ORDINANCE NO. 1004

AN ORDINANCE authorizing the issuance of “CITY OF BURKBURNETT, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, NEW SERIES 2021”; pledging the net revenues of the City’s combined Waterworks and Sewer System to the payment of the principal of and interest on said Bonds; enacting provisions incident and related to the issuance, payment, security and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement and the approval and distribution of an Official Statement pertaining thereto; and providing an effective date.

WHEREAS, the City of Burkburnett, Texas (the “City”) has heretofore issued, sold, and delivered, and there is currently outstanding, obligations of the following issue or series, to wit: “City of Burkburnett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2010,” dated October 15, 2010, maturing in the years 2022, 2024, 2026, 2028, and 2030, and aggregating in principal amount $745,000 (the “Refunded Bonds”);

WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended (“Chapter 1207”), the Board of Commissioners of the City (the “Board”) is authorized to issue refunding bonds and deposit the proceeds of sale directly with any place of payment for the Refunded Bonds, or other authorized depository, and such deposit, when made in accordance with Chapter 1207 and the ordinance authorizing the issuance of the Refunded Bonds, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds;

WHEREAS, the Board hereby finds and determines that it is a public purpose and in the best interests of the City to refund the Refunded Bonds, and such refunding will result in the City saving approximately $86,546.26 in debt service payments on such indebtedness and further provide net present value savings of approximately $80,385.29;

WHEREAS, in addition to the bonds to be issued to refund the Refunded Bonds and pursuant to the authority granted to the City by Texas Government Code, Chapter 1502, as amended, the Board further finds and determines that waterworks and sewer system revenue bonds in the principal amount of $2,105,000 for the purpose of providing funds to acquire, improve, renovate, or equip the City’s combined Waterworks and Sewer System (the “System”), should be issued and sold at this time;

WHEREAS, the Board hereby finds and determines that the conditions for the issuance of additional bonds as set forth in the ordinance authorizing the issuance of the Previously Issued Bonds can be met and satisfied in that (i) the Director of Finance (or other officer of the City then having the primary responsibility for the financial affairs of the City) shall execute a certificate stating (a) that, to the best of his knowledge and belief, the City is not in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues of the System that would materially affect the security or payment of such obligations and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues of the System have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the
application of the proceeds of sale of the bonds herein authorized will cure any such deficiency, (ii) the bonds herein authorized shall mature on August 15 in each year of maturity, and (iii) the City will secure a certificate or opinion of a Certified Public Accountant to the effect that, according to the books and records of the City, the Net Earnings for the last completed Fiscal Year, or for 12 consecutive months out of the 15 months, immediately preceding the month this Ordinance is adopted are at least equal to 1.25 times the Average Annual Debt Service for all obligations payable solely from and secured only by a lien on and pledge of the Net Revenues of the System to be outstanding after giving effect to the issuance of the bonds herein authorized; and

WHEREAS, the Board hereby further finds and determines that such revenue bonds can and shall be payable from and secured by a lien on and pledge of the Net Revenues (as hereinafter defined) of the System, which lien and pledge shall be junior and subordinate to the lien and pledge heretofore made for the payment and security of certain outstanding revenue bonds of the City (hereinafter defined and identified as “Prior Lien Bonds”) until such time as the principal of and interest on the Prior Lien Bonds have been fully paid or provision for the payment of the Prior Lien Bonds has been made in accordance with applicable law; now, therefore,

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF CITY OF BURKBURNETT:

SECTION 1: Authorization-Designation-Principal Amount-Purpose. Revenue bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of $2,795,000 to be designated and bear the title “CITY OF BURKBURNETT, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, NEW SERIES 2021” (hereinafter referred to as the “Bonds”), for the purpose of (i) acquiring, improving, renovating, or equipping the City’s Waterworks and Sewer System, (ii) providing funds for the discharge and final payment of the Refunded Bonds, and (iii) to pay the costs and expenses of issuance, in conformity with the Constitution and laws of the State of Texas, including Chapters 1207 and 1502, Texas Government Code, as amended.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Date. The Bonds shall be issued as fully registered obligations, without coupons, shall be dated July 15, 2021 (the “Bond Date”) and, other than the single fully registered Initial Bond referenced in Section 8 hereof, shall be in denominations of $5,000 or any integral multiple thereof (within a Stated Maturity), shall be numbered consecutively from One (1) upward and shall become due and payable on August 15 in each of the years and in principal amounts (the “Stated Maturities”) and bear interest at per annum rates in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Year of Stated Maturity</th>
<th>Principal Amount (%)</th>
<th>Interest Rate(s) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>170,000</td>
<td>4.000</td>
</tr>
<tr>
<td>2023</td>
<td>170,000</td>
<td>4.000</td>
</tr>
<tr>
<td>2024</td>
<td>180,000</td>
<td>4.000</td>
</tr>
<tr>
<td>2025</td>
<td>185,000</td>
<td>2.000</td>
</tr>
<tr>
<td>2026</td>
<td>150,000</td>
<td>4.000</td>
</tr>
<tr>
<td>2027</td>
<td>150,000</td>
<td>4.000</td>
</tr>
<tr>
<td>2028</td>
<td>160,000</td>
<td>4.000</td>
</tr>
<tr>
<td>Year</td>
<td>Maturity ($1,000)</td>
<td>Interest ($1,000)</td>
</tr>
<tr>
<td>------</td>
<td>------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>2029</td>
<td>165,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2030</td>
<td>170,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2031</td>
<td>105,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2033</td>
<td>220,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2035</td>
<td>230,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2037</td>
<td>240,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2039</td>
<td>245,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2041</td>
<td>255,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

The Bonds shall bear interest on the unpaid principal amounts from the date of their delivery to the Purchasers (anticipated to be August 18, 2021) at the rate(s) per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 in each year, commencing February 15, 2022, until maturity or redemption.

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

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Bonds (the “Security Register”) shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a “Paying Agent/Registrar Agreement”, substantially in the form attached hereto as Exhibit A, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor or Mayor Pro Tem and City Clerk are authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or upon the earlier redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices in East Syracuse, New York (the “Designated Payment/Transfer Office”). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall be paid by
the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the City where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located 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 when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment for such maturity or maturities (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of such maturity or maturities appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Bonds maturing on and after August 15, 2031, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2030, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

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

(b) Mandatory Redemption. The Bonds having Stated Maturities of August 15, 2033, August 15, 2035, August 15, 2037, August 15, 2039, and August 15, 2041 (the “Term Bonds”) shall be subject to mandatory redemption in part prior to maturity at the redemption price of par and accrued interest to the date of redemption on the respective dates and in principal amounts as follows:

<table>
<thead>
<tr>
<th>Term Bonds due August 15, 2033</th>
<th>Term Bonds due August 15, 2035</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption Date</td>
<td>Principal Amount</td>
</tr>
<tr>
<td>August 15, 2032</td>
<td>$110,000</td>
</tr>
<tr>
<td>August 15, 2033 (maturity)</td>
<td>$110,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Term Bonds due August 15, 2037</th>
<th>Term Bonds due August 15, 2039</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redemption Date</td>
<td>Principal Amount</td>
</tr>
<tr>
<td>August 15, 2036</td>
<td>$120,000</td>
</tr>
</tbody>
</table>
Term Bonds due August 15, 2041

<table>
<thead>
<tr>
<th>Redemption Date</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 15, 2040</td>
<td>$125,000</td>
</tr>
<tr>
<td>August 15, 2041 (maturity)</td>
<td>$130,000</td>
</tr>
</tbody>
</table>

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds within the applicable Stated Maturity to be redeemed on the next following August 15 from moneys set aside for that purpose in the Bond Fund (as hereinafter defined). Any Term Bond not selected for prior redemption shall be paid on the date of their Stated Maturity.

