and (3) allow the Corporation to market the proposed industrial park and its unique Triple Freeport Exemption (as defined herein) to commercial enterprises; and

WHEREAS, the City, the County and the Hutto Independent School District each allow freeport exemptions ("Triple Freeport Exemption") for certain tangible personal property that is brought into or exported out of Texas within 175 days after the business has acquired or imported such inventories into Texas; and

WHEREAS, the City and the Corporation have entered into a Letter of Intent with Titan Lonestar, LLC (the "Letter of Intent") as of March 23, 2018 whereby Titan Lonestar, LLC ("Titan") will act as master developer to manage the proposed industrial park and will oversee the intermodal operation for the proposed industrial development park as such operational component is detailed in the MOU; and

WHEREAS, the Board further finds the Project will promote new or expanded business development, including but not limited to transportation and warehousing, by the development of the proposed industrial park and laying of rail lines within such proposed industrial park by Titan subject to the Corporation executing an industrial track agreement with UP as required in the MOU; and

WHEREAS, as a condition to the issuance of the Bonds hereinafter authorized, the provisions of Section 505.159 and 505.160 of the Texas Local Government Code have been satisfied; and

WHEREAS, the Board desires to have the Corporation undertake such Project according to the Act; and

WHEREAS, the Hutto City Council (the "Council") has approved the Corporation to undertake such Project; and

WHEREAS, in satisfaction of the requirements set forth in Subchapter D of Chapter 505, Texas Local Government Code, a notice describing the projects proposed to be financed was published in the *Taylor Press* on February 11, 2018, and the Corporation has not received a petition from more than ten percent (10%) of the registered voters of the City requesting that an election be held before such projects may be undertaken; and

WHEREAS, in accordance with the provisions of Section 505.302 of the Texas Local Government Code, the City shall timely transfer to the Corporation the proceeds of the sales tax, in accordance with the terms and conditions of the Sales Tax Remittance Agreement, dated as of April 16, 2018; and

WHEREAS, the Bonds hereinafter authorized and designated are to be issued and delivered pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B:

Section 1. AUTHORIZATION AND PURPOSE OF THE BONDS AND DEFINITIONS. There is hereby authorized to be issued pursuant to the Act one or more series of Bonds to be designated "Hutto Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2018" or as otherwise set forth in the Pricing Certificate to provide funds for the following purposes: acquisition of approximately 489 acres of land located near the southwest corner of the intersection of US HWY 79 and FM 3349 (the "land") including the construction, replacement and/or possible improvement to the land consisting of buildings, equipment, facilities, targeted infrastructure and other expenditures connected therewith to promote new or expanded business development and paying the costs of issuance of the Bonds in an aggregate principal amount not to exceed \$10,000,000.

The authority of the Pricing Officer to execute and deliver a Pricing Certificate for a series of

Bonds shall expire at 5:00 p.m. on September 15, 2018. Bonds priced on or before September 15, 2018 may close and be delivered to the Purchaser(s) after such date.

For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Exhibit "A" to this Resolution have the meanings assigned to them in Exhibit "A".

Section 2. DATE, DENOMINATION, NUMBERS, MATURITIES AND TERMS. (a) Terms of Bonds. There shall be issued, sold and delivered under this Resolution fully registered bonds, without interest coupons, in one or more series, numbered consecutively from R-1 upward (except the Initial Bond delivered to the Attorney General of the State of Texas which shall be numbered T-1) payable to the initial registered owner(s), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the "Registered Owner" or the "Owner"), in the denomination of \$5,000 or any integral multiple thereof (each an "Authorized Denomination"), maturing not later than forty years from their date, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as set forth in the Pricing Certificate to be executed and delivered by the Pricing Officer pursuant to Subsection (b) of this Section. The Pricing Certificate is hereby incorporated in and made a part of this Resolution. The Bonds shall be designated by the year in which they are awarded.

(b) Selling and Delivering the Bonds. The Pricing Officer is hereby authorized to act on behalf of the Issuer in selling and delivering one or more series of the Bonds and carrying out the other procedures specified in this Resolution, including determining the date of the Bonds, any additional or different designation or title by which a series of the Bonds shall be known, the price at which each series of the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of the Bonds, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, obtaining a rating on the Bonds, procuring municipal bond insurance, if any, and all other matters relating to the issuance, sale, and delivery of the Bonds, all of which shall be specified in the Pricing Certificate; provided that (i) the price to be paid for each series of the Bonds shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon from its date to its delivery and (ii) none of the Bonds of a series shall bear interest at a rate greater than the maximum amount authorized by law. In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not to exceed the amount authorized in Section 1 hereof, which shall be sufficient to provide for the purposes for which the Bonds are authorized and to pay the costs of issuing the Bonds.

(c) Determinations of Pricing Officer. To achieve advantageous borrowing costs for the Issuer, the Bonds shall be sold on a negotiated, placement or competitive basis as determined by the Pricing Officer in the Pricing Certificate. In determining whether to sell the Bonds by negotiated, placement or competitive sale, the Pricing Officer shall take into account any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale and any

other matters which, in the judgment of the Pricing Officer, might affect the net borrowing costs on the Bonds.

If the Pricing Officer determines that a series of the Bonds should be sold at a competitive sale, the Pricing Officer shall cause to be prepared a notice of sale and official statement in such manner as the Pricing Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Pricing Officer determines that a series of the Bonds should be sold by a negotiated sale or placement, the Pricing Officer shall designate the placement purchaser or the senior managing underwriter for the Bonds and such additional investment banking firms as the Pricing Officer deems appropriate to assure that the Bonds are sold on the most advantageous terms to the Issuer. The Pricing Officer, acting for and on behalf of the Issuer, is authorized to enter into and carry out a Bond Purchase Agreement or other agreement for the Bonds to be sold by negotiated sale or placement, with the underwriters or placement purchasers at such price, with and subject to such terms as determined by the Pricing Officer pursuant to subsection (b) above. Each Bond Purchase Agreement or other agreement shall be substantially in the form and substance previously approved by the Issuer in connection with the authorization of debt with such changes as are acceptable to the Pricing Officer.

The Pricing Officer is expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal, if any, 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 Bonds, the sale and delivery of each series of Bonds and fixing all details in connection therewith, including to approve an official statement, or supplements thereto, in connection with each series of Bonds.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the Issuer hereby determines that the delegation of the authority to the Pricing Officer to approve the method of sale and final terms and conditions of each series of the Bonds as set forth in this Resolution and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated in each Pricing Certificate will be, in the best interests and shall have the same force and effect as if such determination were made by the Issuer and the Pricing Officer is hereby authorized to make and include in each Pricing Certificate an appropriate finding to that effect.

Section 3. CHARACTERISTICS OF THE BONDS. (a) The Pricing Officer shall designate the Paying Agent/Registrar ("Paying Agent/Registrar") for each series of the Bonds in the Pricing Certificate. The Paying Agent/Registrar shall keep the books or records for the registration of the transfer and exchange of the Bonds (the "Registration Books"), and the Paying Agent/Registrar shall serve as the Issuer's registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Issuer and Paying

Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar shall make the Registration Books available within the State of Texas. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in Section 2(c) of this Resolution, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or Outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for exchange. No additional orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, as amended, and particularly Subchapter D thereof, the duty of exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General and registered by the Comptroller.

(b) Payment of Bonds and Interest. The Paying Agent/Registrar shall further act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution. However, in the event of a nonpayment 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 past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 45 days prior to any such redemption date), (iii) may be converted and exchanged for other Bonds, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed (if applicable), executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Resolution and with such changes and additions as required to be consistent with the provisions contained in the Pricing Certificate relating to the Bonds. The Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the Registered Owners of the Bonds that at all times while the Bonds are Outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 30 days written notice to the Paying Agent/Registrar, to be effective at such time which will not disrupt or delay payment on the next principal or Interest Payment Date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry-Only System. The Bonds issued in exchange for the Bonds initially issued as provided in Section 3(a) shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co. as nominee of DTC and except as provided in subsection (f) hereof, all of the Outstanding Parity Obligations shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to 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 securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. 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 DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, but to the extent permitted by law, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bonds, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in the Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the Issuer determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the Issuer shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered

Owner transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

(g) Payments to Cede & Co. 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 Blanket Issuer Letter of Representations to DTC.

(h) Initial Bond. The Bonds herein authorized shall be initially issued as fully registered Bonds, being one Bond for each maturity in the denomination of the applicable principal amount and the Initial Bond shall be registered in the name of the senior managing underwriter as set forth in the Pricing Certificate. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller and delivered to the Underwriters. Immediately after the delivery of the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond delivered hereunder and exchange therefor Bonds in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in Section 4(a), all of the Outstanding Parity Obligations shall be registered in the name of Cede & Co., as nominee of DTC.

(i) The officers of the Issuer are herein authorized for and on behalf of the Issuer and as officers of the Issuer to enter into one or more Blanket Issuer Letter of Representations with DTC establishing the book-entry-only system with respect to the Bonds.

Section 4. FORM OF BOND. The FORM OF BOND, including the FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, THE FORM OF ASSIGNMENT and THE FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS OF THE STATE OF TEXAS to be attached only to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as set forth in Exhibit "B" attached hereto.

Section 5. PLEDGE. The Bonds and any interest payable thereon, and any Additional Parity Obligations which may be issued in accordance herewith and any interest payable thereon, are and shall be secured by and payable from a first lien on and irrevocable pledge of the Pledged Revenues, which lien on and pledge is prior in right and claim to the lien and pledge on the Pledged Revenues securing the payment of the outstanding Junior Lien Obligations and any Subordinate Lien Obligations hereafter issued; and the Pledged Revenues are further pledged to the establishment and maintenance of the Debt Service Fund and the Reserve Fund as hereinafter provided. The Bonds are and will be secured by and payable only from the Pledged Revenues and amounts on deposit in the Debt Service Fund and the Reserve Fund, and not from amounts on deposit in any other funds or accounts of the Issuer, and are not secured by or payable from a mortgage or deed of trust on any real, personal or mixed properties constituting the Project.

Section 6. SPECIAL FUNDS. The below listed special funds ("Funds") are hereby created

and shall be established and maintained on the books of the Issuer, so long as any of the Bonds are outstanding and unpaid:

(a) *Hutto Economic Development Corporation Type B Revenue Fund*, hereinafter called the "Revenue Fund."

(b) *Hutto Economic Development Corporation Type B Debt Service Fund*, hereinafter called the "Debt Service Fund."

(c) *Hutto Economic Development Corporation Type B Reserve Fund*, hereinafter called the "Reserve Fund."

(d) *Hutto Economic Development Corporation Type B Operating Fund*, hereinafter called the "Operating Fund."

(e) *Hutto Economic Development Corporation Type B Project Fund*, hereinafter called the "Project Fund."

Though all of such funds may be subaccounts of the Issuer's Funds held by the Depository, and, as such, not held in separate bank accounts, such treatment shall not constitute a commingling of the monies in such Funds or of such Funds and the Issuer shall keep full and complete records indicating the monies and investments credited to each of such Funds.

Section 7. REVENUE FUND. All Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt as provided in the Sales Tax Remittance Agreement.

Section 8. FLOW OF FUNDS. All Pledged Revenues deposited and credited to the Revenue Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

FIRST: To the payment of the amounts required to be deposited in the Debt Service Fund for the payment of debt service on the Parity Obligations as the same becomes due and payable;

SECOND: On a pro rata basis, to (i) each debt service reserve fund, created by this Resolution or any Additional Parity Obligations Resolution, which contains less than the amount to be accumulated and/or maintained therein, as provided in this Resolution or such Additional Parity Obligations Resolutions;

THIRD: To the payment of the amounts required to be deposited in the debt service fund for the payment of debt service on the Junior Lien Obligations as the same becomes due and payable;

FOURTH: On a pro rata basis, to each debt service reserve fund created by a Junior Lien Obligation Resolution which contains less than the amount to be accumulated and/or maintained therein as provided in the Junior Lien Obligation Resolution;

FIFTH: To the payment of amounts required to be deposited in any other fund or account required by any Additional Parity Obligations Resolution;

SIXTH: 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 Subordinate Lien Obligations; and

SEVENTH: To the payment of the amounts required for any lawful purpose.

