



GARLAND

AGENDA

CITY COUNCIL WORK SESSION City of Garland

REMOTE MEETING

Monday, April 5, 2021
6:00 p.m.

DEFINITIONS:

Written Briefing: Items that generally do not require a presentation or discussion by the staff or Council. On these items the staff is seeking direction from the Council or providing information in a written format.

Verbal Briefing: These items do not require written background information or are an update on items previously discussed by the Council.

NOTICE: Due to the COVID-19 emergency, and pursuant to Section 551.125 of the Texas Government Code and the executive orders of Governor Greg Abbott suspending provisions of the Texas Government Code and other applicable laws of the State regarding normal open meetings, the City Council will hold this meeting by internet/telephonic remote means.

The meeting will be broadcast by webinar or telephone at the following URL:

https://garlandtx.zoom.us/webinar/register/WN_rPmthvNgRRiFJJHOCos1w

Registration for the online meeting is required. The meeting will be recorded and will be available for viewing the next day at www.garlandtx.gov.

For those without internet access to the meeting, a dial-in option is available. The numbers are:

346-248-7799
470-250-9358
470-381-2552

The Meeting ID is: 970 6552 4119

For participants (online and by phone) who wish to speak, a public comments period is provided as the first item on the agenda. If you desire to address the City Council on a matter that is posted on this agenda, please be prepared to do so at the beginning of the meeting. After the City Council has begun its discussion of the agenda, you will not be recognized to speak. The public comments portion of the meeting is provided for citizen comments. You are invited to offer a comment or make a statement on any item on the agenda. However, please bear in mind that offering comments should not be done in the form of posing questions. Generally, due to legal restrictions, the City Council is not able to answer questions during the public comments portion of the agenda. Your comments must relate to an item on this agenda - non-germane comments are not in order.

If an Executive Session is included as part of the agenda for this meeting, the Executive Session will be conducted by teleconference between and among the members of the City Council and relevant City staff. Public access to that call is prohibited by State law.

COUNCIL HOUSE RULES

- | | |
|--|---|
| 1. Decisions based on issues, goals and vision. | 9. Follow goals, principles and action agenda. |
| 2. Do not take things personal. | 10. Decide, vote and move on. |
| 3. Project a positive attitude. | 11. Avoid ambushes - Council or staff. |
| 4. Focus on issues, not on the person. | 12. Talk to staff before meetings. |
| 5. Be prepared to discuss issues. | 13. Vote our convictions, but be willing to compromise <i>"What is best for Garland."</i> |
| 6. Maintain decorum. | 14. Follow Roberts Rules of Order consistently. |
| 7. Keep your sense of humor. | 15. Agree to disagree. |
| 8. Honor and respect each other; accept each other as individuals. | 16. Be open and honest. |

NOTICE: The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

(1) Pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, Tex. Gov't Code.

(2) The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.072, Tex. Gov't Code.

(3) A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.073, Tex. Gov't Code.

(4) Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Sec. 551.074, Tex. Gov't Code.

(5) The deployment, or specific occasions for implementation of security personnel or devices. Sec. 551.076, Tex. Gov't Code.

(6) Discussions or deliberations regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect of the sort described in this provision. Sec. 551.087, Tex. Gov't Code.

(7) Discussions, deliberations, votes, or other final action on matters related to the City's competitive activity, including information that would, if disclosed, give advantage to competitors or prospective competitors and is reasonably related to one or more of the following categories of information:

- generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;
- bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;
- effective fuel and purchased power agreements and fuel transportation arrangements and contracts;
- risk management information, contracts, and strategies, including fuel hedging and storage;
- plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and
- customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies. Sec. 551.086; Tex. Gov't Code; Sec. 552.133, Tex. Gov't Code]

1. Public Comments on Work Session Items

Persons who desire to address the City Council on any item on the Work Session agenda are allowed three minutes to speak. Speakers are taken only at the beginning of the meeting, other than invited testimony.

Speakers are grouped by Work Session item and will be taken in the order of the Work Session agenda. Speakers must submit to the City Secretary a completed speaker's card before the beginning of the meeting. Speaker cards will not be accepted after the Mayor calls the meeting to order. Speaker cards are available in the lobby, at the visitor's side of the Work Session Room, and from members of staff.

Speakers are limited to addressing items on the Work Session agenda – any item relating to a Regular Session agenda item should be addressed at the Regular Session and any item not on an agenda may be addressed during the open microphone at the end of the Regular Session.

2. Consider the Consent Agenda

A member of the City Council may ask for discussion or further information on an item posted as a consent agenda item on the next Regular Meeting of the City Council. The Council Member may also ask that an item on the posted consent agenda be pulled from the consent agenda and considered for a vote separate from consent agenda items on the regular agenda. All discussions or deliberations on this portion of the work session agenda are limited to posted agenda items and may not include a new or unposted subject matter.

3. Written Briefings:

a. Neighborhood Vitality Matching Grant Fall 2020 Continued Applications

Council is requested to approve the applications as submitted.

b. Notice of Intent to Issue Certificates of Obligation

Council is requested to approve a notice of intent resolution to meet the legal requirements for issuing Certificates of Obligation in the amount of approximately \$24 million to fund a portion of the CIP. This item is scheduled for formal consideration at the April 6, 2021 Regular Meeting.

c. Bond Refunding - General Obligation Commercial Paper Notes & Certificates of Obligation

Council is requested to authorize staff to refund approximately \$30 million of General Obligation Commercial Paper Notes, Series 2015 and approximately \$1 million Combination Tax and Revenue Certificates of Obligation, Series 2011 with General Obligation Refunding Bonds, Series 2021. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the June 8, 2021 Regular Meeting.

d. General Obligation Commercial Paper Program, Series 2021

Council is requested to authorize staff to terminate the General Obligation Commercial Paper Program, series 2015 and establish General Obligation Commercial Paper Program, Series 2021. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the April 20, 2021 Regular Meeting.

e. 2021-2022 CDBG, HOME and ESG Federal Grant Assistance

Council is requested to consider the allocation of Community Development Block Grant (CDBG) funding, HOME Infill Partnership Grant (HOME) funding and the Emergency Solutions Grant (ESG) funding.

f. Request from Farmers Electric Cooperative for Utility Easement at 2900 Elm Grove Road

In November of 2020, Council authorized the conditional sale of a 3.0 acre tract to Rayburn Electric Cooperative. The tract is located near the intersection of Elm Grove and Vinson Road, which is in the vicinity of the entrance to the Charles M. Hinton Landfill. Rayburn's intention is to construct an electric substation at the property. With the conditions of the sale being met (namely, approval of zoning changes and issuance of an SUP), the transaction was recently settled. Council is requested to approve the easement tract as requested to Farmers Electric Cooperative. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the April 20, 2021 Regular Meeting.

g. Fencing at Former Marina Site

A Budget Amendment to the 2021 Capital Improvement Program will be brought to City Council for consideration at a future date to appropriate \$27,000 to the fencing along Rowlett Road to restrict access to the former marina site. Unless otherwise directed by Council, staff will begin the procurement process and the installation as soon possible.

4. Verbal Briefings:

a. COVID-19 Response Update and Further Actions

Staff will provide an update to Council and ask for Council direction, if needed, on various matters related to COVID-19 and actions being taken by the City.

- *Special Events*
- *City Facilities*
- *Aquatics*

b. Audit Committee Report

Rich Aubin, Chair of the Internal Audit Committee, will provide a committee report on the following items:

- *External Audit Result - FY2020*
- *Economic Development Incentive Program Audit*

c. Update on Temporary Property Tax Exemption Related to Damages Caused by the Winter Storm

Texas Property Tax Code Section 11.35 allows for a temporary exemption of a portion of qualified property's appraised value (improvements, not land) that was physically impacted by the disaster. Staff will provide an update on who may qualify and how to apply for this exemption with the Dallas County Appraisal District (DCAD).

5. Announce Future Agenda Items

A member of the City Council, with a second by another member, or the Mayor alone, may ask that an item be placed on a future agenda of the City Council or a committee of the City Council. No substantive discussion of that item will take place at this time.

6. Council will move into Executive Session

**EXECUTIVE SESSION
AGENDA**

NOTICE: The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

The City Council will adjourn into executive session pursuant to Sections 551.072, and 551.071 of the Texas Government Code to deliberate or discuss:

- 1. The purchase, exchange, lease or value of several tracts of real property for roadway improvements located in the vicinity of the intersection of Brand Road and Naaman School Road and municipal facility improvements near the vicinity of the intersection of Avenue D and Avenue B (551.072).**
- 2. Pending or contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct in regard to the use of eminent domain and related matters (551.071).**

The City Council will adjourn into Executive Session pursuant to Section 551.074 of the Texas Government Code (relating to personnel) to conduct the annual review of the Municipal Judges, the City Auditor, the City Attorney and the City Manager.

7. Adjourn



GARLAND POLICY REPORT

City Council Work Session Agenda

3. a.

Meeting Date: April 5, 2021

Item Title: Neighborhood Vitality Matching Grant Fall 2020 Continued Applications

Submitted By: Scott Bollinger, Neighborhood Resource Manager

Strategic Focus Areas: Vibrant Neighborhoods and Commercial Centers

ISSUE

Review the Fall 2020 Neighborhood Vitality Matching Grant applications that were continued to receive additional information from the applicants.

OPTIONS

1. Approve applications as submitted.
2. Approve applications with modifications.
3. Deny approval of applications.

RECOMMENDATION

The Community Services Committee recommends approval for Villages of Valley Creek North Homeowners Association as submitted. The Community Services Committee recommends approval with modifications for Irongate at Firewheel Neighborhood Association. The Community Services Committee recommends denial of the application submitted by Windjammer HOA.

The Community Services Committee recommends discussion with the City Council regarding how the current Neighborhood Vitality Matching Grant policy applies to semi-public applicants such as the Trails Recreation Club. The Trails Recreation Club application will be scheduled as a Verbal Briefing on the April 19, 2021 Work Session.

BACKGROUND

Council has previously indicated that funds would be made available annually for neighborhood improvement projects. Preliminary bids obtained by the applicants total \$97,772.00-\$107,772.00.

Costs may vary after awards are made and final bids are received.

CONSIDERATION

1. According to the program guidelines, approximately \$500,000 will be available annually for the grant program. These funds will be appropriated as part of the annual Capital Improvement Program for approved Neighborhood Vitality projects.
2. Staff has reviewed the applications to ensure compliance with the program guidelines. Issues identified during the review process are indicated on the project summary sheets.

Attachments

2020 NVMG Fall Projects - Written



**NEIGHBORHOOD VITALITY MATCHING GRANT
PROJECT SUMMARY**

Neighborhood Association: Villages of Valley Creek North Home Owner Association

Project Name: Pleasant Valley Parkway Corridor Beautification Project

Project Location: Along Pleasant Valley Road east of Firewheel Parkway

City Council District 1 – Fall 2020 Cycle

Total Project Cost:	\$62,990.00
Requesting Amount:	\$47,252.50
Neighborhood Match:	\$15,747.50
Match %:	25%

Previous Submission History:

Fall 2016	ROW enhancements, xeriscape, install Texas native plants, mulch	Approved	\$27,494, Actual \$32,477, COG paid \$21,995
Fall 2019	Remove mulch in ROW and install rock ground cover, 12K sq. ft	Denied Committee encouraged to reapply while keeping elements of 2016 project	Projected cost \$48,625, COG would have paid \$38,900
Fall 2020	Remove mulch in ROW to install rock ground cover, keep and replace plants when necessary, 16,8K sq. ft	Pending Decision	Projected cost \$62,990, COG pays \$47,252.50

Project Summary:

- Install rock ground cover from Creek Meadow Drive to Briarbrook Lane to prevent erosion and washout.
- Install a well around each plant previously planted with dirt to keep previously installed plants alive.