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

(c) **Selection of Bonds for Redemption.** If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by $5,000 and shall select the Bonds, or principal amount thereof, to be redeemed within such Stated Maturity by lot.

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

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

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

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

Upon surrender for transfer of any Bond (other than the Initial Bonds authorized in Section 8 hereof) at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bonds authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of, and furnished by, the City, to the Holder requesting the exchange.

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

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.
Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be “Predecessor Bonds,” evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term “Predecessor Bonds” shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to Section 30 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

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

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4 and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of “Book-Entry Only” securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations, by and between the City and DTC (the “Depository Agreement”).

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

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Clerk. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the date of adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.
No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the total principal amount referenced in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the “Initial Bond(s)”)) and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

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

(b) Form of Definitive Bond.

REGISTERED NO._______

REGISTERED $___________
The City of Burkburnett (hereinafter referred to as the “City”), a body corporate and municipal corporation in the County of Wichita, State of Texas, for value received, hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, solely from the revenues hereinafter identified, on the Stated Maturity date specified above the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest hereof from the interest payment date next preceding the “Registration Date” of this Bond appearing below (unless this Bond bears a “Registration Date” as of an interest payment date, in which case it shall bear interest from such date, or unless the “Registration Date” of this Bond is prior to the initial interest payment date in which case it shall bear interest from the Delivery Date) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on February 15 and August 15 of each year, commencing February 15, 2022, until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located 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 when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.
This Bond is one of the series specified in its title issued in the aggregate principal amount of $2,795,000 (herein referred to as the “Bonds”) for the purposes of (i) acquiring, improving, renovating, or equipping the City’s Waterworks and Sewer System, (ii) providing funds for the discharge and final payment of the Refunded Bonds, and (iii) to pay the costs and expenses of issuance, in conformity with the Constitution and laws of the State of Texas, including Chapters 1207 and 1502, Texas Government Code, as amended, and pursuant to an Ordinance adopted by the Board of Commissioners of the City (herein referred to as the “Ordinance”).

The Bonds maturing on dates hereinafter identified (the “Term Bonds”) are subject to mandatory redemption prior to maturity with funds on deposit in the Bond Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the mandatory redemption date on the respective dates and in principal amounts as follows:

<table>
<thead>
<tr>
<th>Term Bonds due August 15, 2033</th>
<th>Term Bonds due August 15, 2035</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Redemption Date</strong></td>
<td><strong>Principal Amount</strong></td>
</tr>
<tr>
<td>August 15, 2032</td>
<td>$110,000</td>
</tr>
<tr>
<td>August 15, 2033 (maturity)</td>
<td>$110,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Term Bonds due August 15, 2037</th>
<th>Term Bonds due August 15, 2039</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Redemption Date</strong></td>
<td><strong>Principal Amount</strong></td>
</tr>
<tr>
<td>August 15, 2036</td>
<td>$120,000</td>
</tr>
<tr>
<td>August 15, 2037 (maturity)</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Term Bonds due August 15, 2041</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Redemption Date</strong></td>
</tr>
<tr>
<td>August 15, 2040</td>
</tr>
<tr>
<td>August 15, 2041 (maturity)</td>
</tr>
</tbody>
</table>

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

The Bonds maturing on and after August 15, 2031, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2030, or on any date thereafter at the redemption price of par plus accrued interest thereon to the redemption date.

At least thirty days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the
Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

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

The Bonds are special obligations of the City and, together with outstanding and unpaid “Previously Issued Bonds” (identified and defined in the Ordinance), are payable solely from, and equally and ratably secured by a lien on and pledge of the Net Revenues (as defined in the Ordinance) of the City’s combined Waterworks and Sewer System (the “System”); such lien and pledge, however, being junior and subordinate to the lien on and pledge of the Net Revenues of the System securing the payment of Prior Lien Bonds (identified and defined in the Ordinance). The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or the System, except with respect to the Net Revenues. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Subject to satisfying the terms and conditions prescribed therefor, the City has reserved the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System, in the same manner and to the same extent as the Previously Issued Bonds and the Bonds.

As provided in the Ordinance, no additional obligations will be authorized or issued on a parity with the outstanding Prior Lien Bonds, and the Bonds, together with the Previously Issued Bonds and additional obligations hereafter issued on a parity therewith, will become obligations
equally secured by a first lien on and pledge of the Net Revenues of the System at such time as the principal of and interest on the Prior Lien Bonds have been fully paid or provision for the payment of said Bonds has been made in accordance with applicable law.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the properties constituting the System; the Net Revenues pledged to the payment of the principal of and interest on the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of additional revenue obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the same meanings assigned in the Ordinance.

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

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

It is hereby certified, recited, represented and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by
the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of the Net Revenues of the System as aforesaid. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Commissioners of the City has caused this Bond to be duly executed under the official seal of the City.

CITY OF BURKBURNETT, TEXAS

________________________________
Mayor

COUNTERSIGNED:

_________________________
City Clerk
(SEAL)

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

REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER

OF PUBLIC ACCOUNTS

THE STATE OF TEXAS

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

WITNESS my signature and seal of office this _______________________.

________________________________
Comptroller of Public Accounts
of the State of Texas
(SEAL)
(d) Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in East Syracuse, New York, is the “Designated Payment/Transfer Office” for this Bond.

The Bank of New York Mellon Trust Company, N.A., Dallas, Texas,
as Paying Agent/Registrar

Registration date:

By __________________________
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

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

(Social Security or other identifying number____________________) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

______________________________
Signature guaranteed:

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

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the heading and first paragraph of a single fully registered Initial Bond shall be modified as follows:
Bond Date: July 15, 2021                                                                 Delivery Date: August 18, 2021

Registered Owner: Robert W. Baird & Co. Incorporated

Principal Amount: TWO MILLION SEVEN HUNDRED NINETY-FIVE THOUSAND DOLLARS

The City of Burkburnett (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Wichita, State of Texas, for value received, hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, solely from the revenues hereinafter identified, the Principal Amount hereinafore stated on August 15 in each of the years and in principal installments in accordance with the following schedule:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PRINCIPAL INSTALLMENTS</th>
<th>INTEREST RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(or so much thereof as shall not have been prepaid prior to maturity) and to pay interest, computed on the basis of a 360-day year of twelve 30-day months, on the unpaid principal amounts hereof from the Delivery Date at the per annum rates of interest specified above; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2022, until maturity or prior redemption. Principal installments of this Bond are payable in the year of maturity or on a prepayment date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the “Paying Agent/Registrar”), upon presentation and surrender, at its designated offices in East Syracuse, New York (the “Designated Payment/Transfer Office”). Interest is payable to the registered owner of this Bond whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located 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 when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United
States of America which at the time of payment is legal tender for the payment of public and private debts.

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

“Additional Bonds” - Revenue bonds or other evidences of indebtedness which the City reserves the right to issue or enter into, as the case may be, in the future under the terms and conditions provided in Section 18 of this Ordinance and which, together with the Bonds and the Previously Issued Bonds, are equally and ratably secured by a lien on and pledge of the Net Revenues of the System, which will become obligations equally secured by a first lien on and pledge of the Net Revenues of the System at such time as the principal of and interest on the Prior Lien Bonds have been fully paid or provision for the payment of the Prior Lien Bonds has been made in accordance with applicable law.

“Average Annual Debt Service” - That average amount which, at the time of computation, will be required to pay the Debt Service of obligations when due and derived by dividing the total of such Debt Service by the number of years then remaining before final maturity. Capitalized interest payments provided from proceeds of Bonds Similarly Secured shall be excluded in making the aforementioned computation.


“Bonds Similarly Secured” - Collectively, the Bonds, the Previously Issued Bonds, and Additional Bonds.

“City” - The City of Burk Burnett located in the County of Wichita, Texas.