Any Pledged Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, shall be transferred to the Operating Fund and may be appropriated and used for any other lawful purpose now or hereafter permitted by law.

Section 9. DEBT SERVICE FUND. The Debt Service Fund is for the sole purpose of paying the principal of and interest on the Parity Obligations Outstanding at any time, as the same come due (including principal coming due as a result of any mandatory redemption of the Parity Obligations). The Issuer covenants that there shall be deposited into the Debt Service Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred per cent (100%) of the interest on and the 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 the 10th day of each month, beginning on or before the 10th day of the month next following the delivery of the Parity Obligations to the Purchasers thereof; provided, however, that in any Fiscal Year the Issuer may elect to fund the Debt Service Fund on an accelerated basis and at any time when amounts on deposit in the Debt Service Fund are sufficient to make payment of all principal and interest coming due on the Outstanding Parity Obligations within the next twelve months, such deposits of Pledged Revenues to the Debt Service Fund may be discontinued, until there is once again an amount less than the principal and interest coming due on the Outstanding Parity Obligations within the next twelve months, at which time such deposits shall be resumed.

The required deposits to the Debt Service 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 Debt Service Fund and the 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 are no longer Outstanding.

Accrued interest and capitalized interest, if any, received from the purchaser of any Parity Obligation shall be taken into consideration and reduce the amount of the semi-annual deposits and credits hereinabove required into the Debt Service Fund.

Section 10. RESERVE FUND. (a) The Issuer may create and establish a debt service reserve fund pursuant to the provisions of any Additional Parity Obligations Resolution 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 debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Parity Obligations.

(b) For purposes of (i) paying the principal of, premium, if any, and interest on the Bonds, when and if amounts on deposit in the Debt Service Fund and available to pay such amounts as the same shall become due are insufficient and (ii) to the extent not required to maintain the 2018 Required Reserve Fund Amount for the Bonds, the Series 2018 Reserve Fund (defined below) may be used to pay, or provide for the payment of, the final principal amount of the Bonds so that they are no longer deemed to be "Outstanding" as such term is defined herein, the Issuer hereby creates and establishes a special account known as the "Hutto Economic Development Corporation Type B Sales Tax Revenue Bonds, Taxable Series 2018 Reserve Fund" (hereinafter referred to as the "Series 2018 Reserve Fund"), which account shall continue to be kept separate and apart from all other funds or accounts of the Issuer. The Issuer shall maintain an amount equal to the 2018 Required Reserve Fund Amount at all times in or held for the benefit of the Series 2018 Reserve Fund.

During such time as the Series 2018 Reserve Fund contains the 2018 Required Reserve Fund Amount, the Issuer may, at its option, withdraw any amount in the Series 2018 Reserve Fund in excess of the 2018 Required Reserve Fund Amount and deposit such surplus in the Revenue Fund.

The Issuer further covenants and agrees that, subject only to the payment of the Bonds and payments to be made to the Debt Service Fund for the benefit of Parity Obligations and to the payments to be made on a pro rata basis to all debt service reserve funds (including the Series 2018 Reserve Fund), the Pledged Revenues shall be applied and appropriated and used to establish and maintain the 2018 Required Reserve Fund Amount or any other reserve fund established by any Additional Parity Obligations Resolution and to cure any deficiency in such amounts as required by the terms of this Resolution and any Additional Parity Obligations Resolution (the "Required Reserve Fund Deposits").

When the Series 2018 Reserve Fund is funded with cash or securities, in whole or in part, the value of the 2018 Required Reserve Fund Amount for the Bonds shall be determined on the basis of cash on deposit therein, the book value of securities in which money in the Series 2018 Reserve Fund are invested or the face value of any Surety Bond held for the benefit of the Series 2018 Reserve Fund, as the case may be.

(c) Notwithstanding the above, the Issuer reserves the right to provide for the debt service reserve funds (including the Series 2018 Reserve Fund) by use of a Surety Bond in lieu of cash, or a combination of cash and Surety Bond, as the Issuer deems reasonable and appropriate; provided,

however, that the amount of any such cash and/or the coverage by any Surety Bond when added together shall at least equal the 2018 Required Reserve Fund Amount for the Bonds or any required reserve amount for any Additional Parity Obligations as determined by any Additional Parity Obligation Resolution. Any such Surety Bond provided in lieu of cash shall be issued by an insurance company or association of companies whose insured obligations are rated at the time of issuance by a nationally rated recognized rating agency in its highest rating categories. On the first day following the use of proceeds or amounts available for withdrawal on deposit in the Series 2018 Reserve Fund and continuing each month thereafter for a total of not less than twenty-four (24) payments, the Issuer shall repay all amounts drawn on the Surety Bond and then replenish any cash required in the Series 2018 Reserve Fund to restore the 2018 Required Reserve Fund Amount. In the event a reserve fund surety policy causes the amount then on deposit in the Series 2018 Reserve Fund to exceed the 2018 Required Reserve Fund Amount for the Bonds, such excess amount may be transferred to any fund or account established for the payment or security of the Bonds or used for any lawful purpose; provided, however, to the extent that such excess amount represent bond proceeds, then such amount must be transferred to the Debt Service Fund.

Section 11. OPERATING FUND. Amounts on deposit in the Operating Fund may be (i) used to complete and maintain the Project, (ii) applied to pay or redeem any Parity Obligations at the option of the Issuer, or (iii) applied for any other lawful purpose of the Issuer.

Section 12. TRANSFER. (a) Pursuant to the provisions of the Sales Tax Remittance Agreement, which is hereby approved in substantially the form attached hereto, the City has agreed to do any and all things necessary to accomplish the transfer of the Sales Tax collected for the benefit of the Issuer to the Revenue Fund on a monthly basis. The Sales Tax Remittance Agreement shall govern matters with respect to the collection of the 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. The Chairman and Secretary of the Board are hereby authorized to execute the Sales Tax Remittance Agreement on behalf of the Corporation.

(b) The Chairman and the Secretary of the Board are hereby ordered to do any and all things necessary to accomplish the transfer of money to the funds established hereby in ample time to pay the principal of and interest on the Bonds.

Section 13. INVESTMENTS. Money in any fund established by this Resolution may, at the option of the Board, be invested in Permitted Investments; provided that all such investments 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. Investment earnings realized on investments attributable to the Debt Service Fund shall be retained therein and shall constitute a credit against the amount of money that is required to be on deposit therein for each payment of principal or interest. Investment earnings realized on investments attributable to the Reserve Fund shall be retained therein at all times when there is less than the Required Reserve Amount on deposit therein; at all other times such earnings shall be deposited to the Debt Service Fund. Investment earnings realized on investments attributable to the Operating Fund shall be retained therein. Money in the Reserve Fund shall not be invested in securities maturing later than 18 months from the date of acquisition of such

securities by the Issuer. Such investments shall be valued in terms of current market value as of the last day of each Fiscal Year. Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

Section 14. 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 15. PAYMENT. While any of the Parity Obligations are outstanding, the Issuer shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Debt Service Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Obligations as shall become due on each interest or principal payment date, or date of redemption of the Parity Obligations; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Obligations not later than the business day next preceding the date such payment is due on the Parity Obligations. The Paying Agent/Registrar shall destroy all paid Parity Obligations and furnish the Issuer with an appropriate certificate of cancellation or destruction.

Section 16. DEFICIENCIES - EXCESS PLEDGED REVENUES. (a) If on any occasion there shall not be sufficient Pledged Revenues (after making all payments pertaining to all Parity Obligations) to make the required deposits and credits to the Debt Service Fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such deposits and credits shall be in addition to the amounts otherwise required to be deposited and credited to these Funds.

(b) Subject to making the deposits and credits required by this Resolution, or any Additional Parity Obligations Resolution, or the payments and credits required by the provisions of the resolutions authorizing the issuance of Junior Lien Obligations or Subordinate Lien Obligations hereafter issued by the Issuer, the excess Pledged Revenues may be used for any lawful purpose.

Section 17. ADDITIONAL PARITY OBLIGATIONS. The Issuer shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue and deliver Additional Parity Obligations, in accordance with law, in any amounts, for any lawful purpose including the refunding of any Parity Obligations, Junior Lien Obligations, Subordinate Lien Obligations or other obligations of the Issuer. Such Additional Parity 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 all other Outstanding Parity Obligations, from the lien on and pledge of the Pledged Revenues herein granted. The Additional Parity Obligations may be issued in one or more installments, provided, however, that none shall be issued unless and until the following conditions have been met:

(a) The Chairman 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 this Resolution or any additional Parity Obligation Resolution.

(b) 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.

(c) The Issuer has secured from a certified public accountant a certificate or opinion to the effect that, according to the books and records of the Issuer, the Pledged Revenues received by the Issuer for either (i) the last completed Fiscal Year next preceding the adoption of the Additional Parity Obligation Resolution or (ii) any twelve (12) consecutive months out of the previous fifteen (15) months next preceding the adoption of the Additional Parity Obligation Resolution equal to not less than 1.30 times the Average Annual Debt Service Requirements for all Parity Obligations then Outstanding after giving effect to the issuance of the Additional Parity Obligations then being issued and 1.0 times the Average Annual Debt Service Requirements (computed in the same manner as for Parity Obligations) of the Junior Lien Obligations and Subordinate Lien Obligations to be outstanding after the issuance of the then proposed Additional Parity Obligations, and to produce an amount sufficient to pay all other debts of the Issuer (including any payments by the Issuer under a contract supporting debt issued on behalf of the Issuer).

(d) The Issuer may create and establish a reserve fund pursuant to the provisions of any resolution authorizing the issuance of Additional 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 reserve funds 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 reserve fund was established. Each such reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such reserve fund from the Reserve Fund and the reserve funds created for the benefit of other Parity Obligations.

Section 18. JUNIOR LIEN AND SUBORDINATE LIEN DEBT. Except as may be limited by resolution, the Issuer shall have the right to issue or create Junior Lien Obligations or Subordinate 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 hereof, provided the pledge and the lien securing such debt is subordinate to the pledge and lien established, made and created in Section 5 of this Resolution with respect to the Pledged Revenues to the payment and security of the Parity Obligations.

Section 19. GENERAL COVENANTS. The Issuer further covenants and agrees that in accordance with and to the extent required or permitted by law:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in every Bond; it will promptly pay or cause to be paid the principal of and interest on every Bond on the dates and in the places and manner prescribed in this Resolution and the Bonds; and it will, at the times and in the manner prescribed, deposit or

cause to be deposited the amounts required to be deposited into the Funds created hereby; and any registered owner of the Bonds may require the Issuer, its officials and employees to carry out, respect or enforce the covenants and obligations of this Resolution, 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) It is a duly created and existing economic development corporation, and is duly authorized under the laws of the State of Texas, including the Act, to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds 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) (i) The Issuer hereby confirms the earlier levy by the City of the Sales Tax at the rate voted at the Election, and the Issuer hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time.

(ii) For so long as any Bonds are Outstanding, the Issuer covenants, agrees and warrants to take and pursue all action permissible under applicable law to cause the Sales Tax, at said rate or at a higher rate if permitted by applicable law, to be levied and collected continuously, in the manner and to the maximum extent permitted by applicable 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 so long as any Bonds shall remain Outstanding.

(iii) If the City shall be authorized hereafter by applicable 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, the Issuer, to the extent it legally may do so, hereby covenants and agrees to use its best efforts to cause the City to take such action as may be required by applicable law to subject such taxable items or transactions to the Sales Tax.

(iv) The Issuer agrees to take and pursue all action permissible under applicable law 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.

(v) The Issuer agrees and covenants at all times to use its best efforts to cause the City to comply with the Sales Tax Remittance Agreement.

(d) 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 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.