Current



Proposed



Functionality Report Findings:

- Brad Royce
The Grounds Company
469-831-8105
 - **Stated:** "We have observed that layers of river rock on a grade can hold in place the soil and prevent erosion which is causing the dirt to wash out over the sidewalks along Pleasant Valley Road. These rocks can even be laid upon flowers or plants, which not only hold them in place and protect them, but the flowers and plants can grow around them, creating an aesthetically stunning effect. One of the many uses of river rock is to encourage drainage. Because the round stones do not fit as tightly together as other materials, water can flow through cracks between the stones. This type of drain rock is also a great tool for xeriscaping and is widely used for the purposes mentioned above.
I recently completed a similar project at Firewheel Estates along Muirfield Road that is an example of the project proposed at Valley Creek North. It has been very successful at holding the dirt to prevent washout onto the street. Most of the proposed coverage area along Pleasant Valley Road has a lower grade than the areas covered at Firewheel. I believe that the addition of river rock ground cover will

function better for the desired purposes than any other ground cover landscaping material. In the long term, the area will be a great example of drought tolerant landscaping for many years to come.”



Neighborhood: Villages of Valley Creek includes over 500 single family homes. Villages of Valley Creek North includes 348 single family homes.

Neighborhood Boundaries:

- North – Mars Drive
- South – Pleasant Valley Road
- East – Creek Meadow Lane
- West – Briarbrook Lane

Project Goals: Lower maintenance and tackle erosion issues while have a picturesque view along Pleasant Valley Road.

Future Maintenance: Minimal maintenance after project completion. HOA has a landscape budget and contractor to conduct “as needed” visits.

**Villages at Valley Creek North
HOA Proposal**

Valley Creek North is proposing 3” X 5” river rock landscape beds in the parkway to replace mulch ground cover. The planted landscaped along Pleasant Valley between Creek Meadow Lane and Briarbrook Lane was part of a Matching Grant Proposal in Fall 2016 and will remain in 2020 project.



NEIGHBORHOOD VITALITY MATCHING GRANT

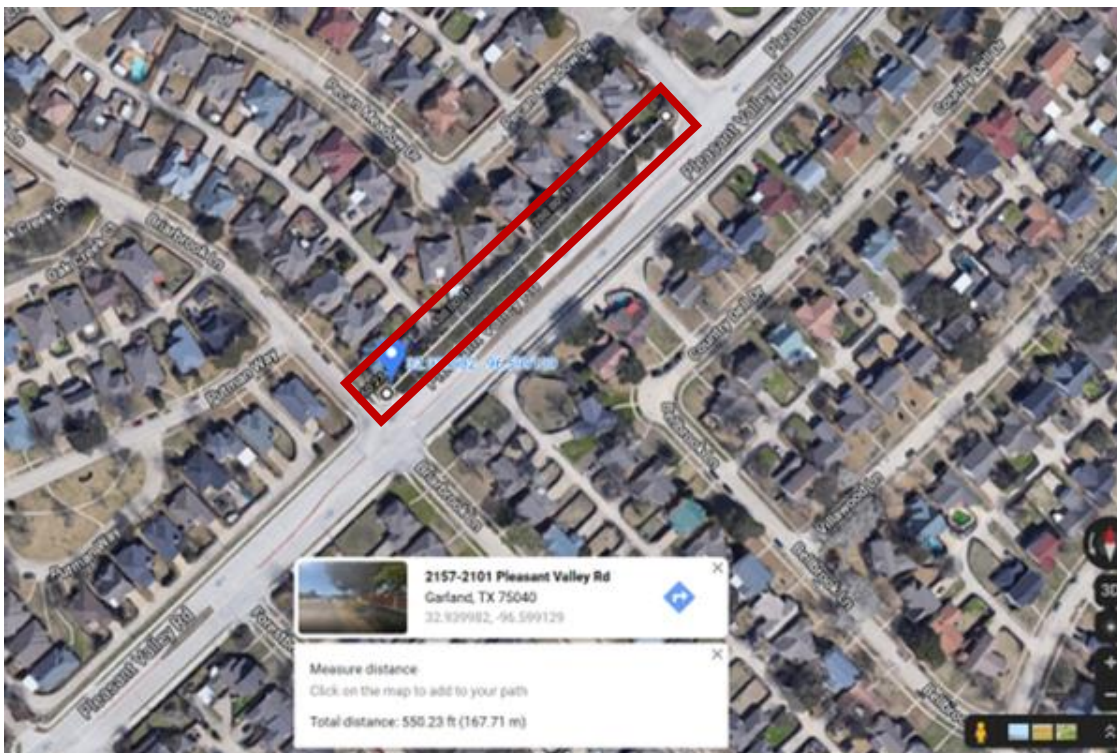
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Area 1: On Pleasant Valley Road from Montessori School to Briarbrook.
Google Measure Distance = 589.27 ft.



Measure distance
Click on the map to add to your path
Total distance: 589.27 ft (179.61 m)

Area 2: On Pleasant Valley Road from Briarbrook to Creek Valley. Google Measure Distance = 550.23 ft.



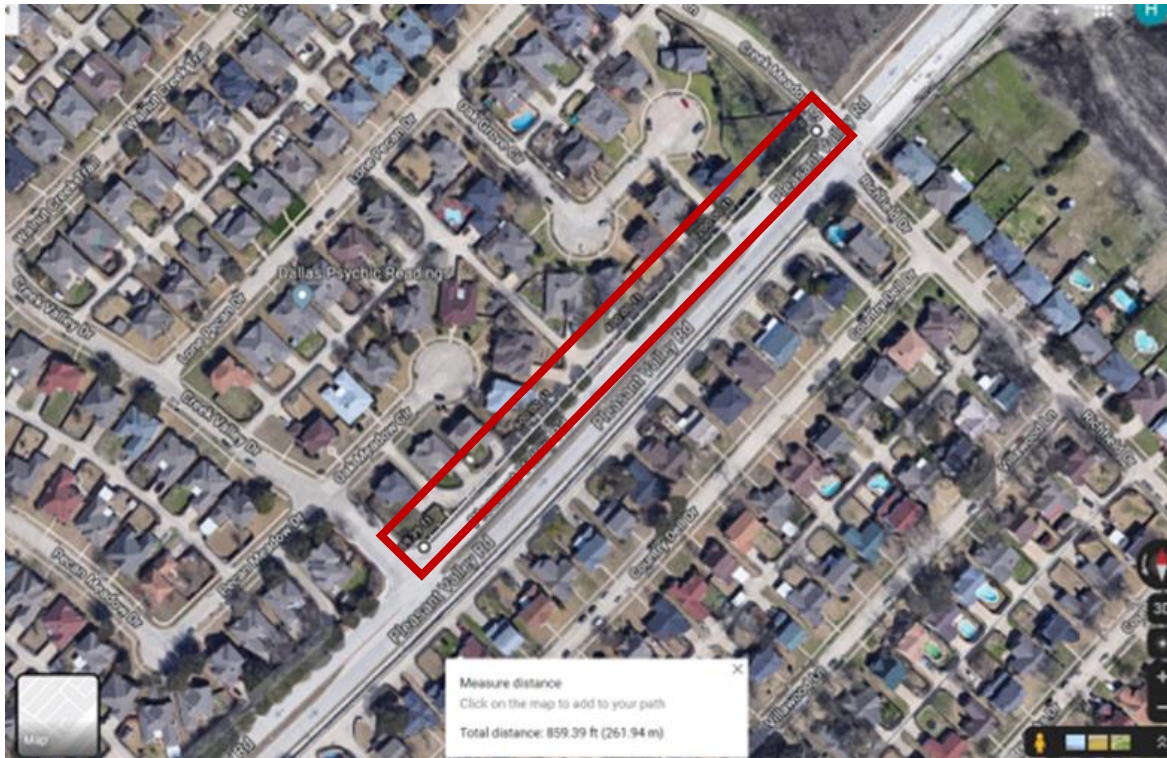
2157-2101 Pleasant Valley Rd
Garland, TX 75040
32.939982, -96.599129

Measure distance
Click on the map to add to your path
Total distance: 550.23 ft (167.71 m)

NEIGHBORHOOD VITALITY MATCHING GRANT

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Area 3: On Pleasant Valley Road from Creek Valley to Creek Meadow. Google Measure Distance = 859.39 ft.



Photos from Site Visit:



Staff Comments on Proposed Project:

Area 1, Engineering Comments:

- If a new irrigation meter is required for any reason, a Site Permit would be required, contact Engineering for more information.
- 20' Street Dedication area, per Plat.
- Any private landscaping / irrigation improvements within the City Right of Way are allowed only with approval from the Engineering Department and an executed License Agreement per Technical Standards Manual (TSM) Section 3.09. See Appendix 3D of the TSM for a template of the Agreement.

Area 2, Engineering Comments:

- 20' R.O.W. Dedication area, per Plat.
- Any private landscaping / irrigation improvements within the City Right of Way are allowed only with approval from the Engineering Department and an executed License Agreement per Technical Standards Manual (TSM) Section 3.09. See Appendix 3D of the TSM for a template of the Agreement.

Area 3, Engineering Comments:

- 20' R.O.W. Dedication area, per Plat.
- Any private landscaping / irrigation improvements within the City Right of Way are allowed only with approval from the Engineering Department and an executed License Agreement per Technical Standards Manual (TSM) Section 3.09. See Appendix 3D of the TSM for a template of the Agreement.
- See below for image of 8" wastewater main crossing location, approximately 90 feet southwest of the Creek Meadow street centerline. No large trees or ground mounted elements allowed within 10 feet of either side of the wastewater main.

Parks:

- If the plan is to add berms/mounds, it is not recommended around existing trees. 4" of soil on top of existing tree roots can kill many types of trees.
- The river rocks are beautiful
- The planting area is wider at the top and narrower at the bottom. keep this in mind when selecting plants

Building Inspection:

- If there is new irrigation installed a permit will be required.

Office of Neighborhood Vitality:

- Landscape projects, as defined by the installation and/or removal of live plant material, are not eligible as a capital project, and thus not eligible for the Neighborhood Vitality Matching Grant program. Only if live plant material is a relatively minor cost of a complete project is it eligible.

NEIGHBORHOOD VITALITY MATCHING GRANT

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Photos of Fall 2016 Project

Total Project Cost: \$27,494 (Actual \$32,477), Requested Amount: \$21,995, Match: 20%

Proposal: ROW Enhancements on parkway and main entrances. Xeriscape, drought tolerant landscaping and mulch installation. Goal: Reduce water bill for HOA and beautification project as an entry into Garland.





**NEIGHBORHOOD VITALITY MATCHING GRANT
PROJECT SUMMARY**

Neighborhood Association: Irongate at Firewheel Neighborhood Association

Project Name: Garland Road surrounding sidewalk enhancement

Project Location: Sidewalk north and south between 100 Irongate Drive along North Garland Avenue

City Council District 1 – Fall 2020 Cycle

Total Project Cost:	\$33,135.69
Requesting Amount:	\$26,508.55
Neighborhood Match:	\$6,627.14
Match %:	20%

Project Summary:

- Aerate turf for improved water absorption.
- Install salt and pepper rock (5-6") under current trees only (7,000+ sq ft of product) along eastside.
- Mulch Crape Myrtles.

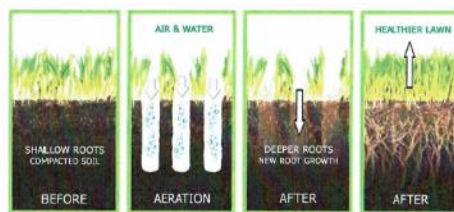


Current



Install 5"- 6" River Rock to cover bare areas and provide a consistent aesthetic and reduce erosion.

North and South fence line.



Proposed

Benefits of aeration for both North and South area turf.



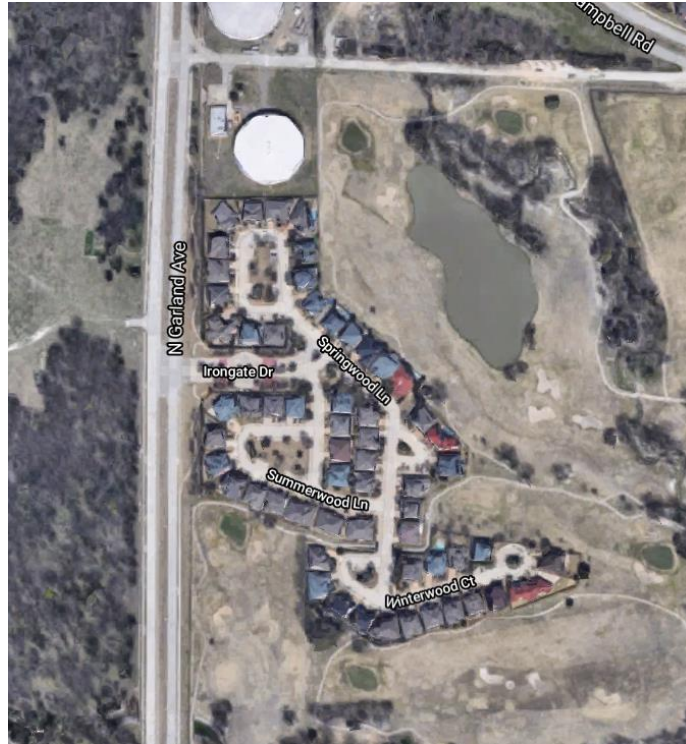
Install mulch around Crape Myrtles for water conservation and consistent aesthetic.