“Debt Service” - As of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of Bonds Similarly Secured without a fixed numerical rate, that such obligations bear, or would have borne, interest at the highest rate reached, or that would have applied to such obligations (using the index or method for computing interest applicable to such obligations) during the twenty-four (24) month period next preceding the date of computation; and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

“Fiscal Year” - The twelve month accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City.
“Government Obligations” - (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations under applicable law that may be used to defease obligations such as the Bonds.

“Gross Revenues” - All income, receipts and revenues of every nature derived or received from the operation and ownership (excluding refundable meter deposits, restricted gifts and grants in aid of construction) of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established for the payment and security of the Bonds Similarly Secured and other obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

“Maintenance and Operating Expenses” - All current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the Board, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues shall be deducted in determining “Net Revenues”. Depreciation charges shall not be considered Maintenance and Operating Expenses. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage or other materials, goods or services for the System to the extent authorized by law and the provisions of such contract.

“Net Earnings” - The meaning assigned to such term in Section 18 hereof.

“Net Revenues” - Gross Revenues of the System, with respect to any period, after deducting the System’s Maintenance and Operating Expenses during such period.

“Outstanding” - When used in this Ordinance with respect to Bonds or Bonds Similarly Secured means, as of the date of determination, all Bonds theretofore issued and delivered, except:

(1) those Bonds or Bonds Similarly Secured cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
(2) those Bonds or Bonds Similarly Secured paid or
deemed to be paid in accordance with the provisions of Section 28
hereof, or substantially similar provisions with respect to Bonds
Similarly Secured; and

(3) those Bonds or Bonds Similarly Secured that have
been mutilated, destroyed, lost, or stolen and replacement Bonds
have been registered and delivered in lieu thereof as provided in
Section 30 hereof or similar provisions with respect to Bonds
Similarly Secured.

“Previously Issued Bonds” – The outstanding and unpaid “City of
Burkburnett, Texas, Waterworks and Sewer System Revenue Bonds, New
Series 2013”, dated July 15, 2013, originally issued in the principal amount of
$2,210,000.

“Prior Lien Bonds” – The outstanding and unpaid “City of Burkburnett,
Texas, Waterworks and Sewer System Revenue Bonds, Series 2010”, dated
October 15, 2010, originally issued in the principal amount of $1,555,000.

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

“System” - All properties, facilities and plants currently owned, operated
and maintained by the City for the supply, treatment and transmission of treated
potable water and the collection, treatment and disposal of water-carried wastes,
together with all future extensions, improvements, replacements and additions
thereto; provided, however, that notwithstanding the foregoing, and to the extent
now or hereafter authorized or permitted by law, the term “System” shall not
mean to include facilities of any kind which are declared not to be a part of the
System and which are acquired or constructed by or on behalf of the City with the
proceeds from the issuance of “Special Facilities Bonds”, which are hereby
defined as being special revenue obligations of the City which are not Bonds
Similarly Secured but which are payable from and secured by other liens on and
pledges of any revenues, sources or payments, not pledged to the payment of
the Bonds Similarly Secured including, but not limited to, special contract
revenues or payments received from any other legal entity in connection with
such facilities.

SECTION 11: Pledge. The City hereby covenants and agrees that, subject only to the
prior lien on and pledge of the Net Revenues of the System to the payment and security of the
Prior Lien Bonds (including the establishment and maintenance of the special funds created for
the payment and security of thereof) under the terms and provisions of the ordinance and
proceedings pertaining to their authorization and issuance, the Net Revenues of the System,
with the exception of those in excess of the amounts required for the payment and security of
the Bonds Similarly Secured, are hereby irrevocably pledged, to the payment and security of the
Bonds and Additional Bonds, if issued, including the establishment and maintenance of the
special funds created and established for the payment and security thereof, all as hereinafter
provided, and it is hereby ordained that the Bonds Similarly Secured, and the interest thereon,
shall constitute a first lien on the Net Revenues of the System in accordance with the terms and
provisions hereof and be valid and binding and fully perfected from and after the date of
adoption of this Ordinance without physical delivery or transfer or transfer of control of the Net Revenues, the filing of this Ordinance or any other act; all as provided in Chapter 1208 of the Texas Government Code.

Section 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Net Revenues of the System granted by the City under this Section 11, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Net Revenues of the System granted by the City under this Section 11 is to be subject to the filing requirements of Chapter 9, 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 City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 12: Water and Sewer System Fund. The City hereby covenants and agrees that Gross Revenues of the System (excluding earnings and income derived from the investment or deposit of moneys in the Bond Fund and Reserve Fund) shall be deposited, as collected and received, into a separate account (created, established and maintained with a depository bank of the City) known on the books and records of the City as the “Water and Sewer System Fund” (herein called the “System Fund”), and the Gross Revenues of the System shall be accounted for separate and apart from all other funds of the City. All revenues deposited in the System 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 all necessary and reasonable Maintenance and Operating Expenses as defined herein or required by statute to be a first charge on and claim against the Gross Revenues thereof.

SECOND: To the payment of the amounts required to be deposited in the special Funds or accounts created and established for the payment and security of the Prior Lien Bonds, if any such bonds remain outstanding, in accordance with the ordinance authorizing their issuance.

THIRD: To the payment of the amounts required to be deposited in the Bond Fund established and maintained for the payment of Debt Service on the Bonds Similarly Secured as the same becomes due and payable.

FOURTH: To the payment of the amounts required to be deposited in the Reserve Fund to accumulate and maintain therein the Required Reserve in accordance with the provisions of this Ordinance or any other ordinance relating to issuance of Bonds Similarly Secured.

FIFTH: To the payment of any indebtedness payable from and secured, in whole or in part, by a lien on and claim against the Net Revenues of the System.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.
SECTION 13: Bond Fund. For purposes of providing funds to pay the principal of and interest on the Bonds Similarly Secured as the same becomes due and payable, the City hereby covenants and agrees to maintain a separate and special account or fund on the books and records of the City known as the “City of Burkburnett Interest and Sinking New Series Revenue Bond Fund” (the “Bond Fund”), and all moneys deposited to the credit of such Fund shall be held in a special banking fund or account maintained at an official depository of the City. The City covenants that there shall be deposited from the Net Revenues into the Bond Fund prior to each principal and interest payment date an amount equal to one hundred per centum (100%) of the amount required to fully pay the interest on and the principal of the Bonds then falling due and payable, such deposits to pay maturing principal and accruing interest on the Bonds to 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 month the Bonds are delivered to the initial purchaser(s). If the Net Revenues in any month are insufficient to make the required payments into the Bond Fund, then the amount of any deficiency in the payment shall be added to the amount otherwise required to be paid into the Bond Fund in the next month.

The required monthly deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in the Bond Fund and Reserve Fund is equal to the amount required to fully pay and discharge all outstanding Bonds Similarly Secured (principal and interest) or (ii) the Bonds are deemed to be paid in accordance with the provisions of Section 28 hereof.

Accrued interest and premium, if any, received from the purchaser(s) of the Bonds, as well as earnings derived from the investment of moneys in the Bond Fund and any proceeds of the Bonds not required to complete the improvements and extensions to the System and deposited in the Bond Fund, shall be taken into consideration and reduce the amount of the monthly deposits otherwise required to be deposited in the Bond Fund from the Net Revenues of the System.