(e) It will maintain its corporate existence during the time that any Bonds are Outstanding hereunder.

Section 20. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, 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 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 the Defeased Bond shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar as provided in this Section may at the discretion of the Board of Directors also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board of Directors. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of a Defeased Bond 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 Bond, 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) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for

such Defeased Bonds 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.

(d) Until the Defeased Bond shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bond 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..

Section 21. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) 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 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, as the case may be. 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) 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 the 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) 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 Bonds duly issued under this Resolution.

Section 22. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND BOND INSURANCE, IF OBTAINED. The Chairman of the Board of the Issuer is hereby authorized to have control of each Bond issued hereunder and all necessary records and proceedings pertaining to each Bond pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and

their registration by the Comptroller. Upon registration of each Bond said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on each Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on each Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on each Bond or on any Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, the form of bond counsel's opinion relating thereto, and an appropriate statement of insurance supplied by a municipal bond insurance company providing insurance, if any, covering all or any part of the Bonds may be printed or attached to the Bonds.

Section 23. COVENANTS REGARDING TAX EXEMPTION. The Issuer does not intend to issue the Bonds as tax-exempt obligations described in section 103 of the Code.

Section 24. APPROVAL OF OFFICIAL STATEMENT. The Board of the Issuer hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated April 13, 2018, prior to the date hereof is ratified and confirmed. The Board of the Issuer hereby finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" (as that term is defined in 17 C.F.R. Section 240.15c-12) as of their respective dates.

Section 25. USE OF BOND PROCEEDS; PERFORMANCE AGREEMENT; PROJECT FUND. The proceeds from the sale of the Bonds, except for accrued interest, which shall be deposited to the Debt Service Fund and any deposit for the 2018 Required Reserve Fund Amount, which shall be deposited in the Series 2018 Reserve Fund, shall be deposited into the Project Fund of the Issuer and used to pay Costs of the Project. Notwithstanding the provisions of Section 8 hereof, interest earnings on amounts on deposit in the Project Fund shall be used to pay Costs of the Project or, at the option of the Issuer, transferred to the Debt Service Fund and used to pay amounts coming due with respect to the Bonds. The Performance Agreement, in substantially the form and substance as attached hereto as Exhibit E and made a part hereof for all purposes, is hereby approved and the Pricing Officer, Chairman or the Secretary of the Board of Directors are hereby authorized to execute, attest, seal (if applicable) and deliver the Performance Agreement.

Section 26. EXECUTION OF DOCUMENTS. The Pricing Officer, President, Vice President and Secretary of the Board of the Issuer are hereby authorized to execute, deliver, attest and affix the seal of the Issuer (if applicable) to all documents and instruments necessary and appropriate in connection with the issuance, sale and delivery of the Bonds, including, without limitation, the Sales Tax Remittance Agreement, the Paying Agent/Registrar Agreement and the DTC Blanket Issuer Letter of Representations in substantially the forms attached hereto and made a part hereof for all purposes.

Section 27. CONTINUING DISCLOSURE UNDERTAKING. (a) The Issuer shall provide annually to the MSRB, within six months after the end of any Fiscal Year, financial information and operating data of the general type included in the final Official Statement authorized by this Resolution being the information described in Exhibit "C" hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "C" 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 (2) 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 provide (1) unaudited financial statements for the applicable Fiscal Year within six months after the end of such Fiscal Year, and (2) audited financial statements for the applicable Fiscal Year to each MSRB, when and if the audit report on such statements become available.

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

The financial information and operating data to be provided pursuant to this paragraph (a) 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) that is available from the MSRB or has been provided to the MSRB.

(b) The Issuer shall notify the MSRB, in a timely manner, of any of the following events with respect to the Bonds:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material within the meaning of the federal securities laws;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions or events affecting the tax exempt status of the Bonds;
- vii. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;
- viii. Bond calls, if material within the meaning of the federal securities laws;
- ix. Defeasances;

- x. Release, substitution or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
- xi. Rating changes.
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer; (which 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);
- xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws; and
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

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

(c) 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 made in accordance with Section 20 of this Resolution that causes Bonds no longer to be 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 the Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS 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 comprise a breach of or default under the 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 since such offering 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 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 interest of the Holders and beneficial owners of the Bonds. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 28. DEFAULTS AND REMEDIES. (a) *Events of Default.* Each of the following occurrences or events for the purposes of this Resolution is hereby declared to be an "Event of Default," to-wit: (i) the failure to make payment of the principal of or interest on the Bonds when the same becomes due and payable; or (ii) default in the performance or observance of any other covenants, agreements or obligations of the Issuer, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Resolution, and the continuation for a period of 60 days after notice of such default is given by any Owner to the Issuer.

(b) *Remedies for Default.* Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the Corporation for the purpose of protecting and enforcing the rights to the Owners under this Resolution, by mandamus or other suit, action or special proceeding in equity or law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies. It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then Outstanding.

(c) *Remedies not Exclusive.* No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided however, that notwithstanding any other provision of this Resolution, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Resolution. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

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.

In determining whether a payment default has occurred or whether payment of the Bonds has been made under the Resolution, no effect shall be given to payments under a bond insurance policy, if any.

Section 29. NO RECOURSE AGAINST OFFICIALS. No recourse shall be had for the payment of principal of or interest on any Parity Obligations or for any claim based thereon or on this Resolution against any official of the Issuer or the City or any person executing any Parity Obligations.

Section 30. FURTHER ACTIONS. The officers and employees of the Issuer and the City 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, if any, 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 Bonds, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, any insurance commitment letter or insurance policy and the Official Statement. In addition, prior to the initial delivery of the Bonds, the Mayor, the Chairman of the Board, the City Attorney 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 and as described in the Official Statement, (ii) obtain

a rating from any of the national bond rating agencies or satisfy requirements of a bond insurer, if any, (iii) obtain a surety policy covering the Required Reserve Amount 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 Bond shall cease to be such officer before the delivery of such Bond, 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 31. AMENDMENT OF RESOLUTION. (a) The Holders of the Parity Obligations aggregating a majority in principal amount of the aggregate principal amount of then Outstanding Parity Obligations shall have the right from time to time to approve any amendment to this Resolution which may be deemed necessary or desirable by the Issuer, provided, however, that without the consent of the Holders of all of the effected Parity Obligations at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Resolution or in the Parity Obligations so as to:

- (i) Make any change in the maturity of the Outstanding Parity Obligations;
- (ii) Reduce the rate of interest borne by any of the outstanding Parity Obligations;
- (iii) Reduce the amount of the principal payable on the outstanding Parity Obligations;
- (iv) Modify the terms of payment of principal of or interest on the outstanding Parity Obligations or impose any conditions with respect to such payment;
- (v) Affect the rights of the Holders of less than all of the Parity Obligations then outstanding;
- (vi) Change the minimum percentage of the principal amount of Parity Obligations necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend this Resolution under this Section, the Issuer shall cause notice of the proposed amendment to be delivered to a bond insurer, to the extent the Bonds or any Additional Parity Obligations are insured by a bond insurance policy, and published in a financial newspaper or journal of general circulation in the city of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file for inspection by all registered owners of Parity Obligations at the designated trust office of the registrar for the Parity Obligations. Such publication is not required, however, if notice in writing is given to each registered owner of the Parity Obligations.

(c) Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice the Issuer shall receive an instrument or instruments executed by the Holders of at least a majority in aggregate principal amount of all

Parity Obligations then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the Board may pass the amendatory resolution in substantially the same form.

(d) Upon the passage of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and obligations under this Resolution of the Issuer and all the Holders of then outstanding Parity Obligations shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the Registered Owner of a Parity Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future Holders of the same Parity Obligation during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the Issuer, but such revocation shall not be effective if the Registered Owners of at least a majority in aggregate principal amount of the then outstanding Parity Obligations as in this Section defined have, prior to the attempted revocation, consented to and approve the amendment.

(f) For the purpose of this Section, the fact of the holding of Parity Obligations issued in registered form without coupons and the amounts and numbers of such Parity Obligations and the date of their holding same shall be proved by the Registration Books of the Paying Agent/Registrar. For purposes of this Section, the holder of a Parity Obligation in such registered form shall be the owner thereof as shown on such Registration Books. The Issuer may conclusively assume that such ownership continues until written notice to the contrary is served upon the Issuer.

(g) The foregoing provisions of this Section notwithstanding, the Issuer by action of the Board may amend this Resolution for any one or more of the following purposes:

(1) To add to the covenants and agreements of the Issuer in this Resolution contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to bondholders or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Issuer;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Resolution, or in regard to clarifying matters or questions arising under this Resolution, as are necessary or desirable and not contrary to or inconsistent with this Resolution and which shall not adversely affect the interests of the Holders of the Parity Obligations;

(3) To make any changes or amendments requested by any Rating Agency, as a condition to the issuance or maintenance of a rating, which changes or amendments do not,

in the judgment of the Issuer, materially adversely affect the interests of the owners of the outstanding Parity Obligations;

(4) To modify any of the provisions of this Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Parity Obligations outstanding at the date of the adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all Additional Parity Obligations issued after the date of the adoption of such modification.

Notice of any such amendment may be published or given by the Issuer in the manner described in subsection (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

Section 32. INTERPRETATIONS. All terms defined herein and all pronouns used in this Resolution shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Resolution and the Table of Contents of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Bonds.

Section 33. 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 34. INTERESTED PARTIES. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer and the registered owners of the Bonds.

Section 35. INCORPORATION OF RECITALS. The Issuer hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

Section 36. 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 this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

Section 37. REPEALER. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 38. EFFECTIVE DATE. This Resolution shall become effective upon adoption and approval by the City.

Section 39. PREAMBLE. The findings and preambles set forth in this Resolution are hereby incorporated into this Resolution and made a part hereof for all purposes.

Section 40. PERFECTION. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge on the Pledged Revenues granted by the Issuer under Section 5 of this Resolution, 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 on the Pledged Revenues granted by the Issuer under Section 5 of this Resolution 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 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, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 40. CONFIRMATION AND LEVY OF SALES TAX. (a) The Issuer hereby represents the City has levied and collected since 1996 when the voters approved at a special election the Sales Tax for the benefit of the Hutto Economic Development Corporation Type A at the rate of one-half of one percent (0.5%). The Issuer further represents that the Election 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 November 7, 2017, 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 for the benefit of the Corporation.

(b) By approval of this Resolution pursuant to Section 505.158 of the Texas Local Government Code, as amended, the Council confirms the results of the Election and desires to confirm the collection and levy of the Sales Tax for the benefit of the Corporation pursuant to the Election and such Sales Tax shall levy.

(c) While any Bond is 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 Bond shall remain Outstanding.

Section 41. REFUNDING BONDS. The Issuer reserves the right to issue refunding bonds to refund all or any part of the Parity Obligations (pursuant to any law then available) upon such terms and conditions as the Board may deem to be in the best interest of the Issuer, and if less than

all such Parity Obligations then Outstanding are refunded, the conditions precedent prescribed (for the issuance of Additional Parity Obligations) set forth in Section 17 hereof shall be satisfied, and shall give effect to the refunding.

Section 42. PAYMENT OF ATTORNEY GENERAL FEE. The Issuer hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Pricing Officer is hereby instructed to take the necessary measures to make this payment. The Issuer is also authorized to reimburse the appropriate Issuer funds for such payment from proceeds of the Bonds.

EXHIBIT A

DEFINITIONS

"2018 Required Reserve Fund Amount" shall mean the amount to be maintained on deposit in, or held as securities, a Surety Bond or other similar instrument permitted by State law for the benefit of the 2018 Reserve Fund (as defined in Section 10 hereof) which shall equal or exceed, or have a face value of the Average Annual Debt Service Requirements on the Bonds (but beginning only after Pledged Revenues for any Fiscal Year are less than 1.30 times the Average Annual Debt Service Requirements); provided, however, that in the event Pledged Revenues fall below 1.30 times the Average Annual Debt Service Requirements in a Fiscal Year, the Corporation, in lieu of a Surety Bond or other similar instrument permitted by State law for the benefit of the 2018 Reserve Fund, may make equal monthly installments of no more than 36 months the amount necessary to bring the 2018 Reserve Fund to the 2018 Required Reserve Fund Amount).