North and South turf areas.



Functionality Report Findings:

- Randall Wilkinson
Precision Tree Care Gardenscape Corp.
P. O. Box 170131, Dallas, Texas. 75217
972-329-2922
 - **Stated:** “The function of the river rock in respect to the Irongate project serves to help with bare soil areas under mature trees to help with water retention in this area. By grading a dry river bed run under all the trees with a continuous slope underneath, the river rock on the surface will stay level with the sidewalk preventing erosion. The surface water will enter the rock layer and then have a place to run rather than pooling or run down sidewalks carrying mud. Redirection of the water is accomplished by soil contouring under the rock layer which is the goal to conserve water and prevent muddy sidewalks. “
- Shawn Lee
BrightView Landscapes
1403 Precision Drive, Plano, TX 75047
214-975-0134
 - Stated: “Thatch can help provide a good growing environment for grasses, but excess thatch can prevent water and oxygen from reaching plant roots and create conditions for diseases. Core aerators or verticutters can be used to thin thatch. As thatch levels accumulate to greater than 1/2", lawn problems may begin, and the thatch needs to be controlled.
Dr. Becky Grubbs, Agrilife Extension turf grass specialist, College Station, said lawn care is multifaceted and regular turf aeration and thatch reductions will help to create healthy, thriving grasses. “Roots need oxygen and water to survive, and microbes need oxygen to be productive to create healthy soil.”



Neighborhood: Irongate HOA includes 61 single family homes adjacent to Firewheel Golf Park.

Neighborhood Boundaries:

- North – Springwood Lane
- South – Winterwood Court
- East – Springwood Lane
- West – North Garland Avenue

Project Goals: Improve the safety for pedestrians passing through Irongate along Garland Ave.

Future Maintenance: Minimal maintenance after project completion. HOA has a landscape budget and contractor to replace mulch and conduct “as needed” visits.

City Staff Comments:

Office of Neighborhood Vitality:

- Landscape projects, as defined by the installation and/or removal of live plant material, are not eligible as a capital project, and thus not eligible for the Neighborhood Vitality Matching Grant program. Only if live plant material is a relatively minor cost of a complete project is it eligible.
 - LOI requested to plant additional landscape. Neighborhood removed it prior to application.



**NEIGHBORHOOD VITALITY MATCHING GRANT
PROJECT SUMMARY**

Neighborhood Association: Windjammer HOA

Project Name: Erosion Control Project

Project Location: Near 4451 Point Blvd

City Council District 3 – Fall 2020 Cycle

Total Project Cost:	\$18,474.00 or \$31,632
Requesting Amount:	\$15,702.90 or 25,305.60
Neighborhood Match:	\$2,771.10 or 6,326.40
Match %:	15% or 20%

Project Summary:

- Install an erosion retaining flower bed with stone walls, 2' tall in front of parking area
- Install 54 wheel stops in front of new retaining wall
- Backfill behind new retaining walls with soil, sod and update sprinkler system
- Install or reface (price difference) freestanding sign, address placards & toppers for all units
- Install new light posts around pool for improved safety



Current

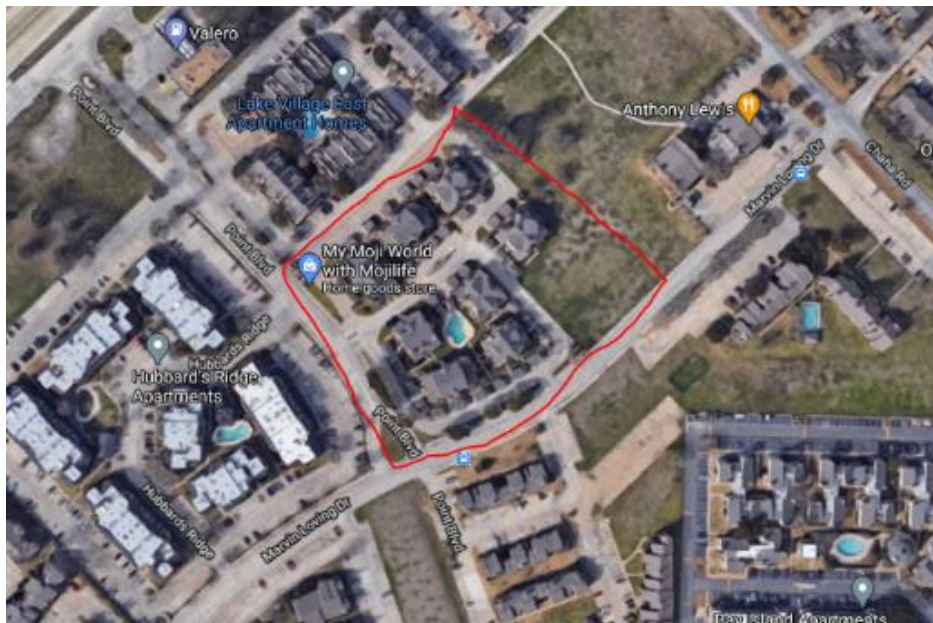


Proposed



Functionality Report Findings:

- **Gary Osborne**
Foundation Doctor
PO BOX 292155, Lewisville, TX 75029
972-318-8800
- **Stated:** “The erosion is partly the result of the lack for many years of gutters around the buildings. Now that gutters have been installed, erosion will continue at the downspouts because of the large volumes of water coming off the roofs at those points. The trees on the property may have also grown roots toward the buildings since the grassy areas near the building may have been some of the few sources of water available to the trees. If roots from the trees did grow that far, those roots could have caused drying and settlement of the soil next to the foundations which could appear the same as erosion. Therefore retaining walls up to 2' high should be installed along the edge of the lawn areas along the parking lot curb where the erosion is most evident. These recommendations are not intended to be a permanent fix against all current and future potential erosion problems. The recommendations are intended to be a reasonable means to address the current drainage conditions around the foundations. As with all buildings, the structure should be always monitored and, if signs of significant erosion again develop, inspected again and additional remedial measures taken. For the retaining walls needed in this case the 2018 IRC or 2018 IBC building codes do not require engineered wall designs. Such designs are normally only required if the walls exceed four feet in height. These walls may be poured concrete, mortared stone or segmental. Pavestone blocks are often used for segmental walls. In this case such segmental block walls are relatively easy to install, aesthetically pleasing and cost effective. Such walls should be installed per the standard recommendations of the block manufacturer.”



Neighborhood: Windjammer HOA includes 8 condo buildings, 3 stories tall located within close proximity to Lake Ray Hubbard Greenbelt.

Neighborhood Boundaries:

- North – East I-30 Access road
- South – Marvin Loving Drive
- East – Chada Road
- West – Point Boulevard

Project Goals: Tackle erosion control and beautify area for neighbors and guests.

Future Maintenance: Windjammer HOA has a landscape budget and a hired maintenance crew to conduct regular visits

City Staff Comments:

Did not submit a LOI* *Not required as project is under 25K

Office of Neighborhood Vitality:

- Light pole near pool, address numbering and toppers has limited community-wide benefit
- Long term maintenance concern on retaining wall

Building Inspections:

- Sign and electrical will need permit.

Engineering:

- Note that there is a 15' wide Utility Easement that runs up the middle of the main entry way; any improvements within the grassed median, circled in image below, would require a Real Property Improvement Authorization form to be executed with the Engineering Department.





GARLAND POLICY REPORT

City Council Work Session Agenda

3. b.

Meeting Date: April 5, 2021

Item Title: Notice of Intent to Issue Certificates of Obligation

Submitted By: Matt Watson, Finance Director

Strategic Focus Areas: Enhanced Quality of Life through Amenities, Arts, and Events
Sound Governance and Finances

ISSUE

On February 23, 2021, Council adopted the 2021 Capital Improvement Program (CIP), which contemplated a Certificates of Obligation (CO) bond sale in the amount of approximately \$24 million to fund a portion of the CIP. Council is asked to consider approving a notice of intent resolution at the April 6, 2021 Regular Meeting to provide the legal authorization for the certificates.

OPTIONS

1. Consider approval of a notice of intent resolution on April 6, 2021 to meet the legal requirements for issuing Certificates of Obligation in the amount of approximately \$24 million to fund a portion of the CIP.
2. Do not approve a funding source for a portion of the CIP.

RECOMMENDATION

This item is scheduled for formal consideration at the April 6, 2021 Regular Meeting.

BACKGROUND

The City Manager formally submitted the proposed CIP to Council at the Regular Meeting on January 12, 2021 and staff made copies of the proposed CIP available for public inspection and review the next day in libraries and the City Secretary's Office. The City Council held a Special Budget Work Session on January 19, 2021 and January 26, 2021 to review the proposed program. In addition, a Public Hearing on the Proposed CIP was held on February 2, 2021 and February 16, 2021. The 2021 Capital Improvement Program was approved by Council on February 16, 2021 by Ordinance No. 7198.

The adopted CIP is a \$431.4 million work program for 2021. The work program will require the issuance of Certificates of Obligation. The CO's will fund \$20 million tax-supported projects and \$3.6 million revenue and internal service projects.

In compliance with City Council's Financial Policy, Certificates of Obligation debt is issued so

the debt maturities are aligned with the useful lives of the capital improvements being funded. CO principal maturities range from 5 years to 20 years. CO's require approval by Council and publication of a notice of intention for issuance.

CONSIDERATION

Legal

Council approval of a resolution to publish a notice of intent to issue certificates of obligation will meet the legal requirements for debt issuance but will not obligate the City to issue the debt. Legally, a notice of intention must be published in a newspaper of general circulation once a week for two consecutive weeks, with the first publication to be at least 45-days before Council formally considers the ordinance authorizing the issuance of the certificates. In addition, this notice must be published on the City website for at least 45-days before the date Council will consider the ordinance authorizing the issuance of the certificates. Currently, staff plans on requesting City Council approval to issue Certificates of Obligation, Series 2021 at the June 8, 2021 Regular Council Meeting.

Financial

Since neither cash nor voter authorized bonds are available to fund a portion of the adopted 2021 CIP, staff requests the issuance of Certificates of Obligation. Based on information from the City's Financial Advisors, Hilltop Securities Inc., the proposed certificates of obligation can be sold at an estimated interest rate of 1.7% in the current interest rate environment. At this interest rate, the City will incur additional debt service (principal and interest payments) for the certificate of approximately \$2.7 million per year for fiscal years 20222 to 2026, approximately \$1.2 million per year for fiscal years 2027 to 2031, and approximately \$745,000 for fiscal years 2032 to 2041. The actual interest rate, annual debt service and issue costs will be finalized at the time of the bond sale (June 8, 2021). The Interest and Sinking debt service tax rate is not impacted as a result of this debt issuance.

Attachments

Garland Certificates of Obligation 2021

RESOLUTION NO. _____

A RESOLUTION Approving and Authorizing Publication of
Notice of Intention to Issue Certificates of Obligation.