SECTION 14: Reserve Fund. For purposes of accumulating and maintaining funds as a reserve for the payment of the Bonds Similarly Secured, the City covenants and agrees with the Holders of the Bonds to maintain a separate and special fund or account on the books and records of the City known as the “City of Burkburnett New Series Revenue Bond Reserve Fund” (the “Reserve Fund”), and all moneys deposited to the credit of such Fund shall be held in a special banking fund or account maintained at an official depository of the City. All funds deposited in the Reserve Fund (excluding earnings and income derived or received from deposits or investments which may be transferred to the Bond Fund established during such periods as there is on deposit in the Reserve Fund the Required Reserve) shall be used solely for the payment of the principal of and interest on the Bonds Similarly Secured when (whether at maturity, upon a mandatory redemption date or any interest payment date) other funds available for such purposes are insufficient, and, in addition, may be used to the extent not required to maintain the “Required Reserve”, to pay, or provide for the payment of, the final principal amount of a series of Bonds Similarly Secured so that such series of Bonds Similarly Secured is no longer deemed to be “Outstanding” as such term is defined herein. The Required Reserve shall be calculated as of the date of each series of Additional Bonds and at the end of each Fiscal Year.

In accordance with the provisions of the ordinance authorizing the issuance of the Previously Issued Bonds, the amount currently required to be accumulated and maintained in
the Reserve Fund is hereby found to equal or exceed the Average Annual Debt Service (calculated on a Fiscal Year basis as of the date the Bonds are to be delivered) for the Bonds and the Previously Issued Bonds. Therefore, no additional deposits are required to be made to the Reserve Fund by reason of the issuance of the Bonds.

While the cash and investments in the Reserve Fund total not less than the Required Reserve, no deposits need be made to the credit of the Reserve Fund; but, if and when the Reserve Fund at any time contains less than the Required Reserve (other than as the result of the issuance of Additional Bonds as provided in the paragraph below), the City covenants and agrees to cure the deficiency in the Required Reserve by making monthly deposits to said Fund from the Net Revenues of the System; such monthly deposits to be in amounts equal to not less than 1/60th of the then total Required Reserve to be maintained in said Fund and to be made on or before the 1st day of each month until the total Required Reserve then to be maintained in said Fund has been fully restored. The City further covenants and agrees that, subject only to the payments to be made to the Bond Fund, the Net Revenues shall be applied and appropriated and used to establish and maintain the Required Reserve and to cure any deficiency in such amounts as required by the terms of this Ordinance and any other ordinance pertaining to the issuance of Additional Bonds.

As and when Additional Bonds are delivered or incurred, the Required Reserve shall be increased, if required, to an amount equal to the lesser of (i) the Average Annual Debt Service (calculated on a Fiscal Year basis) for all Bonds Similarly Secured then Outstanding, as determined on the date each series of Additional Bonds are delivered or incurred, as the case may be, or (ii) the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder. Any additional amount required to be maintained in the Reserve Fund shall be so accumulated by the deposit in the Reserve Fund of all or any part thereof in cash immediately after the delivery of the then proposed Additional Bonds, or, at the option of the City, by the deposit of monthly installments, made on or before the 1st day of each month following the month of delivery of the then proposed Additional Bonds, of not less than 1/60th of the additional amount to be maintained in said Fund by reason of the issuance of the Additional Bonds then being issued (or 1/60th of the balance of the additional amount not deposited immediately in cash).

During such time as the Reserve Fund contains the total Required Reserve, the City may, at its option, withdraw all surplus in the Reserve Fund in excess of the Required Reserve and deposit such surplus in the Bond Fund. The City hereby designates its depository bank or banks as the custodian of the Reserve Fund.

Notwithstanding anything herein to the contrary, the City retains the right to fund the Required Reserve in whole or in part with a surety bond or insurance policy issued by an insurance company or other entity that is rated as of the date of the acquisition thereof either for the long term unsecured debt of the issuer of such surety bond or for obligations insured, secured or guaranteed by such issuer in the highest letter category by two major municipal securities rating or evaluation services, and money deposited to the credit of the Reserve Fund may be used to make any payments required to satisfy the City’s repayment obligation to the issuer of such surety bond or insurance policy in the same manner and with like effect as if such payments were being used to accumulate, maintain or restore the Required Reserve in cash or with authorized investments.
SECTION 15: Deficiencies; Excess Net Revenues. (a) If on any occasion there shall not be sufficient Net Revenues of the System to make the required deposits into the Bond Fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available Net Revenues of the System, or from any other sources available for such purpose.

(b) Subject to making the required deposits to the Bond Fund and the Reserve Fund when and as required by this Ordinance, or any ordinance authorizing the issuance of Bonds Similarly Secured, the excess Net Revenues may be used by the City for any lawful purpose.

SECTION 16: Transfers for Payment of Bonds. While any of the Bonds are Outstanding, the Mayor, City Manager, Director of Administration or City Clerk shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit in the Bond Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures or comes due by reason of redemption prior to maturity; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the business day next preceding the date of payment for the Bonds.

SECTION 17: Investments - Security of Funds.

(a) Money deposited to the credit of any Fund referenced in this Ordinance may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the “Public Funds Investment Act” (Texas Government Code, Chapter 2256) relating to the investment of “bond proceeds”; provided that all such investments shall be made in such a manner that the money required to be expended from said Funds will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year and, with respect to investments held for the account of the Reserve Fund, within 30 days of the date of passage of each ordinance authorizing the issuance of Additional Bonds. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All interest and interest income derived from deposits in and investments of the Reserve Fund shall, subject to the limitations provided in Section 14 hereof, be credited to and deposited in the System Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds Similarly Secured.

(b) Money in all Funds referenced in this Ordinance, to the extent not invested, shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds.

SECTION 18: Issuance of Additional Obligations. Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the City reserves the right to issue, from time to time as needed, Additional Bonds for any lawful purpose. Such Additional Bonds may be issued in such form and manner as now or hereafter authorized by the laws of the State of Texas for the issuance of evidences of indebtedness or other instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, the City reserves the right to employ the same in its financing arrangements provided only that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:
(1) The Director of Finance (or other officer of the City then having the primary responsibility for the financial affairs of the City) shall have executed a certificate stating (a) that, to the best of his knowledge and belief, the City is not then in default as to any covenant, obligation or agreement contained in any ordinance or other proceeding relating to any obligations of the City payable from and secured by a lien on and pledge of the Net Revenues of the System that would materially affect the security or payment of such obligations and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues of the System have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such obligations then being issued will cure any such deficiency.

(2) The Additional Bonds shall be scheduled to mature or be payable as to principal on February 15 or August 15 (or both) in each year the same are to be outstanding or during the term thereof.

(3) The City has secured a certificate or opinion of a Certified Public Accountant to the effect that, according to the books and records of the City, the Net Earnings for the last completed Fiscal Year, or for 12 consecutive months out of the 15 months, immediately preceding the month the ordinance authorizing the issuance of the Additional Bonds is adopted are at least equal to 1.25 times the Average Annual Debt Service for all obligations payable solely from and secured only by a lien on and pledge of the Net Revenues of the System to be outstanding after giving effect to the issuance of the Additional Bonds then being issued. In making a determination of the Net Earnings, the Accountant may take into consideration a change in the rates and charges for services and facilities afforded by the System that became effective at least sixty (60) days prior to the last day of the period for which Net Earnings are determined and, for purposes of satisfying the above Net Earnings test, make a pro forma determination of the Net Earnings of the System for the period of time covered by his certification or opinion based on such change in rates and charges being in effect for the entire period covered by the Accountant’s certificate or opinion.

As used in this Section, the term “Net Earnings” shall mean the Gross Revenues of the System after deducting the Maintenance and Operating Expenses of the System, but not depreciation charges or other expenditures which, under generally accepted accounting principles, are treated as capital expenditures.