"Additional Parity Obligations" shall mean bonds, notes warrants, certificates of obligation or other debt obligations 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 17 of the Resolution and which, together with the Bonds, are equally and ratably secured by a first lien on and pledge of the Pledged Revenues on a parity with the Bonds under the terms of this Resolution and an Additional Parity Obligation Resolution.

"Additional Parity Obligation Resolution" shall mean any resolution of the Board authorizing and providing the terms and provisions of the Additional Parity Obligations.

"Average Annual Debt Service Requirements" means that average amount which, at the time of computation, will be required to pay the annual debt service requirements when due (either at Stated Maturity or mandatory redemption) and derived by dividing the total of such annual debt service requirements by the number of Fiscal Years then remaining before Stated Maturity of such Parity Obligations. For the purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. Capitalized interest payments provided from bond proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

"Blanket Issuer Letter of Representations" means any representation letter of, or agreement delivered by, the Issuer pursuant to this Resolution providing for administration of a book-entry system for the Bonds and any successive arrangement under which the Issuer provides for the administration of a book-entry system for the Bonds or any other Additional Parity Obligations.

"Bond" or *"Bonds"* shall mean the Hutto Economic Development Corporation Type B Sales Tax Revenue Bonds, Taxable Series 2018.

"Bond Purchase Agreement" means the bond purchase contract between the Issuer and the Purchaser(s) pursuant to which a series of Bonds are sold to the Purchaser(s).

"Book-Entry-Only System" means the book-entry system of bond registration provided in Section 3, or any successor system of book-entry registration.

"Cede & Co." means the designated nominee and its successors and assigns of The Depository Trust Company, New York.

"Chairman of the Board" means the Chairman of the Hutto Economic Development Corporation Type B or any individual appointed to serve as such capacity by the Issuer.

"City" shall mean the City of Hutto, Texas.

"City Attorney" means the city attorney for the City or any law firm or individual appointed to serve in such capacity for the City.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas, and any successor official or officer thereto.

"Cost(s)" shall mean with respect to the Project, the cost of acquisition, construction and improvement 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 during construction, necessary reserve funds, premiums for reserve fund surety policies and municipal bond insurance policies, costs of ratings for the Bonds, cost of estimates and of engineering, accountant, financial advisor 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 of the Project.

"Debt" means:

(a) all indebtedness payable from Pledged Revenues incurred or assumed by the Issuer for borrowed money and all other financing obligations payable from Pledged Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(b) all other indebtedness payable from Pledged Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Issuer, or that is in effect guaranteed, directly or indirectly, by the Issuer through an agreement, contingent or otherwise, to purchase any such

indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Issuer in prior Fiscal Years.

"Defeasance Securities" means (i) Federal Securities, (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 the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (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 Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Bonds.

"Depository" means one or more official depository banks of the Issuer.

"DTC" means The Depository Trust Company, New York, New York and its successors and assigns.

"Election" means the special election held by the City on November 7, 2017 pursuant to the provisions of the Act abolishing the one-half of one percent (0.5%) sales and use tax for the benefit of the Hutto Economic Development Corporation Type A and subsequent replacement one-half of one percent (0.5%) sales and use tax for the benefit of the Corporation.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Fiscal Year" means the twelve-month accounting period used by the Issuer currently ending on September 30 of each year, which may be any twelve consecutive month period established by the Issuer, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

"Holder" or *"Holders"* means the registered owner, whose name appears in the Security Register, for any Parity Obligation.

"Junior Lien Obligations" means (i) any bonds, notes, warrants, certificates of obligation, contractual obligations or other Debt issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Parity Obligations issued by the Issuer, 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 lien on and pledge of the Pledged Revenues on a parity with the Junior Lien Obligations.

"Mayor" means the Mayor of the City or any individual elected to serve in such capacity for the City.

"MSRB" means the Municipal Securities Rulemaking Board.

"Maturity" means, when used with respect to any Debt, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Outstanding" - When used in this Resolution with respect to Parity Obligations means, as of the date of determination, all Bonds and Parity Obligations theretofore sold, issued and delivered by the Issuer, except:

(a) those Parity Obligations canceled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations.

(b) those Parity Obligations paid or deemed to be paid in accordance with the provisions of Section 21 hereof or similar provisions of any Additional Parity Obligations Resolution.

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

"Parity Obligations" shall mean, collectively, the Bonds and any Additional Parity Obligations.

"Paying Agent/Registrar" shall mean the financial institution so designated in the Pricing Certificate and any successor thereto.

"Permitted Investments" means, to the extent authorized by the Texas Public Funds Investment Act and the Issuer's investment policy.

"Person" means any individual, partnership, corporation, trust, or unincorporated organization or any governmental entity.

"Pledged Revenues" shall mean all of the Issuer's receipts of the Sales Tax, 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 retentions are authorized or required by law.

"Pricing Certificate" means the Pricing Certificate executed by the Pricing Officer which sets forth the final terms of each series of the Bonds, in substantially the form attached hereto as Exhibit "D".

"Pricing Officer" means the _____ of the Issuer, acting as the designated pricing officer of the Issuer to execute the Pricing Certificate but in his absence, the _____ of the Issuer may act as the designated pricing officer of the Issuer to execute the Pricing Certificate.

"Project" has the meaning given in the recitals of this Resolution.

"Purchaser(s)" means a Person who initially purchases the Bonds from the Issuer pursuant to the Bond Purchase Agreement.

"Rating Agency" means any nationally recognized securities rating agency which has assigned, at the request of the Issuer, a rating to the Bonds.

"Record Date" means Record Date as defined in the FORM OF BOND in Exhibit "B" to this Resolution.

"Registration Books" means the books or records for the registration of the transfer and exchange of the Bonds.

"Required Reserve Fund Deposits" means the deposits and credits, if any, required to be made to the Reserve Fund pursuant to the provisions of Section 10 of this Resolution.

"Reserve Fund(s)" means the special funds created, established and maintained by the provisions of Sections 6 and 10 of this Resolution.

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

"Sales Tax" shall mean the one-half of one percent (0.5%) sales and use tax levied by the City within the boundaries of the City as they now or hereafter exist, less any amounts due and owed to

the Comptroller as charges for the collection of the Sales Tax or retention by said Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law, 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, including particularly Section 505.251 thereof.

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

"*Secretary of the Board*" means the Secretary of the Issuer of the Hutto Economic Development Corporation Type B or any individual appointed to serve as such capacity by the Issuer.

"*Stated Maturity*" means the annual principal payments of the Parity Obligations payable on the respective dates set forth in the resolutions which authorized the issuance of such Parity Obligations.

"*Subordinate Lien Obligations*" means (i) any bonds, notes, warrants, certificates of obligation, contractual obligations or other Debt issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Parity Obligations and Junior Lien Obligations issued by the Issuer, 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 lien on and pledge of the Pledged Revenues on a parity with the Subordinate Lien Obligations.

"*Surety Bond*" shall mean a policy of municipal bond insurance, a surety bond or other obligation permitted by law which is issued by an insurance company or other issuer of such instruments for the purpose of funding all or part of the 2018 Required Reserve Fund Amount; provided that the issuing company or institution shall have a rating in the highest rating category by two nationally recognized rating agencies or services.

"*Sales Tax Remittance Agreement*" shall mean the Sales Tax Remittance Agreement dated as of April 16, 2018, between the City and the Issuer.

"*Texas Constitution*" means the Constitution of the State of Texas.

"*Texas Public Funds Investment Act*" shall mean the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

"*Vice-Chairman*" means the Vice-Chairman of the Hutto Economic Development Corporation Type B or any individual appointed to serve as such capacity by the Issuer.

EXHIBIT B
FORM OF BOND

NO. _____

**PRINCIPAL
AMOUNT**
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B
SALES TAX REVENUE BOND
TAXABLE SERIES 2018

<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>CUSIP No.</u>
	_____, 2018		

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, Hutto Economic Development Corporation Type B (the "Board" or "Issuer"), being a nonstock, nonprofit economic development corporation organized and existing under the laws of the State of Texas, including particularly the Development Corporation Act of 1979, specifically Chapters 501, 502 and 505 of the Texas Local Government Code, as amended (the "Act"), and acting on behalf of the City of Hutto, Texas (the "City"), hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon from _____*, the initial date of delivery of the Bonds, on _____*, and semiannually on each _____* and _____* thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds,

* As determined in the Pricing Certificate.

any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the City and the securities depository.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at _____*, which is the "Paying Agent/Registrar" for this Bond, at their the office in _____* (the "Designated Payment/Transfer Office"). The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the 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 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

ANY ACCRUED INTEREST due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Bonds shall be payable in the regular manner described above). The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Debt Service Fund" created by the Bond

* As determined in the Pricing Certificate.

Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where 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 Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of an issue of Bonds dated _____*, authorized in accordance with the Texas Constitution and laws of the State of Texas, including particularly the Act, in the original principal amount of \$_____* (the "Bonds") to provide funds for: the acquisition of approximately 489 acres of land located near the southwest corner of the intersection of US HWY 79 and FM 3349 (the "land") including the construction, replacement and/or possible improvement to the land consisting of buildings, equipment, facilities, targeted infrastructure and other expenditures connected therewith to promote new or expanded business development and paying the costs of issuance of the Bonds.

[Redemption provisions as provided in the Pricing Certificate.*]

NO LESS THAN 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, the Issuer shall cause written notice of such redemption to be sent by United States mail, first class, postage prepaid, 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 registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution. Any notice of redemption shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the Debt Service Fund sufficient

* As determined in the Pricing Certificate.

money to pay the full redemption price of the Bonds to be redeemed or (ii) be sent only if sufficient money to pay the full redemption price of the Bonds to be redeemed is on deposit in the Debt Service Fund.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the Registered Owner or its duly authorized attorney or representative to evidence the assignment hereof. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The Registered Owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the Registered Owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the Issuer; that neither the State of Texas, the City, nor any political corporation, subdivision, or agency of the State of Texas, nor any member of the Board of Directors of the Issuer, either individually or collectively, shall be obligated to pay the principal of or the interest on this Bond and neither the faith and credit nor the taxing power (except as described below) 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 or the interest on this Bond; that the principal of and interest on this Bond, together with any Additional Parity Obligations hereafter issued, are secured by and payable from a first lien on and pledge of certain funds created under the Resolution and the revenues defined in the Resolution as the "Pledged Revenues", which include the proceeds of a one-half of one percent sales and use tax levied for the benefit of the Issuer by the City (the "Sales Tax") pursuant to the Act which lien on and pledge is prior in right and claim to the lien and pledge on the Pledged Revenues securing the payment of the Outstanding Junior Lien Obligations and any Subordinate Lien Obligations; and that the Registered Owner hereof shall not have the right to demand payment of the principal of or interest on this Bond from any tax proceeds other than the Sales Tax proceeds levied for the benefit of the Issuer by the City pursuant to the Act, or from any other source.

THE ISSUER HAS RESERVED the right in the Bond Resolution, subject to certain conditions set forth therein, to issue obligations or incur indebtedness from time to time in the future on a parity with the Bonds with respect to the pledge of and lien on the Pledged Revenues which secures the Bonds. The Issuer may also issue obligations or incur indebtedness which is secured on a junior and subordinate lien with respect to the Pledged Revenues. The Bond Resolution further provides that the Issuer may create a debt service reserve fund and fund it or provide for it to be funded in connection with the issuance of any obligations or the incurrence of any indebtedness which possesses a lien on and pledge of the Pledged Revenues on a parity with the Bonds, and that such reserve shall secure only the obligations or indebtedness for which it was funded or is to be funded. The Issuer has created a debt service reserve fund for the benefit of the Bonds.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Bond Resolution as

provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the Outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer on this Bond.