WHEREAS, the City Council of the City of Garland, Texas (the "City"), has determined that certificates of obligation should be issued under and pursuant to the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended, for the purpose of paying contractual obligations to be incurred for: (i) constructing, equipping and improving municipal park and recreation facilities, the Firewheel Golf Park, municipal animal shelter and adoption facilities, municipal landfill/transfer station facilities and information management services systems, (ii) constructing and improving streets, including drainage, landscaping, streetscaping, retaining walls, curbs, gutters, sidewalks, signage, traffic signalization, street noise abatement and utility system relocation incidental thereto and the acquisition of land and rights-of-way therefor, (iii) acquiring public safety and environmental waste services equipment, (iv) acquiring, constructing, renovating, improving and equipping existing municipal buildings, including HVAC replacement upgrade, roof replacement and safety upgrades, (v) constructing drainage improvements, including bridge remediation and (vi) professional services rendered in connection therewith; and

WHEREAS, prior to the issuance of such certificates, the City Council is required to publish notice of its intention to issue the same in a newspaper of general circulation in the City, said notice stating (i) the time and place the Council tentatively proposes to pass the ordinance authorizing the issuance of the certificates, (ii) the maximum amount proposed to be issued, (iii) the purposes for which the certificates are to be issued and (iv) the manner in which the Council proposes to pay the certificates; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS:

SECTION 1: That the City Secretary is hereby authorized and directed to cause notice to be published of the Council's intention to issue certificates of obligation in one or more series in the principal amount not to exceed TWENTY-FIVE MILLION DOLLARS (\$25,000,000) for the purpose of paying contractual obligations to be incurred for: (i) constructing, equipping and improving municipal park and recreation facilities, the Firewheel Golf Park, municipal animal shelter and adoption facilities, municipal landfill/transfer station facilities and information management services systems, (ii) constructing and improving streets, including drainage, landscaping, streetscaping, retaining walls, curbs, gutters, sidewalks, signage, traffic signalization, street noise abatement and utility system relocation incidental thereto and the acquisition of land and rights-of-way therefor, (iii) acquiring public safety and environmental waste services equipment, (iv) acquiring, constructing, renovating, improving and equipping existing municipal buildings, including HVAC replacement upgrade, roof replacement and safety upgrades, (v) constructing drainage improvements, including bridge remediation and (vi) professional services rendered in connection therewith; such certificates to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's Water and Sewer System. The notice hereby approved and authorized to be published shall read substantially in the form and content of **Exhibit A** hereto attached and incorporated herein by reference as a part of this resolution for all purposes.

SECTION 2: That the City Secretary shall cause the aforesaid notice to be (i) published in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of the first publication to be at least forty-six (46) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation and (ii) posted continuously on the City's website for at least forty-five (45) days before the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation.

PASSED AND ADOPTED, this April 6, 2021.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary

(City Seal)

EXHIBIT A

CITY OF GARLAND, TEXAS NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

TAKE NOTICE that the City Council of the City of Garland, Texas, shall convene at 7:00 p.m. on June 8, 2021, at the City Council chambers located at 200 N. Fifth, in the City of Garland, Texas, and, during such meeting, the City Council will consider the passage of one or more ordinances authorizing the issuance of certificates of obligation in one or more series in an amount not to exceed TWENTY-FIVE MILLION DOLLARS (\$25,000,000) for the purpose of paying contractual obligations to be incurred for: (i) constructing, equipping and improving municipal park and recreation facilities, the Firewheel Golf Park, municipal animal shelter and adoption facilities, municipal landfill/transfer station facilities and information management services systems, (ii) constructing and improving streets, including drainage, landscaping, streetscaping, retaining walls, curbs, gutters, sidewalks, signage, traffic signalization, street noise abatement and utility system relocation incidental thereto and the acquisition of land and rights-of-way therefor, (iii) acquiring public safety and environmental waste services equipment, (iv) acquiring, constructing, renovating, improving and equipping existing municipal buildings, including HVAC replacement upgrade, roof replacement and safety upgrades, (v) constructing drainage improvements, including bridge remediation and (vi) professional services rendered in connection therewith; such certificates to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's Water and Sewer System. In accordance with Texas Local Government Code Section 271.049, (i) the current principal amount of all of the City's outstanding public securities secured by and payable from ad valorem taxes is \$232,850,000; (ii) the current combined principal and interest required to pay all of the City's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$286,929,860; (iii) the estimated combined principal and interest required to pay the certificates of obligation to be authorized on time and in full is \$31,240,442; (iv) the maximum interest rate for the certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the certificates to be authorized is February 15, 2041. The certificates are to be issued, and this notice is given, pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended.

City Secretary
City of Garland, Texas



GARLAND POLICY REPORT

City Council Work Session Agenda

3. c.

Meeting Date: April 5, 2021

Item Title: Bond Refunding - General Obligation Commercial Paper Notes & Certificates of Obligation

Submitted By: Matt Watson, Finance Director

Strategic Focus Areas: Sound Governance and Finances

ISSUE

Consider refunding approximately \$30 million of General Obligation Commercial Paper Notes, Series 2015 and approximately \$1 million Combination Tax & Revenue Certificates of Obligation, Series 2011 with General Obligation Refunding Bonds, Series 2021. The purpose of this transaction is to refund a portion of variable rate commercial paper notes and to generate debt service savings.

OPTIONS

1. Authorize staff to refund approximately \$30 million of General Obligation Commercial Paper Notes, Series 2015 and approximately \$1 million Combination Tax and Revenue Certificates of Obligation, Series 2011 with General Obligation Refunding Bonds, Series 2021.
2. Do not approve the refunding transaction.

RECOMMENDATION

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the June 8, 2021 Regular Meeting.

BACKGROUND

Commercial Paper is a short-term debt instrument that is issued incrementally as funds are needed to finance the General Obligation Capital Improvement Program and has maturities ranging from 1 to 270 days. Interest is paid at each maturity date but principal is rolled to a new maturity date by issuing replacement commercial paper. This process continues until long-term debt is issued at a fixed rate to refinance the outstanding commercial paper. Due to current market conditions, staff and the City's Financial Advisor, Hilltop Securities, are recommending to refund approximately \$30 million of outstanding Commercial Paper into fixed rate long-term General Obligation debt.

In addition, the City of Garland has an opportunity to refund approximately \$1 million Combination Tax and Revenue Certificates of Obligation, Series 2011. This refunding will not

extend the amortization of these bonds and will generate approximately \$145,000 in debt service savings between fiscal years 2022 and 2031. The exact amount of savings is subject to market conditions between now and the final pricing date of June 8, 2021.

CONSIDERATION

The Refunding Bonds will be fixed rate debt with a 20-year amortization period. The Bonds will have projected annual debt service payments of approximately \$1.9 million a year between 2022 and 2041. The projected interest rate is 1.9%. The exact amount of annual debt service and the interest rate is subject to market conditions between now and the final pricing date of June 8, 2021.



GARLAND POLICY REPORT

City Council Work Session Agenda

3. d.

Meeting Date: April 5, 2021

Item Title: General Obligation Commercial Paper Program, Series 2021

Submitted By: Matt Watson, Finance Director

Strategic Focus Areas:

ISSUE

The General Obligation Commercial Paper Program was approved in 2015. The program has been a low-cost interim financing tool used to fund voter authorized bond programs. The contractual agreements for the current commercial paper program will expire in May 2021. Staff is requesting Council to consider termination of the 2015 program and authorization to establish a 2021 Commercial Paper Program.

OPTIONS

1. Authorize staff to terminate General Obligation Commercial Paper Program, series 2015 and establish General Obligation Commercial Paper Program, Series 2021.
2. Do not approve termination of series 2015 and establishing series 2021.

RECOMMENDATION

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the April 20, 2021 Regular Meeting.

BACKGROUND

Commercial paper (CP) is a short-term debt instrument that has been used to fund the General Obligation Capital Improvement Program since 2002. CP is variable rate debt that is issued with maturities ranging from 1 to 270 days. Interest is paid at each maturity date but principal is rolled to a new maturity date by issuing replacement commercial paper. This process continues until long-term debt is issued at a fixed rate to refinance the outstanding commercial paper. Commercial Paper is issued only when needed to meet cash flow needs instead of in advance like fixed rate General Obligation bonds.

The current General Obligation Commercial Paper Program is set to expire in May 2021. Authorization of a new CP dealer and liquidity facility provider will allow staff to continue to issue debt at short-term interest rates for the purposes approved by voters in the 2004 and 2019 bond programs. It should be noted that short-term interest rates are typically lower than long-term rates which generates significant savings for the City.

CONSIDERATION

Staff and the City's Financial Advisor, Hilltop Securities, received Request for Proposals from qualified liquidity facility providers and qualified remarketing agents. After review and evaluation of these proposals Barclay's Bank was selected to act as both the liquidity facility and remarketing agent. They provided the best value and the lowest cost to the City. Unless otherwise directed by Council, this item will be formally considered at the April 20, 2021 Regular meeting.

Attachments

Garland GO CP Ordinance with Exhibit Drafts

ORDINANCE _____

AN ORDINANCE OF THE CITY OF GARLAND, TEXAS, APPROVING AND AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION COMMERCIAL PAPER NOTES, SERIES 2021, IN AN AGGREGATE PRINCIPAL AMOUNT AT ANY ONE TIME OUTSTANDING NOT TO EXCEED \$50,000,000 TO PROVIDE INTERIM FINANCING TO PAY PROJECT COSTS FOR ELIGIBLE PROJECTS AND TO REFUND OBLIGATIONS ISSUED IN CONNECTION WITH AN ELIGIBLE PROJECT; AUTHORIZING SUCH SHORT TERM OBLIGATIONS TO BE ISSUED, SOLD AND DELIVERED IN VARIOUS FORMS, INCLUDING COMMERCIAL PAPER NOTES AND A BANK NOTE, AND PRESCRIBING THE TERMS, FEATURES AND CHARACTERISTICS OF SUCH INSTRUMENTS; APPROVING AND AUTHORIZING CERTAIN AUTHORIZED OFFICERS AND EMPLOYEES OF THE CITY TO ACT ON BEHALF OF THE CITY IN THE SELLING AND DELIVERY OF SUCH SHORT TERM OBLIGATIONS, WITHIN THE LIMITATIONS AND PROCEDURES SPECIFIED HEREIN; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR THE LEVY, ASSESSMENT AND COLLECTION OF A TAX SUFFICIENT TO PAY THE INTEREST ON COMMERCIAL PAPER NOTES AND A BANK NOTE AND TO CREATE A SINKING FUND FOR THE REDEMPTION OF A BANK NOTE; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, SECURITY AND DELIVERY OF COMMERCIAL PAPER NOTES, INCLUDING THE APPROVAL OF AN ISSUING AND PAYING AGENT AGREEMENT, A REIMBURSEMENT AGREEMENT, A FEE LETTER AND A DEALER AGREEMENT; APPROVING THE USE OF AN OFFERING MEMORANDUM IN CONNECTION WITH THE SALE FROM TIME TO TIME OF SUCH SHORT TERM OBLIGATIONS; AND PROVIDING AN EFFECTIVE DATE.

APPROVAL DATE: APRIL 20, 2021

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Signature Page

Exhibit A	MASTER NOTE
Exhibit B	REIMBURSEMENT AGREEMENT
Exhibit C	ISSUING AND PAYING AGENT AGREEMENT
Exhibit D	DEALER AGREEMENT

ORDINANCE _____

AN ORDINANCE of the City of Garland, Texas, approving and authorizing the issuance of General Obligation Commercial Paper Notes, Series 2021, in an aggregate principal amount at any one time outstanding not to exceed \$50,000,000 to provide interim financing to pay Project Costs for Eligible Projects and to refund obligations issued in connection with an Eligible Project; authorizing such short term obligations to be issued, sold and delivered in various forms, including commercial paper notes and a Bank Note, and prescribing the terms, features and characteristics of such instruments; approving and authorizing certain authorized officers and employees of the City to act on behalf of the City in the selling and delivery of such short term obligations, within the limitations and procedures specified herein; making certain covenants and agreements in connection therewith; providing for the levy, assessment and collection of a tax sufficient to pay the interest on commercial paper notes and a Bank Note and to create a sinking fund for the redemption of a Bank Note; resolving other matters incident and related to the issuance, sale, security and delivery of commercial paper notes, including the approval of an Issuing and Paying Agent Agreement, a Reimbursement Agreement, a Fee Letter and a Dealer Agreement; approving the use of an Offering Memorandum in connection with the sale from time to time of such short term obligations; and providing an effective date.