SECTION 19: Refunding Bonds. The City reserves the right to issue refunding bonds to refund all or any part of the Bonds Similarly Secured (pursuant to any law then available) upon such terms and conditions as the Board of the City may deem to be in the best interest of the City and its inhabitants, and if less than all such Bonds Similarly Secured then outstanding are refunded, the conditions precedent prescribed (for the issuance of Additional Bonds) set forth in subparagraph (3) of Section 18 hereof shall be satisfied and the Accountant’s certificate or opinion required in subparagraph (3) shall give effect to the Debt Service of the proposed refunding bonds (and shall not give effect to the Debt Service of the Bonds Similarly Secured being refunded following their cancellation or provision being made for their payment). Furthermore, the Accountant’s certificate or opinion referenced in subparagraph (3) of Section
18 hereof shall not be required or applicable to the issuance of refunding bonds issued to refund Bond Similarly Secured if such refunding results in a debt service savings to the City.

SECTION 20: No Additional Obligations on a Parity with the Prior Lien Bonds and Obligations of Inferior Lien and Pledge.

(a) In accordance with the ordinance authorizing the issuance of the Previously Issued Bonds, the City will not hereafter issue any additional obligations on a parity with the Prior Lien Bonds or create or issue evidences of indebtedness for any purpose possessing a lien on the Net Revenues of the System superior to that to be possessed by the Bonds Similarly Secured, and the Bonds, together with the Previously Issued Bonds and the Additional Bonds, will become obligations equally secured by a first lien on and pledge of the Net Revenues of the System at such time as the principal of and interest on the Prior Lien Bonds have been fully paid or provision for the payment of the Prior Lien Bonds has been made in accordance with applicable law.

(b) The City hereby reserves the right to issue obligations payable from and secured by a lien on and pledge of the Net Revenues of the System, junior and subordinate in rank and dignity to the lien and pledge securing the payment of the Bonds Similarly Secured, as may be authorized by the laws of the State of Texas.

SECTION 21: Rates and Charges. For the benefit of the Holders of the Bonds and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Bonds are Outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year sufficient:

(1) To pay Maintenance and Operating Expenses, depreciationcharges and replacement and betterment costs,

(2) To produce Net Revenues sufficient to pay the principal of and interest on the Prior Lien Bonds, if any such bonds remain outstanding, and the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Prior Lien Bonds, if necessary, and

(3) To produce Net Revenues sufficient to pay the principal of and interest on the Bonds Similarly Secured and the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Bonds Similarly Secured, and other obligations or evidences of indebtedness issued or incurred that are payable only from and secured solely by a lien on and pledge of the Net Revenues of the System.

SECTION 22: Maintenance and Operation - Insurance. The City shall maintain the System in good condition and operate the System in an efficient manner and at reasonable cost. In regard to the operations and properties of the System, the City also agrees to carry and maintain liability and property damage insurance of the kind and in the amounts carried by municipal corporations in Texas owning and operating similar facilities and providing like services; provided, however, the City in lieu of and/or in combination with carrying such insurance may self-insure against such perils and risks by establishing self-insurance reserves. Annually each year not later than the end of each Fiscal Year, the City shall prepare or cause to
be prepared by a person competent and knowledgeable in such matters a written evaluation of the adequacy of such self-insurance and/or insurance coverage and of any recommended changes in regard to the City's insurance/self-insurance policies, practices and procedures. Nothing in this Ordinance shall be construed as requiring the City to expend any funds derived from sources other than the operation of the System, but nothing herein shall be construed as preventing the City from doing so.

SECTION 23: Sale or Lease of Properties. The City, to the extent and in the manner authorized by law, may sell or exchange for consideration representing the fair value thereof, as determined by the Board of the City, any property not necessary or required in the efficient operations of the System, or any equipment not necessary or useful in the operations thereof or which is obsolete, damaged or worn out or otherwise unsuitable for use in the operation of the System. The proceeds of any sale of properties of the System shall be deposited in the System Fund.

SECTION 24: Records and Accounts. The City hereby covenants and agrees that so long as any of the Bonds or any interest thereon remain Outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Texas Government Code, Chapter 1502 or other applicable law. The Holder of any Bonds or any duly authorized agent or agents of such Holders shall have the right at all reasonable times to inspect such records, accounts and data relating thereto, and to inspect the System and all properties comprising same. The City further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Each such audit, in addition to whatever other matters may be thought proper by the Accountant, shall particularly include the following:

1. A statement of the income and expenses of the System for such Fiscal Year.

2. A balance sheet for the System as of the end of such Fiscal Year.

3. A statement describing the sources and application of funds of the System for such Fiscal Year.

4. The Accountant’s comments regarding the manner in which the City has carried out the requirements of this Ordinance and any other ordinance authorizing the issuance of Bonds Similarly Secured and his recommendations for any changes or improvements in the operations, records and accounts of the System.

5. A list of insurance policies in force at the end of the Fiscal Year covering the properties of the System, setting out as to each policy the amount thereof, the risk covered, the name of the insurer and the policy’s expiration date.

Expenses incurred in making an annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses. Copies of each annual audit shall be furnished to the Executive Director of the Municipal Advisory Council of Texas at his office in Austin, Texas, and, upon request, to the initial purchasers of the Bonds and subsequent Holders of the Bonds. The audits herein required shall be made within 120 days following the close of each Fiscal Year insofar as is possible.
SECTION 25: **Special Covenants.** The City further covenants and agrees by and through this Ordinance as follows:

1. It has the lawful power to pledge the Net Revenues of the System to the payment of the Bonds to the extent provided herein and has lawfully exercised said power under the Constitution and laws of the State of Texas, and that the Bonds issued hereunder, together with Previously Issued Bonds and Additional Bonds, shall be ratably secured in such manner that no one bond shall have preference over any other bond of said issues.

2. The Net Revenues of the System have not been in any manner pledged or encumbered to the payment of any debt or obligation of the City or the System, save and except for the Prior Lien Bonds, the Previously Issued Bonds and the Bonds.

3. To the extent that it legally may, the City will not grant any franchise or permit the acquisition, construction or operation of any competing facilities which might be used as a substitute for the facilities of the System, and the City will prohibit any such competing facilities.

4. The City will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorizations and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation and maintenance of the System.

SECTION 26: **Remedy in Event of Default.** In addition to all rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (1) defaults in payments to be made to the Bond Fund or the Reserve Fund as required by this Ordinance or (2) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the Holder of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the City and its officers to observe and perform any covenant, condition or obligation prescribed in this Ordinance. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

SECTION 27: **Special Obligations.** The Bonds are special obligations of the City payable from the pledged Net Revenues of the System and the holders thereof shall never have the right to demand payment thereof out of funds raised or to be raised by taxation.

SECTION 28: **Defeasance.** If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of the Net Revenues
of the System under this Ordinance and all other obligations of the City to the Holders shall thereupon cease, terminate, and become void and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Obligations to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The City covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the City, be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 29: Ordinary a Contract - Amendments. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 48. The City, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds Similarly Secured then outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of the Bonds then outstanding, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of,
premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 30: Mutilated-Destroyed-Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

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

SECTION 31: Notices to Holders-Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 32: Cancellation. All Bonds surrendered for payment, redemption, transfer or exchange, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the City.
SECTION 33: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section 33, the following terms have the following meanings:

“Closing Date” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

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

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

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

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

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

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

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

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.
(c) **No Private Use or Private Payments.** Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

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

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

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

(e) **Not to Invest at Higher Yield.** Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

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

(g) **Information Report.** The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.
(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six (6) years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

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

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

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

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have
resulted if the transaction had been at arm’s length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Director of Administration and City Clerk, either individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Bonds Not Hedge Bonds. (1) At the time the original obligations refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such obligations within three years after such obligations were issued and (2) not more than 50% of the proceeds of the original obligations refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Current Refunding of the Refunded Bonds. The Bonds are a current refunding of the Refunded Bonds in that the Refunded Bonds are to be paid and redeemed in full within 90 days of the delivery date of the Bonds.