(facsimile signature)
Secretary, Board of Directors

(facsimile signature)
Chairman, Board of Directors

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

**PAYING AGENT/REGISTRAR'S
AUTHENTICATION CERTIFICATE**

(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

BOKF NA
Paying Agent/Registrar

By: _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____.

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee.)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of the State of Texas

INSERTIONS FOR THE INITIAL BOND

The Initial Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted (with all blanks to be completed with information contained in the Pricing Certificate.

"ON THE MATURITY DATE SPECIFIED ABOVE, the Hutto Economic Development Corporation Type B (the "Issuer"), being a nonstock, nonprofit economic development corporation organized and existing under the laws of the State of Texas, including particularly the Development Corporation Act of 1979, specifically Sections 501, 502 and 505 of the Texas Local Government Code, as amended (the "Act"), and acting on behalf of the City of Hutto, Texas (the "City"), hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on August 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Principal</u> <u>Amount</u>	<u>Maturity</u> <u>()</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity</u> <u>()</u>	<u>Interest</u> <u>Rate</u>
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(Information from the Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from April 1, 2018 the initial date of delivery of the Bonds, at the respective Interest Rate per annum specified above. Interest is payable on February 1, 2019 and semiannually on each August 1 and February 1 thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Bond shall be numbered "T-1."

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 27(a) 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 is as specified (and included under the headings of the Official Statement referred to) below:

- (A) The annual audited financial statements of the Issuer, if an audit is conducted separate and independent of the audit of the City of Hutto, but if the audit of the City of Hutto includes an audit of the Issuer, then those portions of the City's audit relating to the Issuer, or the unaudited financial statements of the Issuer in the event audited financial statements are not completed within six months after the end of any fiscal year.
- (B) All quantitative financial information and operating data with respect to the Issuer of the general type included in the Official Statement under Tables 1 through 5.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph A above.

EXHIBIT D
PRICING CERTIFICATE

PRICING CERTIFICATE

Re: \$ _____

**Hutto Economic Development Corporation Type B
Sales Tax Revenue Bonds, Taxable Series 2018**

The undersigned Pricing Officer (the "Pricing Officer"), hereby makes and executes this certificate (this "Certificate") pursuant to a resolution of the Board of Directors of the Hutto Economic Development Corporation Type B (the "Board" or "Issuer"), adopted on April 16, 2018 (the "Bond Resolution"), authorizing the issuance of the captioned bonds (the "Bonds").

1. As authorized by Section 2(b) of the Bond Resolution, the Pricing Officer has acted on behalf of the Board in selling the Bonds to Mesirow Financial Inc., as the underwriter named in the Bond Purchase Agreement dated April 18, 2018 between the Issuer and Mesirow Financial Inc. (the "Bond Purchase Agreement"), on the terms prescribed in the Bond Purchase Agreement and with the Bonds having the following designations, terms and provisions:

A. The Bonds shall be known and designated as the "Hutto Economic Development Corporation Type B Sales Tax Revenue Bonds, Taxable Series 2018" and shall be issued in the aggregate principal amount of \$ _____.

B. The price to be paid for the Bonds by the Purchaser, as provided in the Bond Purchase Agreement, is not less than 90% of the aggregate original principal amount of the Bonds.

C. The dated date of the Bonds shall be April 1, 2018. Interest on the Bonds shall accrue from April 20, 2018 (the "Issue Date"), and shall be payable on each February 1 and August 1, commencing on February 1, 2019.

D. The Bonds shall mature and become payable on the dates and in the respective principal amounts and shall bear interest at the respective interest rates set forth in APPENDIX A hereto, subject to prior redemption as set forth in subparagraph F below.

E. \$ _____ aggregate principal amount of the Bonds will be used to finance the Project of the Issuer and the related Costs of issuance.

F. The Bonds maturing on and after August 1, 20__, are subject to redemption prior to maturity, at the option of the Board, on August 1, 20__ or any date thereafter, in whole or in part, for a redemption price equal to the principal amount to be redeemed plus interest accrued to the redemption date.

2. The aggregate principal amount of the Bonds does not exceed the maximum amount authorized in Section 1 of the Bond Resolution.

3. The true interest cost of the Bonds is less than the rate set forth in Section 2(b) of the Bond Resolution.

4. The Bonds have been rated "____" by Moody's Investors Service and "____" by S&P Global Ratings, a division of Standard and Poor's Financial Services LLC.

5. The FORM OF BOND attached to the Bond Resolution as Exhibit B shall be replaced with the FORM OF BOND attached hereto as APPENDIX B.

6. The purchase price of the Bonds is \$_____ (consisting of the principal amount of \$_____, and less an Underwriters' discount of \$_____).

7. The proceeds from the sale of the Bonds[, together with the Issuer contribution, will be applied as follows]:

[Insert Sources and Uses Table from the OS]

8. Pursuant to Section 3 of the Bond Resolution, the Paying Agent/ Registrar for the Bonds is BOKF NA, Dallas, Texas.

9. In compliance with the Bond Resolution, the requirements of Sections 1, 2 and 3 of the Bond Resolution have been met.

10. The Initial Bond shall be initially registered in the name of Mesirow Financial Inc. The definitive Bonds shall be registered in the name of Cede & Co.

EXECUTED this ____ day of April, 2018.

**HUTTO ECONOMIC DEVELOPMENT
CORPORATION TYPE B**

Name: _____
Pricing Officer

EXHIBIT E
PERFORMANCE AGREEMENT

**HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B
&
TITAN LONESTAR, LLC**

PERFORMANCE AGREEMENT

This Performance Agreement ("Agreement") is made and entered into on the Effective Date (as defined in Section 3.1 below) by and between Titan Lonestar, LLC, its successors or assigns ("Titan "), a Texas limited liability company qualified to do business in Texas, and the Hutto Economic Development Corporation, Type B ("Corporation" or "Board"), a non-profit Type B economic development corporation created by, and for the benefit of the City of Hutto, Texas ("City").

The Corporation is authorized by Chapters 501 and 505 of the Texas Local Government Code, specifically sections 501.152(13)(C), 501.153(a) and 505.158, to use sales and use tax proceeds to pay the costs of the projects authorized by sections 505.151-.158 within the City.

The City executed a sales tax remittance agreement dated April 16, 2018, executed by and between the City and the Corporation whereby the City will remit sales and use taxes to the Corporation to acquire approximately 452 acres of unimproved land located near the southwest corner of the intersection of US HWY 79 and FM 3349 as further depicted in Exhibit "A" attached hereto and made a part hereof (the "proposed industrial park") to include construction and/or possible improvement to the land consisting of buildings, equipment, facilities, infrastructure and other expenditures connected therewith (the "Project").

The City and the Corporation have entered into a letter of intent with Titan dated March 23, 2018 and will enter into a Purchase and Sale Agreement ("PSA") whereby Titan will act as master developer to manage the proposed industrial park and will oversee the intermodal operation for the proposed industrial development park as such operational component is discussed in the Union Pacific Rail Access Memorandum of Understanding dated as of December 17, 2012.

The Corporation finds the Project will promote new or expanded business development including but not limited to transportation and warehousing, by the development of the proposed industrial park.

In consideration of Titan receiving direct incentives from the Corporation or benefitting by an expenditure of the Corporation in furtherance of the Project,

Titan agrees to carry-out the Project, the performance standards of which are the subject of this Agreement and as more fully to be set forth in the PSA.

The parties therefore agree as follows:

Article I. Titan's Obligations

1.1 Purchases in the Proposed Industrial Park. (a) The proposed industrial park will be purchased in multiple closings by the purchase of multiple lots (each a "Lot"). Titan will close on the first lot (the "Initial Lot") within twelve (12) months after completion of a feasibility study, platting of the Initial Lot, receipt of all entitlements from the City for construction upon the Initial Lot, City approved site plan for the Project, and negotiation of a Development Agreement (defined below) with the City, and as dictated by proven market demand ("Initial Lot Closing"). The City will commence work on infrastructure (streets, wet and dry utilities) to serve the Project as provided in the Development Agreement. The Development Agreement will include the City's agreement to provide backbone infrastructure, electric and water service to the Initial Lot and commencement by the City of providing wastewater service to the Initial Lot at the time of Initial Lot Closing. The Development Agreement will also provide that rail service to the Project will be planned and agreed upon with Union Pacific Railroad with actual construction of rail service to commence when Titan has a firm commitment to sell or lease an Initial Facility or Subsequent Facility to a user requiring rail service. Titan shall issue a notice of Initial Lot Closing ("Notice of Initial Closing", as defined in the PSA). Titan will construct the building intended to be built as the Initial Facility and any infrastructure required for the Initial Lot as provided in the Development Agreement.

For each subsequent closing ("Subsequent Closings") Titan shall deliver additional notices setting forth the same information as in the Notice of Initial Closing. The purchase price paid to Titan at Initial Lot Closing and Subsequent Closings shall be \$1.00 per net square footage in the applicable Lot. The "net square footage" within each Lot shall be the gross square footage as shown on the plat of such Lot less square footage of all right-of-way and areas within a FEMA flood zone.

(b) Titan shall be responsible for all platting and surveys of the Lots required by Titan for its intended use. Titan shall determine the size and configuration of all Lots, easements, and right-of-way, but shall submit all plats to the Corporation for its reasonable approval prior to submitting the same to the City.

(c) Each Lot must be purchased with a minimum of ten (10) acres of net square footage.

1.2 Initial Lot Investment in the Proposed Industrial Park. Titan shall, at its own expense and effort, negotiate a development agreement ("Development Agreement") with the City with respect to obtaining all necessary entitlements, right of way, easements, etc. for the proposed industrial park to be developed. Additionally, within 12 months of receiving full entitlements for the Initial Lot from the City as described in the Development Agreement with the City, or as market conditions demand, Titan shall invest an amount of at least Two Million, Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) (the "Initial Lot Investment") in new improvements and/or machinery and equipment associated with a minimum of 200,000 square foot, rail-served industrial speculative space (the "Initial Facility") on the Initial Lot.

1.3 Infrastructure Fund Account. The City will create an infrastructure fund ("City Infrastructure Fund"). For Initial Lot Closing and Subsequent Closings, Titan shall cause to be deposited in the City Infrastructure Fund, for the benefit of the City, the difference between the purchase price of \$1.00 per net square foot of each Lot (each a "Purchase Price") and the appraised value of a Lot as set forth in an appraisal obtained by a qualified independent appraiser selected by Titan and as reasonably approved by the Corporation. Such funds will be used for the construction and installation of infrastructure and utilities for the benefit of the Lot to be purchased and the remainder of the Project.

1.4 Earnest Money Deposit. Titan shall deposit earnest money in the amount of \$25,000.00 (the "Earnest Money") with an escrow agent within three (3) days after the execution of the PSA. Should Buyer elect to terminate the PSA during the Feasibility Period (as defined in the PSA), the Earnest Money shall be returned to the Buyer as set forth in the PSA. In the event that Titan does not elect to terminate the PSA within the Feasibility Period, Titan's deposit shall be paid in full to the Corporation and such amount(s) shall be accredited to a Purchase Price at a Subsequent Closing to be held after having closed on at a minimum of 50 acres, together with all interest accrued thereon.

1.5 Subsequent Investments in the Proposed Industrial Park. Titan will deliver additional Notices of Closing for the construction of additional facilities within six (6) months after eighty percent (80%) of the Initial Facility on the Initial Lot is

leased or sold to a third party, (each a "Subsequent Facility"), to the extent remaining acreage is available and Employment Year Twenty (as defined below) has not occurred. For each Subsequent Facility, Titan shall invest an amount of at least Two Million, Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) for new improvements and/or machinery and equipment associated with such subsequent facility ("Subsequent Lot Investment"), subject to market conditions or demands. In the event that market conditions or demands require less than the Subsequent Lot Investment amount, Titan may request a waiver from the City in connection with the Subsequent Lot Investment prior to closing on the respective Lot, which request shall not be unreasonably withheld, conditioned, delayed.