WHEREAS, the City of Garland, Texas (the “City” or the “Issuer”) is a “home-rule municipality”, acting as such under the Constitution and laws of the State of Texas, that adopted its charter under Section 5, Article XI of the Texas Constitution, that has a population in excess of 50,000, and that has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation; and

WHEREAS, the citizens of the City have authorized at elections previously held in the City that general purpose bonds of the City may be sold, with the dates of the elections, the authorized principal amounts of bonds, the authorized purposes, the amounts heretofore issued and the amounts remaining to be issued being as shown below:

<u>Authorized Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized (\$)</u>	<u>Heretofore Issued (\$)</u>	<u>Unissued Balance (\$)</u>
Street Improvements	5/4/1991	42,496,500	42,414,612	81,888
Parks Improvements	5/4/1991	5,144,000	5,118,660	25,340
Public Safety Improvements	5/4/1991	7,226,086	7,199,376	26,710
Various Street Improvements	5/31/1997	67,970,000	66,806,633	1,163,367
Northeast Parkway Street Improvements	5/31/1997	4,240,000	4,240,000	0
Drainage Improvements	5/31/1997	10,570,000	10,502,789	67,211
Library Improvements	5/31/1997	5,890,000	5,877,682	12,318
Parks Improvements	5/31/1997	12,370,000	12,318,398	51,602

Authorized Purpose	Date Authorized	Amount Authorized (\$)	Heretofore Issued (\$)	Unissued Balance (\$)
Public Safety Improvements	5/31/1997	19,890,000	19,770,561	119,439
Municipal Facility Improvements	5/31/1997	1,710,000	1,521,000	189,000
Street Improvements	5/15/2004	113,370,000	60,687,768	52,682,232
Drainage Improvements	5/15/2004	28,000,000	21,158,178	6,841,822
Park and Recreation Facilities and Improvements	5/15/2004	21,680,000	11,535,574	10,144,426
Library Facilities	5/15/2004	9,400,000	9,386,179	13,821
Public Safety Facilities	5/15/2004	12,950,000	12,488,052	461,948
Municipal Improvements	5/15/2004	11,180,000	5,476,406	5,703,594
Economic Development/Land Acquisition	5/15/2004	3,420,000	2,557,207	862,793
Street Improvements	5/4/2019	122,250,000	3,343,927	118,906,073
Drainage Improvements	5/4/2019	47,350,000	791,774	46,558,226
Public Safety Improvements	5/4/2019	51,350,000	3,340,865	48,009,135
Parks and Recreation Improvements	5/4/2019	117,750,000	5,196,076	112,553,924
Library Improvements	5/4/2019	21,000,000	164,696	20,835,304
Municipal Facilities Improvements	5/4/2019	6,000,000	188,282	5,811,718
Animal Shelter	5/4/2019	12,000,000	889,858	11,110,142
Economic Development	5/4/2019	46,000,000	170,449	45,829,551
Total		801,206,586	313,145,002	488,061,584

WHEREAS, the City Council of the City hereby determines to issue its short term obligations pursuant to the provisions of Texas Government Code, Chapter 1371, as amended (the "Act"), to provide interim financing for one or more projects described in the preceding paragraph of this Ordinance and to refund obligations issued in connection with such projects; and

WHEREAS, such short term obligations proposed to be issued pursuant to this Ordinance constitute bond anticipation notes which the City intends to fund or refund through the issuance of obligations of the City payable from ad valorem taxes, including refunding bonds issued pursuant to and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended; and

WHEREAS, arrangements relating to such interim financing have been settled and the City Council hereby finds and determines that the issuance of short term obligations, including commercial paper notes and a bank note, subject to the terms, conditions and limitations hereinafter prescribed, should be approved and authorized at this time; and

WHEREAS, it is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Texas Government Code, Chapter 551, as amended; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARLAND:

ARTICLE 1

DEFINITIONS

Section 1.01. Definitions. Unless otherwise defined in this Ordinance and unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this ordinance or any ordinance amendatory or supplemental hereto, shall be construed, are used and are intended to have the following meanings, to-wit:

“Authorized but Unissued Amount of Commercial Paper Notes” shall mean \$50,000,000 of Commercial Paper Notes; provided, that such amount shall be reduced by the principal amount of (i) any outstanding Bank Note and (ii) Bonds issued pursuant to the Bond Authority to (A) refund Commercial Paper Notes and (B) finance Eligible Projects. Notwithstanding the foregoing, the Authorized but Unissued Amount of Commercial Paper Notes shall not be reduced by the amount of Bonds issued and described in (ii)(B) of this definition, until the aggregate principal amount of Bonds issued pursuant to said (ii)(B) exceeds the difference between total Bond Authority and \$50,000,000.

“Authorized Representative” shall mean one or more of the following officers or employees of the City, acting in concert or individually, to-wit: the Mayor, the City Manager, any Assistant City Manager, the Finance Director, or such other officer or employee of the City designated in writing by the City Manager, as approved by the City Council, to act as an Authorized Representative.

“Available Tax Revenues” shall mean the ad valorem taxes collected by the City in a Fiscal Year, including ad valorem taxes deposited to the credit of the City’s general fund and cash reserves maintained by the City.

“Bank” shall mean Barclays Bank PLC, or any subsequent or succeeding or replacement entity specified in the Reimbursement Agreement.

“Bank Debt Service” shall have the meaning set forth in the Reimbursement Agreement.

“Bank Note” shall mean the Bank Note issued and delivered pursuant to the provisions of this Ordinance and the Reimbursement Agreement, in evidence of the Drawings made by the Bank under the Letter of Credit and Term Loans under the Reimbursement Agreement, having the terms and characteristics contained therein and issued in accordance with the terms thereof.

“Bond Authority” shall mean the authorized but unissued bonds approved at the elections and for the purposes described in the preamble to this Ordinance and those bonds authorized to be issued by elections held in the City after the date of this Ordinance and described in the propositions thereby approved, for projects added as “Eligible Projects,” as defined herein.

“Bond Counsel” shall mean Norton Rose Fulbright US LLP or such other an attorney or firm of attorneys which are nationally recognized as having expertise in the practice of tax-exempt municipal finance law, as approved by the City.

“Bonds” shall mean a series or issue of bonds, notes or similar obligations (other than the Notes or the Reimbursement Agreement (including the Bank Note)) issued under the Bond

Authority by the City subsequent to the date of passage of this Ordinance, which bonds, notes or similar obligations are payable from ad valorem taxes levied and collected by the City; and which may be refunding bonds issued pursuant to and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended.

“Business Day” means any day of the year on which banks in New York, New York or the presentation office of the Bank at which Drawings are presented are not required or authorized to remain closed and on which the Issuing and Paying Agent and the New York Stock Exchange, Inc. and the Federal Reserve Bank are open.

“City” or “Issuer” shall mean the City of Garland, Texas.

“City Council” shall mean the governing body of the City.

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

“Commercial Paper Note” shall mean a note or notes issued pursuant to the provisions of this Ordinance, having the terms and characteristics specified in **Section 2.03** hereof and in the form described in **Section 2.05** hereof.

“Dealer” shall mean the entity or entities so designated in a Dealer Agreement, or any successor to such Dealer.

“Dealer Agreement” shall mean the Dealer Agreement approved and authorized to be entered into by **Section 3.04** hereof, as from time to time amended or supplemented, or any subsequent Dealer Agreement approved by the City Council.

“Designated Office” shall mean the designated office of the Issuing and Paying Agent where Commercial Paper Notes must be presented and delivered for receipt of payment of the principal amount thereof.

“Drawing” shall mean a drawing under the Letter of Credit in accordance with its terms to pay the principal of and interest on the Commercial Paper Notes.

“DTC” shall mean The Depository Trust Company or any substitute securities depository appointed pursuant to this Ordinance, or any nominee thereof.

“DTC Participant” shall mean a member of, or participant in, DTC that will act on behalf of a Holder.

“Eligible Investments” shall mean any or all of the authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, in which the City may purchase, sell and invest its funds and funds under its control; and provided further that Eligible Investments shall specifically include, with respect to the investment of proceeds of any Commercial Paper Notes, guaranteed investment contracts fully collateralized by direct 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.

“Eligible Project” shall mean any project for which there exists authorized but unissued obligations approved by a majority of the voters of the City at the elections held on May 4, 1991, May 3, 1997, May 15, 2004 and May 4, 2019, respectively, for the purpose of authorizing the

issuance of such obligations, as well as any projects approved at future elections and added to this definition pursuant to the provisions of **Section 6.01** hereof. Those projects for which voter authorization has been granted are described in the second recital of this Ordinance.

“Fiscal Year” shall mean any consecutive twelve-month period declared by the City as its fiscal year, which currently runs from October 1 through September 30.

“Holder” or “Noteholder” shall mean any person, firm, association or corporation, including the Bank, who is in possession of any Note drawn, issued or endorsed to such person, firm, association or corporation or to the order of such person, firm, association or corporation or to bearer or in blank.

“Issuing and Paying Agent”, “Paying Agent/Registrar” or “Registrar” shall mean the agent appointed pursuant to **Section 2.02** hereof, or any successor to such agent.

“Issuing and Paying Agent Agreement” shall mean the agreement approved and authorized to be entered into by **Section 3.03** hereof, and attached hereto as Exhibit C, as from time to time amended or supplemented, and any subsequent Issuing and Paying Agent Agreement approved by the City Council.

“Letter of Credit” shall mean one or more irrevocable, direct-pay, transferable letters of credit, initially consisting of a letter of credit issued by the Bank substantially in the form of Exhibit A attached to the Reimbursement Agreement as the same may be amended, supplemented or extended pursuant to the terms of such Reimbursement Agreement.

“Master Note” shall mean the “Master Note” as defined in **Section 2.02** hereof.

“Maximum Interest Payable” shall mean, as of any Payment Date, the amount of interest to be payable in the Fiscal Year in which the Payment Date occurs, calculated at the Maximum Interest Rate, on the principal amount of Commercial Paper Notes outstanding as of the Payment Date. In making this calculation, the principal amount of Commercial Paper Notes outstanding as of the Payment Date shall be presumed to remain outstanding throughout the Fiscal Year.

“Maximum Interest Rate” shall mean the maximum interest rate allowed by Texas Government Code, Chapter 1204, as amended.

“Maximum Maturity Date” shall mean February 15, 20____.

“Note” or “Notes” shall mean the evidences of indebtedness authorized to be issued and at any time outstanding pursuant to this Ordinance and shall include (i) Commercial Paper Notes (including the Master Note), (ii) notes in such form or forms as shall be approved by the City Council in an ordinance amending this Ordinance, or (iii) the Bank Note, as appropriate.

“Note Clearance Account” shall mean the account so designated in **Section 2.09** hereof.

“Note Construction Account” shall mean the account so designated in **Section 2.12** hereof.

“Note Payment Fund” shall mean the fund so designated in **Section 2.10** hereof.

“Offering Memorandum” shall mean the Offering Memorandum relating to the Notes.

“Payment Date” shall mean (i) each date on which principal of and interest on the Notes is due and payable under this Ordinance, (ii) each date on which any amounts are due and payable to the Bank under the Bank Note or otherwise under the Reimbursement Agreement, and (iii) the date of delivery of any Bonds issued for the purpose of refunding outstanding Commercial Paper Notes.

“Project Costs” shall mean all costs and expenses incurred in relation to Eligible Projects, including without limitation design, planning, engineering and legal costs, acquisition costs of land, interests in land, rights-of-way and easements, construction costs, costs of machinery, equipment, and other capital assets incident and related to the operation, maintenance, and administration of an Eligible Project, financing costs (including interest on obligations during the constitutionally permitted time period, and payments on Reimbursement Agreements during and after construction, underwriter’s discount and/or fees for legal, financial, and other professional services). A Project Cost incurred before the issuance of Commercial Paper Notes issued to finance the related Eligible Project may be reimbursed from proceeds from the sale of Commercial Paper Notes, and such reimbursement shall be a “Project Cost.”

“Reimbursement Agreement” shall mean the Reimbursement Agreement (including the Fee Letter thereto) approved and authorized to be entered into by **Section 2.15** hereof, as from time to time amended or supplemented, or other credit facility or liquidity facility provided in lieu thereof in accordance with the provisions of **Section 4.03** hereof.

“Required Payments” shall have the meaning set forth in the Reimbursement Agreement.

Section 1.02. Construction of Terms Utilized in This Ordinance. 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. Certain terms not defined herein shall have the meaning given said terms in the Reimbursement Agreement.