(m) Qualified Tax Exempt Obligations. In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the City hereby designates the Bonds to be “qualified tax exempt obligations” in that the Bonds are not “private activity bonds” as defined in the Code and represents the amount of “tax exempt obligations” (excluding private activity bonds) to be issued by the City (including all subordinate entities of the City) for the calendar year 2021 will not exceed $10,000,000.

SECTION 34: Sale of Bonds. Pursuant to a public sale for the Bonds, the bid submitted by Robert W. Baird & Co. Incorporated (herein referred to as the “Purchasers”) is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Bonds to said Purchasers at the price of par and no accrued interest, plus a premium of $184,128.05, is hereby approved and confirmed. Delivery of the Bonds to the Purchasers shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

SECTION 35: Official Statement Approval. The use of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Manager, Director of Administration and City Clerk, one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute said final Official Statement, dated July 19, 2021, in the reoffering, sale and delivery of the Bonds to the public.

SECTION 36: Escrow Agreement Approval and Execution. The “Escrow Agreement” (the “Agreement”) by and between the City and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the “Escrow Agent”), attached hereto as Exhibit C and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved as to form and content, and such Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be executed by the Mayor or Mayor Pro Tem and City Clerk for and
on behalf of the City and as the act and deed of this Board; and such Agreement as executed by such officials shall be deemed approved by the Board and constitute the Agreement herein approved.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Agreement, if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the “SPECIAL 2021 CITY OF BURKBURNETT, TEXAS, REFUNDING BOND ESCROW FUND” (the “Escrow Fund”); all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, this Ordinance and the Agreement.

SECTION 37: Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

SECTION 38: Proceeds of Sale. Immediately following the delivery of the Bonds, proceeds of sale in the sum of (i) $2,180,000 shall be deposited to the construction fund, (ii) $746,451.25 shall be deposited with the Escrow Agent for application in accordance with the Agreement. The balance of the proceeds of sale of the Bonds shall be disbursed for payment of costs of issuance in accordance with instructions from the City, and any proceeds of sale remaining after payment of the costs of issuance for the Bonds shall deposited in the Bond Fund for the Bonds. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including guaranteed investment contracts permitted by Texas Government Code, Section 2256.015 et seq., and the City’s investment policies and guidelines, and any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Bond Fund as shall be determined by the Board. Accrued interest as well as any excess bond proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Bond Fund. Any premium received shall be used in accordance with the provisions of Texas Government Code, Section 1201.042.

SECTION 39: Redemption of Refunded Bonds. The Refunded Bonds shall be redeemed and the same are hereby called for redemption on September 3, 2021, at the price of par and accrued interest to the date of redemption. The City Clerk is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to bondholders, with The Bank of New York Mellon Trust Company, N.A., in accordance with the redemption provisions applicable to such bonds; such suggested form of notice of redemption being attached hereto as Exhibit D and incorporated herein by reference as a part of this Ordinance for all purposes.

The redemption of the Refunded Bonds as described above being associated with the refunding of the Refunded Bonds, the approval, authorization and arrangements herein given and provided for the redemption of the Refunded Bonds on the redemption date designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the City Clerk is hereby authorized and directed to make all arrangements necessary to notify the holders of the Refunded Bonds of the City’s decision to redeem the
Refunded Bonds on the date and in the manner herein provided and in accordance with the ordinance authorizing the issuance of the Refunded Bonds and this Ordinance.

SECTION 40: Legal Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, Dallas, Texas ("Bond Counsel"), approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with the Depository Trust Company. The Board confirms the prior engagement of Norton Rose Fulbright US LLP as the City’s bond counsel.

SECTION 41: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 42: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 43: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 44: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 45: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the Board hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 46: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 47: Further Procedures. The Mayor, Mayor Pro Tem, City Manager, Director of Administration and City Clerk of the City and all other officers, employees and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the seal of the City and on behalf of the City all agreements, instruments, or such other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Bonds, and the Paying Agent/Registrar.
Agreement. In addition, prior to the initial delivery of the Bonds, the Mayor, the Mayor Pro Tem, City Manager, Director of Administration and/or City Clerk of the City, and its Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 48: Continuing Disclosure Undertaking.

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

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning in or after 2021, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the information described in Exhibit B hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City. If audited financial statements are not available by the required time, the City will provide unaudited financial information of the type described in the official statement and audited financial statement when and if an audit report becomes available. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Exhibit B hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the City 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 City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.
(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than ten (10) business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding subsection (c)(12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the 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 City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in immediately preceding subsection (c)(15) and (c)(16) in this Section to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.
(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

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

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City 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 City’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 City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE 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 CITY, 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 City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

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

Notwithstanding anything to the contrary in this Ordinance, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such
provisions are invalid, but only if and to the extent that reservation of the City’s right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) hereof an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 49: Bond Insurance. The Bonds have been sold with the principal of and interest thereon being insured by Build America Mutual Assurance Company.

SECTION 50: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 51: Effective Date. In accordance with the provisions of Texas Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage on the date shown below and it is so ordained.
PASSED AND ADOPTED, this July 19, 2021.

CITY OF BURKBURNETT, TEXAS

________________________________
Mayor

ATTEST:

_______________________________
City Clerk

(City Seal)
EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT
PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of July 19, 2021 (this “Agreement”), by and between The Bank of New York Mellon Trust Company, N.A, a banking association duly organized and existing under the laws of the United States of America (the “Bank”) and the City of Burkburnett, Texas (the “Issuer”),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its “City of Burkburnett, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, New Series 2021” (the “Securities”), dated July 15, 2021, such Securities scheduled to be delivered to the initial purchasers thereof on or about August 18, 2021; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

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 serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the “Authorizing Document” (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

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 attached hereto; provided however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this agreement shall be less than the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code, as amended.

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 hereof (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:

“Acceleration Date” on any Security means the date, if any, 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.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means Specialized Public Finance Inc.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“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 or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes 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 hereof and the Authorizing Document).

“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 Authorizing Document.

“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.
“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE
PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

First Class/Registered/Certified
The Bank of New York
Mellon Trust Company, N.A.
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery/Courier
The Bank of New York
Mellon Trust Company, N.A.
Global Corporate Trust
111 Sanders Creek Pkwy.
East Syracuse, NY 13057

By Hand Only
The Bank of New York Mellon Trust Company, N.A.
Global Corporate Trust
Corporate Trust Window
101 Barclay Street, 1st Floor East
New York, NY 10286

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, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR
REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other
information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

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, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank 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 will 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 cancelled in an 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 Securities. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities 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 Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security 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 the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained 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 contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.
Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

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

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, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE
THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

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 hereunder, 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 shall 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 the 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.

(g) 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 or letter as prepared by the Issuer, the Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. 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 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall 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.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys 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 both the laws of the State of Texas and the laws of the United States of America 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. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.
The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall 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 any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. 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”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements 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 hereto.

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 shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.
Section 6.04  **Effect of Headings.**  The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05  **Successors and Assigns.**  All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06  **Severability.**  In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07  **Merger, Conversion, Consolidation, or Succession.**  Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08  **Benefits of Agreement.**  Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09  **Entire Agreement.**  This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10  **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 6.11  **Termination.**  This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.
Section 6.12 Iran, Sudan or Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A

By: ______________________________

Title: ______________________________

Address: 2001 Bryan Street, 10th Floor
Dallas, Texas 75201
CITY OF BURKBURNETT, TEXAS

By: ___________________________________
    Mayor

Address:  501 Sheppard Road
          Burkburnett, Texas  76354

ATTEST:

____________________________
City Clerk
EXHIBIT B
DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 48 of this Ordinance.

Annual Financial Information and Operating Data

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

1. The information contained in Tables 1 through 11 in the Official Statement.

2. The financial statements of the City appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.

Accounting Principles

The accounting principles referred to in such Section are the generally accepted accounting principles as applicable to governmental units as prescribed by The Governmental Accounting Standards Board.
ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into as of July 19, 2021, by and between the City of Burkburnett, Texas, a duly incorporated municipal corporation in Wichita County, Texas (the "City") and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, a banking association organized and existing under the laws of the United States of America, or its successors or assigns hereunder (the "Escrow Agent").