1.6 Schedule of Payroll Jobs to be Created. In addition to the obligations required above, Titan or its agents or assigns shall create at least 300 New Full-time Jobs (as hereafter defined) by the end of Employment Year Twenty (as hereafter defined). "Existing Full-time Jobs" are full-time jobs held by employees of Titan, independent contractors or employees of independent contractors or assignees from Titan that are employed at a facility in the Project prior to the Effective Date. "New Full-time Jobs" are full-time jobs created after the Effective Date and held by employees of Titan, its affiliates or assigns (which includes all construction personnel Titan, its affiliates or assigns, places on its payroll for the Project) or employees of Initial Facility tenants or Subsequent Facility tenants that are employed on the site of the Project, or off-site if such employee's work directly benefits the Project but requires off-site presence. For purposes of this Agreement, the term "Employment Year" means each of the twenty (20) calendar years referenced below, beginning with the first full calendar year after the Initial Closing ("Employment Year One"), and continuing for the twentieth (20th) full calendar year thereafter ("Employment Year Twenty").

- (a) Titan shall create New Full-time Jobs as follows during each Employment Year:
 - (i) Create 15 New Full-time Jobs in connection with the Initial Facility by the end of Employment Year One; and
 - (ii) Create 15 New Full-time Jobs in connection with each Subsequent Facility by December 31st of the following employment year on which such Subsequent Facility receives Certificate of Occupancy from the City through Employment Year Twenty.

Titan shall advise the City and the Corporation in the event that the Initial Facility or any Subsequent Facilities is unable to meet the minimum 15 New Full-time Jobs prior to a respective closing. The City and the Corporation may, by written consent, reasonably agree to waive the requirement of 15 New Full-time Jobs in connection with the Initial Facility or any Subsequent Facility; however, Titan or its assigns, regardless of any waiver received in any Employment Year, shall be bound to create 300 New Full-time Jobs by Employment Year Twenty. If there is a shortfall during any Employment Year with respect to the requirements for the 15 New Full-time Jobs in connection with the Initial Facility or any Subsequent Facility, Titan or its assigns may allocate surplus New Full-time Jobs created in connection with the Initial Facility and any Subsequent Facility until the end of Employment Year Twenty. After creating 300 New Full-time Jobs in any Employment Year, Titan shall no longer be bound to the creation of New Full-time Jobs for any Subsequent Facilities.

1.7 Failure to Perform and Repayment. For purposes of this Section 1.7, the parties agree that due to the incremental purchase and build-out of the proposed industrial development park, Titan's receipt of direct incentives from the Corporation and/or Titan's benefitting by an expenditure of the Corporation in furtherance of the Project are only for those Lots the Corporation has sold to Titan pursuant to Sections 1.1, 1.2 and 1.5. As such, in the event Titan fails to meet the requirement of 1.2, 1.4, 1.5, 1.6 and 3.3 of this Agreement, the parties agree that the sole remedy shall be the forfeiture of all Earnest Money and moneys on deposit in the City Infrastructure Fund shall satisfy in full the repayment of any direct incentives from the Corporation and/or Titan's benefitting by an expenditure of the Corporation in furtherance of the Project.

Article II.

Corporation Obligations

2.1 Bond Issuance. As consideration for Titan's performance of its obligations under this Agreement, for a period of twenty (20) years beginning the year following Employment Year One, the Corporation agrees to issue taxable or tax-exempt bonds, in one or more series, to acquire approximately 452 acres of unimproved land located near the southwest corner of the intersection of US HWY 79 and FM 3349 to include construction and/or possible improvement to the land consisting of buildings, equipment, facilities, infrastructure and other expenditures connected therewith.

2.2 Deeds. The Corporation shall provide Titan marketable and good fee simple title by special warranty deed subject only to the exceptions approved by Titan

during the title review period to be set forth in the PSA.

2.3 Taxes. The Corporation shall pay its prorated share of real estate taxes for a Lot being Closed. Seller shall be responsible for payment of all rollback taxes or assessments on the acreage not yet purchased by Titan, including any portion then not yet due and payable.

Article III. General Terms

3.1 Effective Date and Term. The "Effective Date" of this Agreement shall be _____. This Agreement shall become enforceable upon execution and delivery by the Corporation and Titan. Unless this Agreement is terminated earlier in accordance with its terms herein or by termination of the PSA, the terms of this Agreement ("Term") shall commence on the Effective Date and continue until Employment Year Twenty.

3.2 Payments Subject to Future Appropriation. This Agreement shall not be construed as a commitment, issue, pledge or obligation of any specific taxes or tax revenues for payment to Titan.

- (a) All payments or expenditures made by the Corporation under this Agreement are subject to the Corporation's appropriation of funds for such payments or expenditures to be paid in the budget year for which they are made.
- (b) The payments to be made to Titan, or other expenditures under this Agreement, if paid, shall be made solely from annual appropriations of the Corporation as may be legally set aside for the implementation of Article III, Section 52-a of the Texas Constitution or Chapter 380 of the Texas Local Government Code or any other economic development or financing program authorized by statute or home rule powers of the City under applicable Texas law, subject to any applicable limitations or procedural requirements.

3.3 Local Business Participation. In an effort to further stimulate and positively impact the local economy, Titan shall use commercially reasonable efforts to provide locally owned business enterprises an equal opportunity to participate as suppliers for materials and services purchased by Titan exclusively for use on-site at the Project. To assist in recruiting efforts, Titan is required to contact the Hutto Chamber of Commerce for a list of available business enterprises. Additionally,

Titan agrees to become an active member of the Hutto Chamber of Commerce.

3.4 Conflicts. To the extent there is a conflict with this Agreement and the PSA and Development Agreement, the PSA and Development Agreement shall control, with the exception of Sections 1.2, 1.3, 1.4, 1.5, 1.6 and 1.7.

3.5 Representations and Warranties. The Corporation represents and warrants to Titan that the Corporation's economic development program and its allocation of sales and use taxes for the Project are within its authority, and that it is duly authorized and empowered to enter into this Agreement. Titan represents and warrants to the Corporation that it has the requisite authority to enter into this Agreement.

3.6 Default. If either the Corporation or Titan should default in the performance of any obligations of this Agreement, the other party shall provide such defaulting party written notice of the default, and a minimum period of one hundred fifty (150) days after the receipt of said notice to cure such default, prior to instituting an action for breach or pursuing any other remedy for default.

3.7 Entire Agreement. This Agreement contains the entire agreement between the parties as it pertains to performance standards of Titan and the Corporation. All prior negotiations, discussions, correspondence, and preliminary understandings between the parties and others relating hereto are superseded by this Agreement. This Agreement may only be amended, altered or revoked by written instrument signed by the Corporation and Titan.

3.8 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

3.9 Assignment. Except as provided below, Titan or its affiliates may not assign all or part of its rights and obligations to a third party without prior written approval of the Corporation, which approval shall not be unreasonably withheld, conditioned or delayed.

3.10 Termination by Titan. In the event Titan elects not to proceed with the Project as contemplated by this Agreement, Titan shall notify the Corporation in writing, and this Agreement and the obligations on the part of both parties shall be deemed terminated and of no further force or effect. Among other reasons, Titan may elect to terminate this Agreement because it has not entered into

separate economic development agreements for the Project with the City.

3.11 Notice. Any notice and/or statement required or permitted to be delivered shall be deemed delivered by actual delivery, by facsimile with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

TITAN LONESTAR LLC:

Titan Lonestar, LLC
Attn: Kevin L. Reid
9601 McAllister Fwy, Suite 1120
San Antonio, TX 78216
(210) 338-5220
Re: Hutto Performance Agreement

With a copy to:

Titan Development
Attn: Christopher M. Pacheco
6300 Riverside Plaza Ln, NW, Suite 200
Albuquerque, NM 87120
(505) 998-0163
Re: Hutto Performance Agreement

CORPORATION:

Hutto Economic Development Corporation, Type B
Attn: City Manager
401 W. Front Street
Hutto, Texas 78634
Phone: (512) 759-4033
Re: Hutto Performance Agreement

Either party may designate a different address at any time upon written notice to the other party.

3.12 Interpretation. Each of the parties has been represented by counsel of their

choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute regarding its meaning or application, be interpreted fairly and reasonably and neither more strongly for nor against any party.

3.13 Applicable Law. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas and venue shall lie in the State courts of Williamson County, Texas.

3.14 Severability. In the event any provisions of this Agreement are illegal, invalid or unenforceable under present or future laws, it is the intention of the parties that the remainder of this Agreement shall not be affected. It is also the intention of the parties that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement, mutually acceptable to both parties, which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

3.15 Section Headings. The Section headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

3.16 No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

3.17 No Joint Venture. It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The Corporation, its past and future officers, elected officials, employees and agents do not assume any responsibilities or liabilities to any third party in connection with any Titan facilities or the design, construction or operation of any portion of Titan's facilities.

3.18 Public Information. The Corporation is committed to compliance with the Texas Public Information Act. Information provided by or on behalf of Titan under or pursuant to this Agreement that Titan considers as proprietary shall be maintained as confidential to the extent allowed by law. If proprietary financial or trade secret information is requested under the Texas Public Information Act, the Corporation shall follow the standards set out in the Act and under the Texas Attorney General's procedures for such requests, and Titan shall be responsible for defending the confidentiality of such information. Other records and information provided to the Corporation and its representatives to verify

compliance with this Agreement shall be available for public inspection. The Corporation's right to verify the existence of New Full-time Jobs will be accomplished in a manner that does not breach any privacy policy of Titan.

3.19 Personal Data. In the course of verifying Titan's compliance with the requirements of this Agreement, the Corporation and the Corporation's employees, agents, consultants and contractors assigned to perform any portion of the review and inspection may obtain certain information relating to identified or identifiable individuals ("Personal Data"). The Corporation acknowledges that it shall have no right, title or interest in any Personal Data obtained by it as a result of this Agreement, and will not use Personal Data for any purpose other than verification of Titan's compliance with the requirements of this Agreement. The Corporation shall take all appropriate legal, organizational, and technical measures to ensure the confidentiality of Personal Data, and protect Personal Data against unauthorized disclosure or access, and against all other unlawful forms of processing, keeping in mind the nature of such data.

3.20 Compliance Form. "Exhibit "B" – Compliance" is attached hereto and incorporated by reference for purposes of determining compliance by Titan to the obligations created under this Agreement. The Corporation and/or employees of the City shall, at the beginning of each Employment Year (or reasonably thereafter), complete Exhibit "B" for purposes of determining compliance with this Agreement.

3.21 Counterpart Copies. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

EXECUTED by the authorized representatives of the parties on the dates indicated below.

[SIGNATURE PAGES FOLLOW]

TITAN LONESTAR LLC
a Texas limited liability company

By: _____
Kevin L. Reid, Manager

Date: _____, 2018

HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B

By: _____
Name: _____
Title: _____

Date: _____, 2018

EXHIBIT "A"

Depiction of Proposed Industrial Park

Exhibit "B" Compliance

Company: Titan Lonestar, LLC

Reporting Year: _____ through _____ Employment Year # _____ of 20

Investment

- 1.1 Pursuant to §1.2 of the Performance Agreement dated effective April 20, 2018 by and between Titan Lonestar, LLC, its affiliates or assigns ("Titan") and Hutto Economic Development Corporation, Type B ("Corporation"), and upon the occurrence of certain requirements as set forth therein, Titan shall invest an amount of at least \$2,500,000 in new improvements and/or machinery and equipment associated with a minimum 200,000 square foot, rail-served industrial speculative space (the "Initial Facility") on the Initial Lot. ("Initial Lot Investment").
- a. To date the Corporation has not verified Titan's Initial Lot Investment.
 - b. Toward the Initial Lot Investment requirement, Titan has invested \$2,500,000 in new improvements and/or machinery and equipment associated with Initial Lot Investment for the reporting year ending _____.
- 1.2 §1.5 of the Agreement states that within six months (6) after eighty percent (80%) of the Initial Facility on the Initial Lot, and for each facility constructed in Subsequent Closings thereafter, is leased or sold to a third party, Titan shall deliver additional Notice of Closing to commence building all subsequent buildings within the proposed industrial park, to the extent remaining acreage is available, as dictated by proven market demand, and Employment Year Twenty has not occurred, for each Subsequent Facility, Titan shall invest an amount of at least \$_____ in real property improvements and new machinery and/or equipment associated with the Project ("Subsequent Lot Investment").
- a. To date the Corporation has not verified Titan's Subsequent Lot Investment and/or machinery and equipment associated with the Project.
 - b. Toward any Subsequent Lot Investment for this calendar year, Titan has invested at least \$_____ in Subsequent Lot Investments for new improvements and/or machinery and equipment associated with Subsequent Lot Investments for the reporting year ending _____, 20__.