ARTICLE 2

AUTHORIZATION OF NOTES

Section 2.01. General Authorization. Pursuant to authority conferred by and in accordance with the provisions of the Constitution and laws of the State of Texas, particularly the Act, Commercial Paper Notes shall be and are hereby authorized to be issued in an aggregate principal amount not to exceed **FIFTY MILLION DOLLARS (\$50,000,000)** at any one time outstanding for the purpose of financing Project Costs of Eligible Projects and to refinance, renew or refund Notes, including interest thereon, all in accordance with and subject to the terms, conditions, and limitations contained herein; and a Bank Note shall be and is hereby authorized to be issued in the initial aggregate principal amount of _____ **MILLION** _____ **HUNDRED** _____ **THOUSAND DOLLARS (\$_____)** at any one time outstanding for the purpose of evidencing the obligation pay principal and interest on Drawings made on the Letter of Credit to pay principal and interest on the Commercial Paper Notes and other Required Payments; all in accordance with and subject to the terms, conditions and limitations contained herein and, with respect to the Letter of Credit and the Bank Note, the Reimbursement Agreement. For purposes of this **Section 2.01**, any portion of outstanding Notes to be paid from money on deposit in the Note Payment Fund and from the available proceeds of Notes or Bonds on the day of calculation shall not be considered outstanding. The authority to issue Commercial Paper Notes from time

to time under the provisions of this Ordinance shall exist until the Maximum Maturity Date, regardless of whether prior to the Maximum Maturity Date there are at any time no Commercial Paper Notes outstanding.

Anything in this Ordinance to the contrary notwithstanding, in connection with the refinancing or refunding of Notes, such Notes shall qualify as "obligations", as such term is defined in the Act at the time any such refinancing or refunding occurs. Further, any such refunding or refinancing, other than a simultaneous refunding, of Notes, to the extent then required by applicable law, shall be by means of a gross defeasance established at the time of the issuance of the refunding Commercial Paper Notes or refunding Bonds, as the case may be, and the Notes to be so refunded or refinanced shall be selected by the City Council.

Section 2.02. Terms Applicable to Notes - General. Subject to the limitations contained herein, Commercial Paper Notes herein authorized shall be dated as of their date of issuance or prior thereto, but within 30 days of the date of issuance (the "Note Date"), as determined by an Authorized Representative; shall bear interest at such fixed rate or rates per annum computed on the basis of actual days elapsed and on a 365- or 366-day year, as applicable (but in no event in any case to exceed the Maximum Interest Rate), as may be determined by an Authorized Representative, and all Commercial Paper Notes authorized herein shall mature on or prior to the Maximum Maturity Date.

Subject to applicable terms, limitations and procedures contained herein, Commercial Paper Notes may be sold in such manner at public or private sale and at par or at such discount (within the interest rate and yield restrictions provided herein) as an Authorized Representative shall approve at the time of the sale thereof.

The Commercial Paper Notes shall be issued in registered form, without coupons, provided, however, Commercial Paper Notes may be registered to bearer. The principal of and interest on the Commercial Paper Notes shall be payable in lawful money of the United States of America, without exchange or collection charges to the Holder of the Commercial Paper Note; the principal thereof to be payable upon presentation and surrender of the Commercial Paper Note at the Designated Office of the Issuing and Paying Agent and interest thereon to be payable to the registered owner thereof (when registered other than to bearer) either (i) by check sent by United States Mail, first class postage prepaid, to the address of the registered owner appearing on the Registration Books (as hereinafter defined) of the City maintained by the Registrar or (ii) by such other method, acceptable to the Issuing and Paying Agent, requested by the Holder, but interest on a Commercial Paper Note registered to bearer shall be payable only upon presentation of the Commercial Paper Note at the Designated Office of the Issuing and Paying Agent.

The selection and appointment of U.S. Bank National Association to serve as Issuing and Paying Agent, Paying Agent/Registrar and Registrar for the Commercial Paper Notes is hereby confirmed, and the City covenants and agrees to keep and maintain with the Registrar at its Designated Office and at a place within the State of Texas books and records (the "Registration Books") for the registration, payment, transfer and exchange of the Commercial Paper Notes, all as provided herein and such reasonable rules and regulations as the Registrar may prescribe. The City covenants to maintain and provide a Registrar at all times while the Commercial Paper Notes are outstanding, which shall be a national or state banking association or corporation or trust company organized and doing business under the laws of the United States of America or of any state and authorized under such laws to exercise trust powers. Should a change in the Paying Agent/Registrar for the Commercial Paper Notes occur, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Commercial Paper Notes then

outstanding by United States Mail, first class postage prepaid. Such notice shall give the address of the successor Paying Agent/Registrar. A successor Paying Agent/Registrar may be appointed by the City without the consent of the Holders, but with the consent of the Bank. Prior to the successor Paying Agent/Registrar assuming its duties hereunder, (i) the City shall cause all moneys held by the then Paying Agent/Registrar to be transferred to the successor thereto and (ii) the successor Paying Agent/Registrar shall deliver to the City an instrument accepting the duties and responsibilities as Paying Agent/Registrar.

A copy of the Registration Books and any change thereto shall be provided to the City by the Paying Agent/Registrar, by means of telecommunications equipment or such other means as may be mutually agreeable thereto, within two Business Days of the opening of such Registration Books or any change therein, as the case may be.

The City and the Paying Agent/Registrar may treat the bearer (in the case of Commercial Paper Notes so registered) or the registered payee thereof as the absolute owner of any Commercial Paper Note for the purpose of receiving payment thereof and for all purposes, and the City and the Paying Agent/Registrar shall not be affected by any notice or knowledge to the contrary.

If an Authorized Representative determines that it is possible and desirable to provide for a book-entry-only system of Commercial Paper Note registration with DTC, such Authorized Representative, acting for and on behalf of the City, is hereby authorized to approve, execute, and deliver a Letter of Representations to DTC and to enter into such other agreements and execute such instruments as are necessary to implement such book-entry-only system, such approval to be conclusively evidenced by the execution thereof by said Authorized Representative. Under the initial book-entry-only system with DTC, (i) no physical Commercial Paper Note certificates will be delivered to DTC and (ii) the City will execute and deliver to the Issuing and Paying Agent, as custodian for DTC, a master note relating to the Commercial Paper Notes (the "Master Note") in substantially the form set forth in **Exhibit A**. Except as provided herein, the ownership of the Commercial Paper Notes shall be registered in the name of Cede & Co., as nominee of DTC, which will serve as the initial securities depository for the Commercial Paper Notes. Ownership of beneficial interests in the Commercial Paper Notes shall be shown by book-entry on the system maintained and operated by DTC and DTC Participants, and transfers of ownership of beneficial interests shall be made only by DTC and the DTC Participants by book-entry, and the City and the Issuing and Paying Agent shall have no responsibility therefor. DTC will be required to maintain records of the positions of the DTC participants in the Commercial Paper Notes, and the DTC Participants and persons acting through the DTC participants will be required to maintain records of the purchasers of beneficial interests in the Commercial Paper Notes. During any period when a book-entry-only system is in effect, except as provided above in this paragraph, the Commercial Paper Notes shall not be transferable or exchangeable, except for transfer to another securities depository or to another nominee of a securities depository.

With respect to Commercial Paper Notes registered in the name of DTC or its nominee, neither the City nor the Issuing and Paying Agent shall have any responsibility or obligation to any DTC Participant or to any person on whose behalf a DTC Participant holds an interest in the Commercial Paper Notes. Without limiting the immediately preceding sentence, neither the City nor the Issuing and Paying Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC or any DTC Participant with respect to any ownership interest in the Commercial Paper Notes, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Commercial Paper Notes, as shown on the Registration Books, of

any notice with respect to the Commercial Paper Notes, including any notice of redemption, and (iii) the payment to any DTC Participant or any other person, other than a registered owner of the Commercial Paper Notes, as shown in the Registration Books, of any amount with respect to principal of and interest on the Commercial Paper Notes.

Whenever, during the term of the Commercial Paper Notes, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, registering, delivering, exchanging, or transferring the Commercial Paper Notes shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC as to holding, registering, delivering, exchanging, or transferring the book-entry to produce the same effect.

Either the City or DTC may determine to discontinue the book-entry-only system and in such case, unless a new book-entry-only system is put in place, physical certificates in the form set forth in **Section 2.05** shall be provided to the beneficial owners thereof.

If at any time, DTC ceases to hold the Commercial Paper Notes, all references herein to DTC shall be of no further force or effect.

Whenever the beneficial ownership of the Commercial Paper Notes is determined by a book-entry at DTC, delivery of Commercial Paper Notes for payment at maturity shall be made pursuant to DTC's payment procedures as are in effect from time to time and the DTC Participants shall transmit payment to those beneficial owners whose Commercial Paper Notes have matured. The City and each Issuing and Paying Agent, the Bank, and the Dealer are not responsible for the transfer of payment to the DTC Participants or beneficial owners.

Section 2.03. Commercial Paper Notes. Under and pursuant to the authority granted hereby and subject to the limitations contained herein, Commercial Paper Notes to be designated "City of Garland, Texas, General Obligation Commercial Paper Notes, Series 2021" are hereby authorized to be issued and sold and delivered from time to time in such principal amounts as determined by an Authorized Representative in denominations of \$100,000 or in integral multiples of \$1,000 in excess thereof, numbered in ascending consecutive numerical order in the order of their issuance and to mature and become due and payable on such dates as an Authorized Representative shall determine at the time of sale; provided, however, that no Commercial Paper Note shall (i) mature after the Maximum Maturity Date or (ii) have a term less than seven (7) days or in excess of two hundred seventy (270) calendar days. Interest, if any, on Commercial Paper Notes shall be payable at maturity with principal.

Section 2.04. Bank Note. Under and pursuant to authority granted hereby and subject to the limitations contained herein and in the Reimbursement Agreement, a promissory note to be designated as the "Bank Note" is hereby authorized and approved in accordance with the terms of this Ordinance, the Reimbursement Agreement and the form thereof set forth in the Reimbursement Agreement.

Section 2.05. Form of Commercial Paper Notes. The Commercial Paper Notes and the Certificate of Authentication to appear on each of the Commercial Paper Notes 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 thereon as may, consistently herewith, be approved by an Authorized Representative. Any portion of the text of any Commercial Paper

Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Commercial Paper Notes.

The Commercial Paper Notes shall be printed, lithographed, engraved or produced in any other similar manner, or typewritten, all as determined and approved by an Authorized Representative.

Form of Commercial Paper Note:

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF GARLAND, TEXAS
GENERAL OBLIGATION COMMERCIAL PAPER NOTE
SERIES 2021

No.:	_____	Note Date:	_____
Principal Amount:	_____	Maturity Date:	_____
Interest to Maturity:	_____	Number of Days:	_____
Due at Maturity:	_____	Interest Rate (%):	_____
CUSIP			
No: _____			
Owner: _____			

The CITY OF GARLAND (the "City"), in the Counties of Dallas, Collin and Rockwall, State of Texas, FOR VALUE RECEIVED, hereby promises to pay to the order of the owner specified above on the maturity date specified above, the principal sum specified above and to pay interest, if any, on said principal amount at said maturity date, from the above specified note date to said maturity date at the per annum interest rate shown above (computed on the basis of actual days elapsed and a 365- or 366-day year, as applicable); both principal of and interest on this Note being payable in lawful money of the United States of America at the designated office of the Issuing and Paying Agent executing the "Certificate of Authentication" endorsed hereon and appearing below, or its successor. No interest will accrue on the principal amount hereof after said maturity date.

This Commercial Paper Note is one of an issue of commercial paper notes (the "Commercial Paper Notes") which, together with other forms of short term obligations, including the below referenced Bank Note, has been duly authorized and issued in accordance with the provisions of an ordinance passed by the City Council of the City, as such ordinance may be amended from time to time as set forth therein (the "Ordinance"), for the purpose of financing Project Costs of Eligible Projects and to refinance, renew or refund Commercial Paper Notes, including interest thereon, in accordance with the provisions of the Ordinance; all in accordance and in strict conformity with the provisions of Texas Government Code, Chapter 1371, as amended (the "Act").