W I T N E S S E T H:

WHEREAS, the City has heretofore issued, sold, and delivered, and there is currently outstanding obligations of the following issues or series currently outstanding in the principal amount of $745,000 (the "Refunded Bonds"), to wit: City of Burkburnett, Texas, Waterworks and Sewer System Revenue Bonds, Series 2010," dated October 15, 2010, scheduled to mature on August 15 in each of the years 2022, 2024, 2026, 2028, and 2030; and

WHEREAS, in accordance with the provisions of Texas Government Code, Chapter 1207 (the "Act"), the City is authorized to sell refunding bonds in an amount sufficient to provide for the full and complete payment of obligations, deposit the proceeds of such refunding bonds with any place of payment for the obligations being refunded, or other authorized depository, and enter into an escrow or similar agreement with such place of payment for the safekeeping, investment, reinvestment, administration and disposition of such deposit, upon such terms and conditions as the parties may agree; and

WHEREAS, the City on July 19, 2021, pursuant to an ordinance duly passed and adopted by the Board of Commissioners (the "Ordinance") authorized the issuance of bonds known as "City of Burkburnett, Texas, Waterworks and Sewer System Revenue Refunding and Improvement Bonds, New Series 2021" (the "Bonds"); and

WHEREAS, proceeds of sale of the Bonds are to be deposited with the Escrow Agent under this Agreement, which deposit of funds will be sufficient to pay and redeem in full the Refunded Bonds on September 3, 2021 (the "Payment Date");

NOW, THEREFORE, in consideration of the mutual agreements herein contained and the payment to the Escrow Agent of the amounts provided in Section 9 hereof, and to secure the payment of the principal of and the interest on the Refunded Bonds, the City and the Escrow Agent hereby agree as follows:

SECTION 1: Escrow Fund Creation/Funding. There is hereby created by the City with the Escrow Agent a special segregated and irrevocable trust fund designated " SPECIAL 2021 CITY OF BURKBURNETT, TEXAS, REFUNDING BOND ESCROW FUND " (hereinafter called the "Escrow Fund") for the benefit of the holders of the Refunded Bonds, and, immediately following the delivery of the Bonds, the City agrees and covenants to cause to be deposited with the Escrow Agent for the credit of the Escrow Fund the sum of $746,451.25. The Escrow Agent, as paying agent for the Refunded Bonds, hereby acknowledges that such amount is sufficient to pay the redemption price for the Refunded Bonds on the Payment Date.

The Escrow Agent agrees to establish such Escrow Fund and further agrees to receive said moneys, apply the same as set forth herein, and to hold the cash deposited and credited to the Escrow Fund for application and disbursement for the payment and redemption of the Refunded Bonds on the Payment Date.
SECTION 2: Escrow Fund Sufficiency. The City represents that the cash deposited to the credit of the Escrow Fund will be sufficient to pay and redeem in full all the Refunded Bonds on the Payment Date.

Furthermore, the Escrow Agent acknowledges receipt of a copy of the ordinance authorizing the issuance of the Refunded Bonds and a copy of the Ordinance which provides for the redemption of the Refunded Bonds on September 3, 2021, at the price of par plus accrued interest thereon to the date of redemption. The Escrow Agent agrees to cause notices of redemption pertaining to the Refunded Bonds to be sent in accordance with the ordinance authorizing the issuance of the Refunded Bonds.

SECTION 3: Pledge of Escrow. The Escrow Agent agrees that all cash and/or investments held in the Escrow Fund shall constitute dedicated interest and sinking funds for the payment of the principal of and interest on the Refunded Bonds which will become due on and after the date of this Agreement, and such funds deposited in the Escrow Fund shall be applied solely in accordance with the provisions of this Agreement.

SECTION 4: Escrow Insufficiency. If, for any reason, at any time, the funds on hand in the Escrow Fund shall be insufficient to pay the redemption price of the Refunded Bonds on the Payment Date, notice of any such insufficiency shall be immediately given by the Escrow Agent to the City by the fastest means possible, but neither the Escrow Agent nor the City shall in any manner be responsible for any insufficiency of funds in the Escrow Fund.

SECTION 5: Firm Banking Arrangements-Collateralization. The Escrow Agent represents that the deposit covered by this Agreement shall constitute firm banking arrangements to insure payment of the Refunded Bonds, and such deposit is collateralized to insure against any loss or diminution by virtue of any action of the Escrow Agent or as a result of its lack of financial integrity, and such deposit, if not invested pursuant to Section 8 hereof, will be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America 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 until the principal and interest on the Refunded Bonds have been presented for payment and paid to the owner thereof.

SECTION 6: Withdrawal of Funds. The Escrow Agent shall, without further direction from anyone, including the City, cause to be withdrawn from the Escrow Fund the amount required to pay the principal and accrued interest on the Refunded Bonds due and payable on the Payment Date and the amount withdrawn from the Escrow Fund shall be immediately transmitted and deposited with the paying agent for the Refunded Bonds to be paid with such amount. The paying agent for the Refunded Bonds is the Escrow Agent.

SECTION 7: Absence of Claim/Lien on Escrow Fund. The Escrow Agent shall have no lien whatsoever upon any of the moneys in the Escrow Fund for payment of services rendered hereunder, services rendered as paying agent for the Refunded Bonds, or for any costs or expenses incurred hereunder and reimbursable from the City.

SECTION 8: Investment of Moneys on Deposit in Escrow Fund. Pending the disbursement of moneys held in the Escrow Fund, amounts deposited to the credit of the Escrow Fund may be invested in direct obligations of the United States of America which mature on or before the Payment Date and are not subject to prior redemption. All earnings realized from the investment of such funds will be remitted to the City immediately following the
receipt thereof by the Escrow Agent. No investment of funds deposited to the credit of the Escrow Fund shall be made on or after the Payment Date. Except as authorized and permitted in this Section, neither the City nor the Escrow Agent shall invest any moneys deposited in the Escrow Fund.

SECTION 9: Escrow Agent’s Compensation-Paying Agent/Registrar Charges. Except for reimbursement of costs and expenses incurred by the Escrow Agent pursuant to Sections 2 and 11 hereof, the Escrow Agent hereby agrees the compensation noted below is full and complete payment for the administration of this Agreement.

The City agrees to deposit with the Escrow Agent on the date of the delivery of the Bonds the sum of $1,250.00 and the Escrow Agent acknowledges and agrees that $500.00 of such amount represents the total amount of compensation due the Escrow Agent for services rendered as paying agent/registrar for the Refunded Bonds. Subject to Section 11 hereof, the Escrow Agent hereby agrees to pay, assume and be fully responsible for any additional charges that it may incur in the performance of its duties and responsibilities as paying agent for the Refunded Bonds.

SECTION 10: Escrow Agent’s Duties/Responsibilities/Liability. The Escrow Agent shall not be responsible for any recital herein, except with respect to its organization, its powers and authority and to the safety and security of the deposit of funds to be made by the City hereunder. As to the existence or nonexistence of any fact relating to the City or as to the sufficiency or validity of any instrument, paper or proceedings relating to the City, the Escrow Agent shall be entitled to rely upon a certificate signed on behalf of the City by the City Clerk as sufficient evidence of the facts therein contained. The Escrow Agent may accept a certificate of the City Clerk under the City’s seal, to the effect that a resolution or other instrument in the form therein set forth has been adopted by the Board of Commissioners of the City, as conclusive evidence that such resolution or other instrument has been duly adopted and is in full force and effect.