Employment

- 2.1 §1.6 of the Agreement requires Titan to create at least 300 New Full-time Jobs by the end of Employment Year Twenty.
- a. To date, after verification by the Corporation pursuant to Section 3.19 of the Agreement, Titan has created ____ New Full-time Jobs for the reporting year ending _____, 20__.
 - b. Titan has previously created ____ New Full-time Jobs for all reporting years preceding this reporting year.
- 2.2 As of _____, 20__ did the number of New Full-time Jobs created fall below the numbers required under §1.6(a) of the Agreement?
- ☐ Yes ☐ No

Exhibit "B" Compliance

Company: Titan Lonestar LLC

Reporting Year: _____ **through** _____ **Employment Year #** _____ **of 20**

Recruitment

3.1 §3.3 of the Agreement requires Titan to:

- a. Stimulate and positively impact the local economy by using commercially reasonable efforts to provide locally owned business enterprises an equal opportunity to participate as suppliers for materials and services purchased by Titan exclusively for use on-site at the Project. To assist in recruiting efforts, Titan is required to contact the Hutto Chamber of Commerce for a list of available business enterprises. Additionally, Titan agrees to become an active member of the Hutto Chamber of Commerce.

3.2 Did Titan comply with the recruiting requirements in §3.3 of the Agreement during the year ended _____, 20__?

☐ Yes

☐ No

APPENDIX A

TERMS OF THE BONDS

\$ _____
**HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B
SALES TAX REVENUE BONDS,
TAXABLE SERIES 2018**

MATURITY SCHEDULE

Interest accrues from: April 20, 2018

Interest payable: February 1 and August 1 until maturity or redemption commencing February 1, 2019

<u>Principal</u> <u>Amount (\$)</u>	<u>Maturity</u> <u>(1 _____ 1)</u>	<u>Interest</u> <u>Rate (%)</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Maturity</u> <u>(1 _____ 1)</u>	<u>Interest</u> <u>Rate (%)</u>
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* Term Bonds.

GENERAL DESCRIPTION OF THE BONDS

The Bonds will be issued as current interest bonds, will mature on the dates and in the amounts set forth above, and will bear interest at the rates set forth above from their date of delivery, anticipated to be April 20, 2018 ("Issuance Date"), and will be payable February 1 and August 1 until maturity or redemption commencing February 1, 2019.

The Bonds shall be initially issued as one bond and registered in the name of Mesirow Financial Inc. Bonds registered in the name of Mesirow Financial Inc. shall, immediately following their delivery, be exchanged for Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, pursuant to the Book-Entry-Only System described in the Bond Resolution. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof.

REDEMPTION PROVISIONS

Optional Redemption. On August 1, 20__ or any date thereafter, the Bonds maturing on and after August 1, 20__ may be redeemed prior to their scheduled maturities, at the option of the Board, with funds derived from any available and lawful source, as a whole, or from time to time, in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Board (provided that a portion of a Bonds may be redeemed only in an integral multiple of \$5,000), at par plus accrued interest to the date fixed for redemption; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

No less than 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, the Issuer shall cause written notice of such redemption to be sent by United States mail, first class, postage prepaid, 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 registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution. Any notice of redemption shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the Debt Service Fund sufficient money to pay the full redemption price of the Bonds to be redeemed or (ii) be sent only if sufficient money to pay the full redemption price of the Bonds to be redeemed is on deposit in the Debt Service Fund.

Mandatory Sinking Fund Redemption. The Bonds maturing on _____ 1, 20__ and _____ 1, 20__ (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date:

Bonds Maturing on _____ 1, 20__ *	
<u>Redemption Date</u>	<u>Principal Amount</u>
_____ 1, 20__	\$
_____ 1, 20__	\$
_____ 1, 20__ *	\$*

*Stated Maturity

Bonds Maturing on _____ 1, 20__ *	
<u>Redemption Date</u>	<u>Principal Amount</u>
_____ 1, 20__	\$
_____ 1, 20__	\$
_____ 1, 20__ *	\$*

*Stated Maturity

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Board by the principal amount of any Term Bonds of the Stated Maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the Board, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Board with monies in the Debt Service Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

APPENDIX B
FORM OF BOND

R-

**PRINCIPAL
AMOUNT**
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B
SALES TAX REVENUE BOND
TAXABLE SERIES 2018

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NO.</u>
		April 1, 2018	April 20, 2018	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, Hutto Economic Development Corporation Type B (the "Board" or "Issuer"), being a nonstock, nonprofit economic development corporation organized and existing under the laws of the State of Texas, including particularly the Development Corporation Act of 1979, specifically Chapters 501, 502 and 505 of the Texas Local Government Code, as amended (the "Act"), and acting on behalf of the City of Hutto, Texas (the "City"), hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon from _____, the initial date of delivery of the Bonds, on _____, and semiannually on each _____ and _____ thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds,

any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the City and the securities depository.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at _____, which is the "Paying Agent/Registrar" for this Bond, at their office in _____ (the "Designated Payment/Transfer Office"). The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the 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 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

ANY ACCRUED INTEREST due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Bonds shall be payable in the regular manner described above). The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Debt Service Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where 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 Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of an issue of Bonds dated _____, authorized in accordance with the Texas Constitution and laws of the State of Texas, including particularly the Act, in the original principal amount of \$_____ (the "Bonds") to provide funds for: the acquisition of approximately 489 acres of land located near the southwest corner of the intersection of US HWY 79 and FM 3349 (the "land") including the construction, replacement and/or possible improvement to the land consisting of buildings, equipment, facilities, targeted infrastructure and other expenditures connected therewith to promote new or expanded business development and paying the costs of issuance of the Bonds.

ON _____ 1, 20__ OR ANY DATE THEREAFTER, the Bonds maturing on and after _____ 1, 20__ may be redeemed prior to their scheduled maturities, at the option of the Board, with funds derived from any available and lawful source, as a whole, or from time to time, in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at par plus accrued interest to the date fixed for redemption; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

[THE BONDS maturing on _____ 1, 20__ and _____ 1, 20__ (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date:

Bonds Maturing on _____ 1, 20__ *	
<u>Redemption Date</u>	<u>Principal Amount</u>
_____ 1, 20__	\$
_____ 1, 20__	\$
_____ 1, 20__ *	\$*

*Stated Maturity

Bonds Maturing on _____ 1, 20__ *	
<u>Redemption Date</u>	<u>Principal Amount</u>
_____ 1, 20__	\$
_____ 1, 20__	\$
_____ 1, 20__ *	\$*

*Stated Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Board by the principal amount of any Term Bonds of the Stated Maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the Board, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Board with monies in the Debt Service Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

NO LESS THAN 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, the Issuer shall cause written notice of such redemption to be sent by United States mail, first class, postage prepaid, 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 registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution. Any notice of redemption shall either (i) explicitly state that the proposed redemption is conditioned on there being on deposit in the Debt Service Fund sufficient money to pay the full redemption price of the Bonds to be redeemed or (ii) be sent only if sufficient

money to pay the full redemption price of the Bonds to be redeemed is on deposit in the Debt Service Fund.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the Registered Owner or its duly authorized attorney or representative to evidence the assignment hereof. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Bond or any portion hereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The Registered Owner of this Bond shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the Registered Owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the Issuer; that neither the State of Texas, the City, nor any political corporation, subdivision, or agency of the State of Texas, nor any member of the Board of Directors of the Issuer, either individually or collectively, shall be obligated to pay the principal of or the interest on this Bond and neither the faith and credit nor the taxing power (except as described below) 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 or the interest on this Bond; that the principal of and interest on this Bond, together with any Additional Parity Obligations hereafter issued, are secured by and payable from a first lien on and pledge of certain funds created under the Resolution and the revenues defined in the Resolution as the "Pledged Revenues", which include the proceeds of a one-half of one percent sales and use tax levied for the benefit of the Issuer by the City (the "Sales Tax") pursuant to the Act which lien on and pledge is prior in right and claim to the lien and pledge on the Pledged Revenues securing the payment of the outstanding Junior Lien Obligations and any Subordinate Lien Obligations; and that the Registered Owner hereof shall not have the right to demand payment of the principal of or interest on this Bond from any tax proceeds other than the Sales Tax proceeds levied for the benefit of the Issuer by the City pursuant to the Act, or from any other source.

THE ISSUER HAS RESERVED the right in the Bond Resolution, subject to certain conditions set forth therein, to issue obligations or incur indebtedness from time to time in the future on a parity with the Bonds with respect to the pledge of and lien on the Pledged Revenues which secures the Bonds. The Issuer may also issue obligations or incur indebtedness which is secured on a junior and subordinate lien with respect to the Pledged Revenues. The Bond Resolution further provides that the Issuer may create a debt service reserve fund and fund it or provide for it to be funded in connection with the issuance of any obligations or the incurrence of any indebtedness which possesses a lien on and pledge of the Pledged Revenues on a parity with the Bonds, and that such reserve shall secure only the obligations or indebtedness for which it was funded or is to be funded. The Issuer has created a debt service reserve fund for the benefit of the Bonds.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Bond Resolution as provided therein, and under some (but not all) circumstances amendments thereto must be approved

by the Registered Owners of a majority in aggregate principal amount of the Outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Chairman of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer on this Bond.

(facsimile signature)
Secretary, Board of Directors

(facsimile signature)
Chairman, Board of Directors

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

**PAYING AGENT/REGISTRAR'S
AUTHENTICATION CERTIFICATE**

(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

Paying Agent/Registrar

By: _____
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____.

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee.)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.

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

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of the State of Texas

INSERTIONS FOR THE INITIAL BOND

The Initial Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted (with all blanks to be completed with information contained in the Pricing Certificate.

"ON THE MATURITY DATE SPECIFIED ABOVE, the Hutto Economic Development Corporation Type B (the "Issuer"), being a nonstock, nonprofit economic development corporation organized and existing under the laws of the State of Texas, including particularly the Development Corporation Act of 1979, Sections 501-505 of the Texas Local Government Code, as amended (the "Act"), and acting on behalf of the City of Hutto, Texas (the "City"), hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on _____ 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Principal</u> <u>Amount</u>	<u>Maturity</u> <u>()</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity</u> <u>()</u>	<u>Interest</u> <u>Rate</u>
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(Information from the Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____, 20__ the initial date of delivery of the Bonds, at the respective Interest Rate per annum specified above. Interest is payable on _____ 1, 2019 and semiannually on each _____ 1 and _____ 1 thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Bond shall be numbered "T-1."

APPENDIX C

INSURANCE COMMITMENT LETTER

[Include if Issuer obtains insurance for reserve fund]

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into April 20, 2018 (this "Agreement") is between the HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B (the "Issuer") and BOKF, NA, a national banking association duly organized and existing under the laws of the United States of America and qualified to transact business in the State of Texas (the "Bank").

RECITALS OF THE ISSUER

The Issuer has duly authorized and provided for the issuance of its "HUTTO ECONOMIC DEVELOPMENT CORPORATION TYPE B SALES TAX REVENUE BONDS, TAXABLE SERIES 2018" (the "Securities"), dated April 1, 2018, in the aggregate original principal amount of \$ _____ to be issued as registered securities without coupons;

All things necessary to make the Securities the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

The Issuer is desirous that the Bank act as the "Paying Agent" of the Issuer in paying the principal, premium (if any) and interest on the Securities, in accordance with the terms thereof, and that the Bank act as "Registrar" for the Securities;

The Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Securities, in order to pay, when due, the principal, premium (if any), and interest on all or any of the Securities to the Holders of the Securities, all in accordance with this Agreement and the Resolution (defined below).