The principal of and interest on this Commercial Paper Note, together with the principal of the other Commercial Paper Notes, is payable from and equally secured by a lien on and pledge

of (i) the proceeds from (a) the sale of other Commercial Paper Notes issued for such purpose and (b) the sale of a series or issue of Bonds to be issued by the City pursuant to the Bond Authority for such purpose, (ii) Drawings under and pursuant to the Letter of Credit issued by the Bank in favor of the Issuing and Paying Agent, and (iii) amounts in certain funds established pursuant to the Ordinance. In addition, the interest on the Commercial Paper Notes shall be payable from and equally secured by a lien on and pledge of the Available Tax Revenues.

It is hereby certified and recited that all acts, conditions and things required by law and the Ordinance to exist, to have happened and to have been performed precedent to and in the issuance of this Commercial Paper Note, do exist, have happened and have been performed in regular and in due time, form and manner as required by law and that the issuance of this Commercial Paper Note, together with all other Commercial Paper Notes, is not in excess of the principal amount of Commercial Paper Notes permitted to be issued under the Ordinance; that sufficient and proper provision for the levy and collection of taxes has been made, which, when collected, shall be appropriated exclusively to the payment of the principal and interest on this Commercial Paper Note, together with the other Commercial Paper Notes and all Required Payments; and that the total indebtedness of the City does not exceed any constitutional, statutory or charter limitation.

This Commercial Paper Note has all the qualities and incidents of a negotiable instrument under the laws of the State of Texas.

This Commercial Paper Note shall not be entitled to any benefit under the Ordinance or be valid or become obligatory for any purpose until this Commercial Paper Note shall have been authenticated by the execution by the Issuing and Paying Agent of the Certificate of Authentication hereon. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Ordinance.

IN TESTIMONY WHEREOF, the City Council has caused this Commercial Paper Note to be signed with the imprinted facsimile signature of the Mayor, attested by the facsimile signature of the City Secretary.

CITY SECRETARY,
CITY OF GARLAND

MAYOR,
CITY OF GARLAND

**ISSUING AND PAYING AGENT'S
CERTIFICATE OF AUTHENTICATION**

This Commercial Paper Note is one of the Commercial Paper Notes delivered pursuant to the within-mentioned Ordinance.

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent

By: _____
Authorized Signatory

If Commercial Paper Notes are issued in book-entry-only form pursuant to **Section 2.02**, they shall be issued in the form of a Master Note in substantially the form attached hereto as **Exhibit A**, to which there shall be attached the form of Commercial Paper Note as prescribed above, and it is hereby declared that the provisions of the Commercial Paper Note as prescribed above are incorporated into and shall be a part of the Master Note. It is further provided that this Ordinance and the form of Commercial Paper Note prescribed above shall constitute the "underlying records" referred to in the Master Note. Notwithstanding the provisions of **Section 2.06**, the Master Note shall be executed on behalf of the City by the manual signature of the Mayor or the Mayor Pro-Tem.

Section 2.06. Execution - Authentication. The Commercial Paper Notes (other than the Master Note) shall be executed on behalf of the City by the Mayor and attested by the City Secretary, as provided in **Section 2.05** hereof. The signature of said officers on the Commercial Paper Notes may be manual or facsimile. Commercial Paper Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the date of passage 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 the initial sale and delivery of Commercial Paper Notes authorized to be issued hereunder and with respect to Commercial Paper Notes delivered in subsequent sales, exchanges and transfers, all as authorized and provided in the Public Security Procedures Act (Texas Government Code, Chapter 1201, as amended).

No Commercial Paper Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Commercial Paper Note a certificate of authentication executed by the Paying Agent/Registrar in the customary manner then prevailing for short term obligations such as the Commercial Paper Notes, or, in the case of the Master Note, the Paying Agent/Registrar has executed the Master Note, and the execution of any Commercial Paper Note (including the Master Note) by the Paying Agent/Registrar shall be conclusive evidence, and the only evidence, that such Commercial Paper Note has been duly certified or registered and delivered.

Section 2.07. Notes Mutilated, Lost, Destroyed or Stolen. If any Note shall become mutilated, the City, at the expense of the Holder of said Note, shall execute and deliver a new Note of like tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the City of the Note so mutilated. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the City, at the expense of the owner, shall execute and deliver a new Note of like tenor in lieu of and in substitution for the Note so lost, destroyed or stolen. Neither the City nor the Paying Agent/Registrar shall be required to treat both the original Note and any duplicate Note as being outstanding for the purpose of determining the principal amount of Notes which may be issued hereunder, but both the original and the duplicate Note shall be treated as one and the same.

Section 2.08. Negotiability, Registration and Exchangeability. The obligations issued hereunder shall be, and shall have all of the qualities and incidents of, a negotiable instrument under the laws of the State of Texas, and each successive holder, in accepting any of the obligations, shall be conclusively deemed to have agreed that such obligations shall be and have all of the qualities and incidents of a negotiable instrument under the laws of the State of Texas.

The Registration Books relating to the registration, payment and transfer or exchange of the Commercial Paper Notes shall at all times be kept and maintained by the City at the

Designated Office of the Registrar, and the Registrar shall obtain, record and maintain in the Registration Books the name and address of each registered owner of the Commercial Paper Notes, except for Commercial Paper Notes registered to bearer, issued under and pursuant to the provisions of this Ordinance, and the Registrar further shall provide such information to the City as described in **Section 2.02** hereof. Any Commercial Paper Note may, in accordance with its terms and the terms hereof, be transferred or exchanged for Commercial Paper Notes of like tenor and character and of other authorized denominations upon the Registration Books by the Holder in person or by his duly authorized agent, upon surrender of such Commercial Paper Note to the 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 Registrar.

Upon surrender for transfer of any Commercial Paper Note at the Designated Office of the Registrar, the Registrar shall register and deliver, in the name of the designated transferee or transferees (or to bearer, as appropriate), one or more new Commercial Paper Notes executed on behalf of, and furnished by, the City of like tenor and character and of authorized denominations and having the same maturity, bearing interest at the same rate and being of a like aggregate principal amount as the Commercial Paper Note or Commercial Paper Notes surrendered for transfer.

Furthermore, Commercial Paper Notes may be exchanged for other Commercial Paper Notes of like tenor and character and of authorized denominations and having the same maturity, bearing the same rate of interest and of like aggregate principal amount as the Commercial Paper Notes surrendered for exchange, upon surrender of the Commercial Paper Notes to be exchanged at the Designated Office of the Registrar. Whenever any Commercial Paper Notes are so surrendered for exchange, the Registrar shall register and deliver new Commercial Paper Notes of like tenor and character as the Commercial Paper Notes exchanged, executed on behalf of, and furnished by, the City to the Holder requesting the exchange.

The City and the Registrar may charge the Noteholder a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer after the first such exchange or transfer. The Registrar or the City may also require payment from the Holder of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Commercial Paper Note shall be delivered.

New Commercial Paper Notes delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Commercial Paper Notes surrendered, shall be secured by this Ordinance and shall be entitled to all of the security and benefits hereof to the same extent as the Commercial Paper Notes surrendered.

The City reserves the right to change the above registration and transferability provisions of the Commercial Paper Notes at any time on or prior to the delivery thereof in order to comply with applicable laws and regulations of the United States in effect at the time of issuance thereof.

Section 2.09. Note Clearance Account. There is hereby created and established with the Issuing and Paying Agent a separate account hereby designated as the "City of Garland, Texas General Obligation Note Clearance Account" (the "Note Clearance Account"). By 2:00 p.m. (New York City time) on each Payment Date, the City shall cause to be credited to the Note Clearance Account from proceeds received from the sale of Commercial Paper Notes or Bonds and, to the extent needed, Available Tax Revenues an amount necessary (i) first, to reimburse the Bank for Drawings under the Letter of Credit to pay the principal of and interest on the

Commercial Paper Notes on such date, (ii) second, to repay any Bank Debt Service (to the extent not paid in clause (i)), and (iii) third, to pay any other Required Payments to the Bank. Pending transfer to the Note Payment Fund for authorized purposes, Available Tax Revenues so credited to the Note Clearance Account may be invested at the direction of the Finance Director or the designee thereof in Eligible Investments.

Section 2.10. Note Payment Fund. There is hereby created and established with the Issuing and Paying Agent a separate and special fund to be designated as the "City of Garland, Texas General Obligation Note Payment Interest and Sinking Fund" (the "Note Payment Fund"). Moneys transferred into the Note Payment Fund shall be used to pay principal of and interest on Commercial Paper Notes at the respective interest payment, maturity or redemption dates (if any) of each issue thereof as provided herein. All proceeds of Drawings shall be deposited into the Note Payment Fund and shall be used to pay the principal of and interest on the Commercial Paper Notes then due and payable. Pending the expenditure of moneys in the Note Payment Fund for authorized purposes, such moneys in the Note Payment Fund shall be held uninvested, and any moneys deposited in the Note Payment Fund and not used for such purposes shall be transferred to the Note Clearance Account and then returned to the Bank.

Section 2.11. Pledge: Payments. The Notes are obligations of the City payable from and secured solely by the funds pledged therefor pursuant to this Ordinance. The City agrees to make payments into the Note Payment Fund at such times and in such amounts as are necessary to provide for the full payment of the principal of and the interest on the Notes when due.

To provide security for the payment of the principal of and interest on the Notes and any other amounts due the Bank under the Reimbursement Agreement as the same become due and payable, there is hereby granted a lien on and pledge of, subject only to the provisions of this Ordinance permitting the application thereof for purposes and on the terms and conditions set forth herein, (i) the proceeds from (a) the sale of Bonds issued pursuant to the Bond Authority for such purpose and (b) the sale of Notes (other than the Bank Note) issued pursuant to this Ordinance for such purpose, (ii) Drawings under the Letter of Credit and (iii) the Note Payment Fund and the Note Clearance Account (together with all funds and Eligible Investments credited thereto), and (iv) the amounts remaining on deposit in the Note Construction Account after the payment of all Project Costs, provided, however, amounts in the Note Payment Fund shall be used first to pay the principal of and interest, if any, then due on any Commercial Paper Notes (such payment made free and clear of the lien created hereunder), and amounts in the Note Clearance Account shall be used (z) first, to pay to the Bank (1) any amounts due to reimburse the Bank for a Drawing and (2) to pay any other Required Payments due to the Bank, and it is hereby resolved and declared that to the extent of funds remaining in the Note Clearance Account after payment in full of the amounts due Bank under the foregoing clause (z), the principal of and interest on Notes due but remaining unpaid following the application of all funds held in the Note Payment Fund and any other amounts due the Bank under the Reimbursement Agreement shall be and are hereby equally and ratably secured by and payable from a lien on and pledge of such funds remaining in the Note Construction Account, the Note Payment Fund and the Note Clearance Account..

During each Fiscal Year while any of the Commercial Paper Notes are outstanding and unpaid, the City shall timely transfer from the Note Clearance Account such amounts as shall be necessary to pay or reimburse the Bank for all amounts described in Section 2.09 when due. The City does hereby levy and shall assess and collect an ad valorem tax in each Fiscal Year at a rate sufficient to generate an amount which, together with the projected Available Tax Revenues budgeted for such Fiscal Year and the amount then on deposit in the Note Clearance Account,

shall be necessary to pay the Maximum Interest Payable on the Commercial Paper Notes projected to come due in that Fiscal Year. Ad valorem taxes so assessed and collected shall be deposited to the credit of the Note Clearance Account.

Additionally, to provide security for the payment of the principal of and interest on the Bank Note and other amounts due under the Reimbursement Agreement as the same shall become due and payable, the City Council agrees that if a Drawing is made under the Letter of Credit and the City incurs an obligation to pay principal of and interest on the Bank Note as a result of the Drawing having been made, during each year while the Bank Note is outstanding and unpaid, the City Council shall compute and ascertain the rate and amount of ad valorem tax, based upon the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and costs of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Bank Note as such interest comes due, and to provide a sinking fund to pay the principal (including sinking fund redemptions of principal) of the Bank Note as such principal matures, but never less than 2% of the original principal amount of the Bank Note as a sinking fund each year. Said rate and amount of ad valorem tax is hereby ordered to be levied and is hereby levied against all taxable property in the City for each year while the Bank Note is outstanding and unpaid, and said ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Note Clearance Account. Said ad valorem taxes necessary to pay the interest on and principal (including sinking fund redemptions of principal) of the Bank Note, as such interest comes due, and as such principal matures or comes due, are hereby pledged for such purpose, within the limitations prescribed by law.