The duties and obligations of the Escrow Agent shall be determined solely by the express provisions of this Agreement and the Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

In the absence of bad faith on the part of the Escrow Agent, the Escrow Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Escrow Agent, conforming to the requirements of this Agreement; but notwithstanding any provision of this Agreement to the contrary, in the case of any such certificate or opinion or any evidence which by any provision hereof is specifically required to be furnished to the Escrow Agent, the Escrow Agent shall be under a duty to examine the same to determine, on its face, whether it conforms to the requirements of this Agreement.

The Escrow Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Escrow Agent unless it shall be proved that the Escrow Agent was negligent in ascertaining or acting upon the pertinent facts. The Escrow Agent shall not be responsible or liable to any person in any manner whatever for the sufficiency, correctness, genuineness, effectiveness, or validity of the deposits made pursuant to this Agreement, or for the form or execution thereof, or for the identity or authority of any person making or executing such deposits.

The term "Responsible Officers" of the Escrow Agent, as used in this Agreement, shall mean and include the Chairman of the Board of Directors, the President, any Vice President
and any Second Vice President, the Secretary and any Assistant Secretary, the Treasurer and any Assistant Treasurer, and every other officer and assistant officer of the Escrow Agent customarily performing functions similar to those performed by the persons who at the time shall be officers, respectively, or to whom any corporate trust matter is referred, because of his knowledge of and familiarity with a particular subject; and the term “Responsible Officer” of the Escrow Agent, as used in this Agreement, shall mean and include any of said officers or persons.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

SECTION 11: Interpleader. This Agreement is between the City and the Escrow Agent only and in connection therewith the Escrow Agent is authorized by the City to rely upon the representations of the City with respect to this Agreement and the deposits made pursuant hereto and as to this City’s right and power to execute and deliver this Agreement, and the Escrow Agent shall not be liable in any manner as a result of such reliance. The duty of the Escrow Agent hereunder shall only be to the City and the holders of the Refunded Bonds. In the event conflicting demands or notices are made upon the Escrow Agent growing out of or relating to this Agreement or the Escrow Agent in good faith is in doubt as to what action should be taken hereunder, the Escrow Agent shall have the right at its election to:

(a) Withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue; and

(b) At the City’s expense, file a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves.

In the event the Escrow Agent becomes involved in litigation in connection with this Section, the City, to the extent permitted by law, agrees to indemnify and save the Escrow Agent harmless from all loss, cost, damages, expenses and attorney fees suffered or incurred by the Escrow Agent as a result thereof. The obligations of the Escrow Agent under this Agreement shall be performable at the principal corporate office of the Escrow Agent in the City of Dallas, Texas. To the extent permitted by law, and subject to any applicable statutes of limitation, the foregoing indemnification shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement.

The Escrow Agent may advise with legal counsel in the event of any dispute or question regarding the construction of any of the provisions hereof or its duties hereunder, and in the absence of negligence or bad faith on the part of the Escrow Agent, no liability shall be incurred by the Escrow Agent for any action taken pursuant to this Section and the Escrow Agent shall be fully protected in acting in accordance with the opinion and instructions of legal counsel that is knowledgeable and has expertise in the field of law addressed in any such legal opinion or with respect to the instructions given.

SECTION 12: Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

SECTION 13: Accounting-Report. Following the final payment and redemption of the Refunded Bonds, the Escrow Agent shall forward by letter to the City, to the attention of the City
Manager, or other designated official of the City, a final accounting statement with respect to the payment and discharge of the Refunded Bonds, together with all cancelled Refunded Bonds.

SECTION 14: Notices. Any notice, order, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

CITY OF BURKBURNETT
501 Sheppard Road
Burkburnett, Texas 76354
Attention: City Manager

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
2001 Bryan Street, 11th Floor
Dallas, Texas 75201
Attention: Corporate Trust Division

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery.

Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.

SECTION 15: Performance Dates. Whenever under the terms of this Agreement the performance date of any provision hereof, including the date of maturity of interest on or principal of the Refunded Bonds, shall be a Sunday or a legal holiday or a day on which the Escrow Agent is authorized by law to close, then the performance thereof, including the payment of principal of and interest on the Refunded Bonds, need not be made on such date but may performed or paid, as the case may be, on the next succeeding business day of the Escrow Agent with the same force and effect as if made on the date of performance or payment and with respect to a payment, no interest shall accrue for the period after such date.

SECTION 16: Warranty of Parties Re: Power to Execute and Deliver Escrow Agreement. The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every said Refunded Bond as executed, authenticated and delivered and in all proceedings pertaining thereto as said Refunded Bonds shall have been modified as provided in this Agreement. The City covenants that it is duly authorized under the Constitution and laws of the State of Texas to execute and deliver this Agreement, that all actions on its part for the payment of said Refunded Bonds as provided herein and the execution and delivery of this Agreement have been duly and effectively taken and that said Refunded Bonds and coupons, if any, in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the City according to the import thereof as provided in this Agreement.

SECTION 17: Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction in the State of Texas to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.
SECTION 18: Termination. This Agreement shall terminate either (i) when the Refunded Bonds and coupons, if any, appertaining thereto have been paid and discharged in accordance with the provisions of this Agreement or (ii) at the expiration of three (3) years after the final Payment Date, whichever circumstance shall first occur. Subject to applicable unclaimed property laws of the State, moneys held in the Escrow Fund at the termination of this Agreement shall be remitted and transferred to the City.

SECTION 19: Assignment. Neither the City nor the Escrow Agent shall assign or attempt to assign or transfer any interest hereunder or any portion of any such interest. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and be without effect.

SECTION 20: Successors. This Agreement shall inure to the benefit of and be binding upon the Escrow Agent and the City and their respective successors.

SECTION 21: Executed Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 22: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 23: No Boycott Israel. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing 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. The Escrow Agent understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Escrow Agent and exists to make a profit.

SECTION 24: Iran, Sudan or Foreign Terrorist Organizations. The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Escrow Agent and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Escrow Agent
understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Escrow Agent and exists to make a profit.

SECTION 25: Governing Law. This Agreement shall be governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]
IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

CITY OF BURKBURNETT, TEXAS

__________________________________
Mayor

ATTEST:

__________________________________
City Clerk
NOTICE IS HEREBY GIVEN that a portion of the bonds of the above series maturing on and after August 15, 2022, and aggregating in principal amount $745,000, have been called for redemption on September 3, 2021, at the redemption price of par and accrued interest to the date of redemption, such bonds being identified as follows:

<table>
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<tr>
<th>Bond Number</th>
<th>Year of Maturity</th>
<th>Principal Amount Outstanding ($)</th>
<th>CUSIP Number</th>
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<td>95,000</td>
<td>121316CD3</td>
</tr>
<tr>
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<td>2026</td>
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<td>2028</td>
<td>135,000</td>
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<tr>
<td>R-13</td>
<td>2030</td>
<td>150,000</td>
<td>121316CM3</td>
</tr>
</tbody>
</table>

ALL SUCH BONDS shall become due and payable on September 3, 2021, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said bonds shall be paid to the registered owners of the bonds only upon presentation and surrender of such bonds to The Bank of New York Mellon Trust Company, N.A., at its designated offices at the following addresses:

**Registered/Certified Mail**

The Bank of New York Mellon Trust Company, N.A.
Attn: Debt Processing Window
111 Sanders Creek Parkway
East Syracuse, NY 13057
Phone: 800-254-2826

**Air Courier**

The Bank of New York Mellon Trust Company, N.A.
Attn: Fiscal Agencies Dept.
P.O. Box 396
East Syracuse, NY 13057
Phone: 800-254-2826

**In Person**

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street 1st Floor East
New York, New York 10286
Phone: 800-254-2826

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said bonds and pursuant to an ordinance by the Board of Commissioners of the City of Burkburnett, Texas.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201