The Issuer hereby appoints the Bank as Registrar with respect to the Securities.

The Bank hereby accepts its appointment, and has full power and authority and agrees to perform and serve as the Paying Agent and the Registrar.

Section 1.02 Compensation.

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto for the first year of this

Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for political subdivisions, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year (defined below) of the Issuer and which shall be effective upon the first day of the following Fiscal Year. The Issuer will provide notice to the Bank of any change in the Issuer's Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions of this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms, whenever the same appear in this Agreement without qualifying language, are defined to mean as follows:

"Acceleration Date" of any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Bank Office" means the corporate trust office of the Bank set forth on the signature page of this Agreement. The Bank will notify the Issuer, in writing, of any change in location of the Bank Office.

"Fiscal Year" means the fiscal year of the Issuer, which currently begins on October 1 and ends on September 30 of each year.

"Holder" and "Security Holder" each means a Person (defined below) in whose name a Security is registered in the Security Register.

"Issuer Request" and "Issuer Order" mean a written request or order signed in the name of the Issuer by an officer of the governing body and delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Resolution" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the secretary of the governing body of the Issuer or any other officer of the Issuer, and delivered to the Bank.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all of a portion of the same obligation as that evidenced by such particular Security (and, for the purpose of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 of this Agreement and the Resolution).

"Record Date" means the Record Date as defined in the Resolution.

"Redemption Date" when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Resolution.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Securities" means the securities defined in the "Recitals of the Issuer" section of this Agreement.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration of Securities and of transfers, exchange and payment of Securities.

"Stated Maturity" means the date specified in the Resolution as the fixed date on which the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions.

The terms "Bank," "Issuer," and "Security" have the meanings assigned to them in the opening paragraph of this Agreement or in the "Recitals of the Issuer" section of this Agreement.

The terms "Paying Agent", "Registrar" and "Paying Agent/Registrar" refer to the Bank in the performance of the duties and functions of this Agreement.

Section 2.03 Construction of Terms.

If appropriate in the context of this Agreement, words of the singular shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due in accordance with the Resolution. The Bank shall compute the amount of interest to be paid each Holder, and shall prepare and send a check in the amount by United States mail (first-class postage prepaid) on or prior to each interest payment date, to the Holder of each Security (or Predecessor Securities) whose name appears in the Security Register on the Record Date. Such checks shall be mailed in such manner to such Holder at the address for each such Holder appearing on the Security Register, or shall be transmitted to such Holder on each interest payment date by such other method acceptable to the Bank, requested in writing by, and at the risk and expense of the Holder.

Section 3.02 Payment Dates.

The Issuer hereby instructs the Bank to pay the principal and interest on the Securities at the dates specified in the Resolution. The Issuer agrees to transfer or to cause to be transferred, in immediately available funds, to the Bank to pay principal and/or interest, either or both, by no later than 10:00 a.m. on the payment dates.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of and interest on each Security when due, by computing the amount of interest to be paid each Holder, preparing the checks and mailing the checks on the payment date, to the Holders of the Securities on the Record Date, addressed to their address appearing on the Security Register.

Section 3.03 Reporting Requirements.

To the extent required by the Internal Revenue Code of 1986 and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto, the Bank shall report or assure that a report is made to the Holder and the Internal Revenue Service, any amount of acquisition premium interest paid on, original issue discount or adjusted basis of the Security.

ARTICLE FOUR REGISTRAR

Section 4.01 Transfer and Exchange.

The Bank agrees to keep and maintain at the Bank Office a Security Register in which, subject to such reasonable written regulations as the Issuer may prescribe (which regulations will be furnished to the Bank herewith or subsequent hereto by Issuer Order), will provide for the recording of the names and addresses of the Holder of the Securities, the registration of the Securities and for transfers, exchanges, and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holder and any other information as may be

reasonably required by the Issuer. The Bank is hereby appointed Registrar for the purpose of registering Securities and transfers of Securities as provided in this Agreement. The Bank agrees to maintain the Security Register while it is Registrar.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, in form satisfactory to the Bank, duly executed by the Holder thereof, or his agent, duly authorized in writing.

As a condition to effecting a re-registration, transfer or exchange of the Securities, the Registrar may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities. To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof shall be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be canceled and exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Certificates.

The Issuer shall provide the Registrar with an adequate inventory of Securities certificates to facilitate transfers. The Bank covenants that it will maintain the Securities certificates in safekeeping and will use reasonable care in maintaining such Securities certificates in safekeeping, which shall not be less than the level of care it maintains for debt securities of other political subdivisions or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03 Form of Security Register.

The Bank as Registrar will maintain the records of the Security Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Securities Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders.

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of any required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the content of the Security Register to any person other than to, or at the written request of, an authorized officer, employee or agent of the Issuer, except upon receipt of a subpoena, court order, or as required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

Section 4.05 Return of Canceled Securities.

The Bank will destroy all canceled Securities pursuant to the Securities Exchange Act of 1934.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities Certificates.

The Issuer hereby instructs the Bank to deliver and issue Securities certificates in exchange for or in lieu of mutilated, destroyed, lost or stolen Securities certificates as long as the same does not result in an overissuance.

The Bank will issue and deliver a new Security certificate in exchange for a mutilated Security certificate surrendered to it. The Bank will issue a new Security certificate in lieu of a Security certificate for which it received written representation from the Holder that the certificate representing such Security is destroyed, lost, or stolen, without the surrender or production of the original certificate. The Bank will pay on behalf of the Issuer the unpaid principal and premium, if any, of a Security at the Stated Maturity or on the Redemption Date or Acceleration Date, for which it receives written representation that the certificate representing such Security is destroyed, lost, or stolen without the surrender or production of the original certificate.

The Bank will not issue a replacement Security certificate or pay such replacement Security certificate unless there is delivered to the Bank such security or indemnity as it may require (which may be by the Bank's Blanket Lost Original Instrument Bond) to save both the Bank and the Issuer harmless.

On satisfaction of the Bank and the Issuer that a Security certificate has been mutilated, destroyed, lost or stolen, the certificate number on the mutilated, destroyed, lost or stolen Security certificate will be canceled with a notation that it has been mutilated, destroyed, lost or stolen and a new Security certificate will be issued of the same series and of like tenor and principal amount bearing a number (according to the Security Register) not contemporaneously outstanding.

The Bank may charge the Holder the Bank's fees and expenses in connection with issuing a new Security certificate in lieu of or exchange for a mutilated, destroyed, lost, or stolen Security certificate.

The Issuer hereby accepts the Bank's current Blanket Lost Original Instrument Bond for lost, stolen, or destroyed certificates and any future substitute bond for lost, stolen, or destroyed certificates that the Bank may arrange; and agrees that the coverage under any such bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The Bank need

not notify the Issuer of any changes in the security or other company giving such bond or the terms of such bond. At any time the Bank is customarily open for business, the Blanket Lost Original Instrument Bond then utilized for the purpose of lost, stolen, or destroyed certificates by the Bank shall be available for inspection by the Issuer on request. The Issuer hereby accepts the Bank's indemnity to replace the Security certificates destroyed or lost while in the possession or under the control of the Bank.

Section 4.07 Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01 and Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01 and Securities certificates issued in exchange for Security certificates delivered pursuant to Section 4.06.

**ARTICLE FIVE
THE BANK**

Section 5.01 Duties of Bank.

The Bank undertakes to perform the duties set forth in this Agreement and in the Resolution and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile or email transmission of the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties under this Agreement, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and will be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality

of the foregoing statement, the Bank need not examine the ownership of any Securities but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03 Recitals of Issuer.

The recitals contained in this Agreement and in the Securities are taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank will in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar or any other agent, provided that such dealings do not result in a breach of any duties or agreement imposed by this Agreement or a violation of laws of the State of Texas.

Section 5.05 Money Held by Bank.

A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

The Bank will be under no liability for interest on any money received by it hereunder.

Subject to the provisions of Title 6 of the Texas Property Code, any money deposited with the Bank for the payment of the principal, premium, if any, or interest on any Security and remaining unclaimed for three years following the stated maturity, the Bank will, except as otherwise directed by the Issuer, upon Issuer Order, return to the Issuer. The Holder of such Security will thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such money will thereupon cease.

The Bank will comply with the reporting provisions of Chapter 74 of the Texas Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Texas Property Code or inactive under Chapter 73 of the Texas Property Code.

Section 5.06 Indemnification.

To the extent permitted by law, the Issuer agrees to indemnify the Bank (including its directors, officers and employees) for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on the Bank's part arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. The foregoing indemnities in this Section 5.06 will survive the resignation or substitution of the Bank or the termination of this Agreement.

Section 5.07 Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit, in either a Federal or State Court located in the State of Texas and County or Counties where either the Bank (Texas offices only) or the Issuer is located, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in on page 12 and 13 of this Agreement will constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming interest in this Agreement.

Section 5.08 Depository Trust Company.

It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", promulgated from time to time by The Depository Trust Company, which establishes requirements for securities to be eligible for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

**ARTICLE SIX
MISCELLANEOUS PROVISIONS**

Section 6.01 Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties to this Agreement.

Section 6.02 Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank must be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature pages of this Agreement.

Section 6.04 Effect of Headings.

The Article and Section headings in this Agreement are for convenience only and do not affect the construction of this Agreement.

Section 6.05 Successors and Assigns; Merger, Conversion, Consolidation or Succession.

All covenants and agreements in this Agreement by the Issuer will bind its successors and assigns, whether so expressed or not.

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank is a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank will be the successor to the Bank under this Agreement without the execution or filing of any paper or any further act on the part of either of the parties to this Agreement. In case any Security has been registered, but not delivered, by the Bank then in office, any successor by merger, conversion, or consolidation to such authenticating Bank may adopt such registration and deliver the Security so registered with the same effect as if such successor Bank had itself registered such Security.

Section 6.06 Severability.

In case any provision in this Agreement, or application thereof, shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or applications shall not in any way be affected or impaired thereby.

Section 6.07 Benefits of Agreement.

Nothing in this Agreement, express or implied, will give to any Person, other than the parties to this Agreement and their successors under this Agreement, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

Section 6.08 Entire Agreement.

This Agreement and the Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar for the Securities, and if any conflict exists between this Agreement and the Resolution, the Resolution shall govern.

Section 6.09 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10 Termination.

This Agreement will terminate on the date of final payment by the Bank of the principal of and interest on the Securities to the Holders thereof.

This Agreement may be earlier terminated upon 30 days written notice by either party; provided, however, that this Agreement may not be terminated (i) by the Bank until a successor Paying Agent/Registrar that is a national or state banking institution and a corporation or association organized and existing under the laws of the United States of America or of any state which possesses trust powers and is subject to supervision or examination by a federal or state regulatory agency has been appointed by the Issuer and has accepted such appointment, or (ii) at any time during which such termination might, in the judgment of the Issuer, disrupt, delay, or otherwise adversely affect the payment of the principal, premium, if any, or interest on the Securities. Prior to terminating this Agreement, the Issuer may reasonably require the Bank to show that such termination will not occur during a period described in (ii) above.

The resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within 30 days after the giving of such notice of resignation.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer. The Bank agrees that no termination fee or other charge not specifically provided for in this Agreement will be due or payable by the Issuer in connection with any early termination of this Agreement.

Section 6.11 Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

Section 6.12 No Boycott of Israel.

To the extent this Agreement is a contract for goods or services, the Bank hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this agreement. For

purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**HUTTO ECONOMIC DEVELOPMENT
CORPORATION TYPE B**

By: _____
Title: _____

BOKF, NA

By: _____
Title: _____

Annex A

Fee Schedule

[Please see attached]