Unless the Bank Note is paid from the proceeds of Commercial Paper Notes or Bonds issued for such purposes, or amounts available in the Note Payment Fund, all as described above, such payments are to be made from ad valorem taxes on deposit in the Note Clearance Account.

Section 2.12. Note Construction Account. There is hereby created and established on the books of the City a separate account hereby designated as the "City of Garland, Texas General Obligation Commercial Paper Notes, Series 2021 Note Construction Account" (the "Note Construction Account"). Moneys deposited in the Note Construction Account shall remain therein until from time to time expended to pay for Project Costs, and shall not be used for any other purposes whatsoever, except as otherwise provided below, and pending such expenditure, moneys in the Note Construction Account may be invested at the direction of the Finance Director or the designee thereof in Eligible Investments.

Any amounts remaining in the Note Construction Account after the payment of all Project Costs shall be paid into the Note Clearance Account and used first for the payment of any amounts due on any Bank Note that has been issued to evidence the repayment of an Drawing and second to the payment of such maturities of the Commercial Paper Notes coming due at such times as may be selected by an Authorized Representative. In the event no Commercial Paper Notes are outstanding and there are no unreimbursed Drawings or other amounts owed the Bank under the Reimbursement Agreement, any amounts in the Note Construction Account not anticipated to be needed to pay Project Costs shall be transferred to the general fund of the City and may be used for any lawful purpose not inconsistent with the Bond Authority of the City authorizing the issuance of obligations secured by ad valorem taxes.

Section 2.13. Cancellation. All Commercial Paper Notes which at maturity are surrendered to the Paying Agent/Registrar for the collection of the principal of and interest thereon or are surrendered for transfer or exchange pursuant to the provisions hereof shall, upon payment or issuance of new Commercial Paper Notes, be canceled by the Paying Agent/Registrar, and

the Paying Agent/Registrar forthwith shall transmit to the City a certificate identifying such Commercial Paper Notes and certifying that such Commercial Paper Notes have been duly canceled and destroyed.

Section 2.14. Fiscal and Other Agents. In furtherance of the purposes of this Ordinance, the Finance Director of the City is hereby authorized from time to time to appoint and provide for the payment of such additional fiscal, paying or other agents or trustees as it may deem necessary or appropriate in connection with the Notes.

Section 2.15. Reimbursement Agreement. The Reimbursement Agreement, substantially in the form attached hereto as **Exhibit B**, with such changes as approved by any Authorized Representative, is hereby approved, and shall be entered into with the Bank. The form of the Bank Note substantially in the form contained in the Reimbursement Agreement is approved with the interest rate payable thereon to be determined as set forth therein. Any Authorized Representative is hereby authorized to approve all final changes and execute and deliver the Reimbursement Agreement, and the City Secretary is authorized to attest the Reimbursement Agreement. Execution of the Reimbursement Agreement by the Authorized Representative shall evidence the approval of such changes

Section 2.16. Funds Secured. Moneys in all Funds created under this Ordinance, to the extent not invested as permitted hereunder, shall be secured in the manner prescribed by law for securing funds of the City.

ARTICLE 3

ISSUE AND SALE OF NOTES

Section 3.01. Issuance and Sale of Commercial Paper Notes.

(a) The Commercial Paper Notes shall be completed and delivered by the Issuing and Paying Agent in accordance with telephonic, computer or written instructions of an Authorized Representative and in the manner specified below and in the Issuing and Paying Agent Agreement. To the extent such instructions are not written, they shall be confirmed in writing by an Authorized Representative within 24 hours. Said instructions shall specify such principal amounts, dates of issue, maturities, rates of discount or interest, or the formula or method of calculating interest and the basis upon which it is to be computed, and other terms and conditions which are hereby authorized and permitted to be fixed by an Authorized Representative at the time of sale of the Commercial Paper Notes. Such instructions shall include the purchase price of the Commercial Paper Notes, and a request that the Issuing and Paying Agent authenticate such Commercial Paper Notes by countersignature of its authorized officer or employee and deliver them to the named purchaser or purchasers thereof upon receipt of payment in accordance with the custom then prevailing in the New York financial market in regard to such Commercial Paper Notes. The rules of the New York Clearinghouse shall apply thereto. Such instructions shall also contain provisions representing that all action on the part of the City necessary for the valid issuance of the Commercial Paper Notes then to be issued has been taken, that all provisions of Texas and federal law necessary for the valid issuance of such Commercial Paper Notes with provision for interest exemption from federal income taxation have been complied with and that such Commercial Paper Notes in the hands of the Holders thereof will be valid and enforceable obligations of the City according to their terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter

enacted to the extent constitutionally applicable and that, based upon the advice of Bond Counsel, the stated interest on the Commercial Paper Notes is exempt from federal income taxation. Such instructions shall also certify that:

(i) no Event of Default under **Section 5.01** hereof or Event of Default under Article ____ of the Reimbursement Agreement has occurred and is continuing as of the date of such Commercial Paper Note and that the Issuing and Paying Agent has not received a [Notice of No Issuance] or a [Final Drawing Notice] (as such terms are defined in the Reimbursement Agreement);

(ii) (A) each project to be financed with the proceeds of the Commercial Paper Notes will constitute an Eligible Project and (B) the aggregate principal amount of Bonds and Commercial Paper Notes issued or incurred by the City to finance such project does not exceed the amount identified by an Authorized Representative as available under the Bond Authority to finance such project as an Eligible Project;

(iii) the City is in compliance with the covenants set forth in **Article IV** hereof as of the date of such instructions;

(iv) the City has been advised by Bond Counsel that the proposed expenditure of the proceeds of such Commercial Paper Notes for such projects and refunding, as described by the City, will not cause the City to be in violation of its covenants set forth in **Section 4.06** hereof; and

(v) the sum of the interest payable on such Commercial Paper Note will not exceed a yield (calculated on the principal amount of the Commercial Paper Note on the basis of a 365- or 366-day year, as applicable, and actual number of days elapsed) to the maturity date of such Commercial Paper Note in excess of the Maximum Interest Rate.

(b) The Bank Note shall be or has been delivered to the Bank and indebtedness may be incurred thereunder in accordance with the terms of the Reimbursement Agreement.

(c) In making the determination described in **Section 3.01(a)(ii)** hereof, the City shall aggregate the then outstanding Bonds and Notes issued or incurred to finance any such Eligible Project.

Section 3.02. Proceeds of Sale of Commercial Paper Notes. The proceeds of the sale of any Commercial Paper Notes (net of all expenses and costs of sale and issuance) shall be applied for any or all of the following purposes as directed by an Authorized Representative:

(i) Proceeds to be used for the payment and redemption of outstanding Commercial Paper Notes at or before maturity and for the repayment of any Drawing (evidenced by the Bank Note) or other amounts due under the Reimbursement Agreement; and

(ii) Proceeds not used as provided in **subparagraph (i)** above shall be transferred and deposited to the Note Construction Account and used and applied in accordance with the provisions of **Section 2.12** hereof.

Section 3.03. Issuing and Paying Agent Agreement. The Issuing and Paying Agent Agreement by and between the City and the Issuing and Paying Agent relating to the Commercial

Paper Notes, in substantially the form attached to this Ordinance as **Exhibit C**, is hereby approved, with such changes as approved by any Authorized Representative, and such Authorized Representative is hereby authorized and directed to approve all final changes and execute the same for and on behalf of the City and the City Secretary is authorized to attest such signature. Execution of the Issuing and Paying Agent Agreement by the Authorized Representative shall evidence the approval of such changes. Any Authorized Representative is hereby authorized to enter into any supplemental agreements with the Issuing and Paying Agent or with any successor Issuing and Paying Agent in order to implement the functions of the Issuing and Paying Agent or Registrar with respect to the Commercial Paper Notes.

Section 3.04. Dealer Agreement. The Dealer Agreement to be entered into with the Dealer pertaining to the sale, from time to time, of Commercial Paper Notes or the purchase of Commercial Paper Notes from the City, all for a fee to be set forth in the Dealer Agreement, in substantially the form attached to this Ordinance as **Exhibit D**, with such changes as approved by the Authorized Representative, is hereby approved, and any Authorized Representative is hereby authorized and directed to approve all final changes and execute the same for and on behalf of the City and the City Secretary is authorized to attest such signature. Execution of the Dealer Agreement by the Authorized Representative shall evidence the approval of such changes.

ARTICLE 4

COVENANTS OF THE CITY

Section 4.01. Limitation on Issuance. Unless this Ordinance is amended and modified by the City Council in accordance with the provisions of **Section 6.01** hereof, the City covenants that there will not be issued and outstanding at any time under this Ordinance more than \$50,000,000 in principal amount of Commercial Paper Notes. For purposes of this **Section 4.01**, any portion of outstanding Commercial Paper Notes to be paid on a particular day from moneys on deposit in the Note Payment Fund and available proceeds of Notes or Bonds shall not be considered outstanding on such day. In addition to the foregoing, (i) no Commercial Paper Notes shall be issued for any project other than an Eligible Project, (ii) no Commercial Paper Notes shall be issued if the Commercial Paper Notes then outstanding after such issuance would exceed the Authorized but Unissued Amount of Commercial Paper Notes, and (iii) no Commercial Paper Notes shall be issued for an Eligible Project if the aggregate principal amount of Bonds and Commercial Paper Notes issued or incurred by the City (including the Commercial Paper Notes to be issued) to finance such Eligible Project exceeds the amount available under the Bond Authority to finance such Eligible Project.

Additionally, the City covenants and agrees that the total principal amount of all Commercial Paper Notes and Drawings outstanding at any one time (after taking into account any Commercial Paper Notes to be paid on such proposed issuance date) and the total amount of interest accrued or to accrue thereon shall not exceed the Stated Amount (as defined in the Reimbursement Agreement).

The City further agrees that, anything in this Ordinance to the contrary notwithstanding, on any date the sum of (i) the principal amount of Commercial Paper Notes then outstanding, (ii) the principal amount of any Drawings then outstanding and (iii) the principal amount of Bonds issued pursuant to Bond Authority, shall not exceed the Bond Authority.

Furthermore, the City covenants and agrees that with regard to principal and interest due on any Notes, it shall only make a Drawing to pay principal and interest due on Commercial Paper Notes (and not interest due on any obligation evidenced by the Bank Note). Any Drawing to pay the interest due on Commercial Paper Notes shall be repaid to the Bank on the same business day from revenues received from the sale of Commercial Paper Notes, Available Tax Revenues or other available funds of the City sufficient to make such payment.

Section 4.02. RESERVED.

Section 4.03. Maintenance of Available Credit Facilities Requirement. The City agrees and covenants that at all times up to and including the Maximum Maturity Date, unless the Commercial Paper Notes are no longer outstanding, it will maintain credit or liquidity facilities with banks in amounts such that, assuming that all then outstanding Commercial Paper Notes were to become due and payable immediately, the amount available for borrowing under such facilities would be sufficient at that time to pay principal of and interest on all Commercial Paper Notes. No Commercial Paper Note shall be issued if, after giving effect to the issuance thereof and, if, after the immediate application of the proceeds thereof to retire other Commercial Paper Notes supported by the credit or liquidity facility, the aggregate principal amount of all Commercial Paper Notes secured by or payable from the credit or liquidity facility would exceed the amount of the commitment thereunder. The availability for borrowing of such amounts under such facilities may be subject to reasonable conditions precedent, including but not limited to, bankruptcy of the City. In furtherance of the foregoing covenant, the City agrees that it will not issue any Commercial Paper Notes or make any borrowing which will result in a violation of such covenant, will not amend the Reimbursement Agreement in a manner which will cause a violation of such covenant and, if and to the extent necessary to maintain compliance with such covenant, will arrange for new credit or liquidity facilities prior to, or contemporaneously with, the expiration of the Reimbursement Agreement. The City shall provide written notice to the Dealer, the Issuing and Paying Agent and DTC (if the Commercial Paper Notes are then outstanding in book-entry-only form) at least ten (10) Business Days prior to any change in the bank providing a credit facility or a liquidity facility in respect to the Commercial Paper Notes. Prior to the effective date of the new credit or liquidity facility, all Commercial Paper Notes issued that are supported by the then existing Reimbursement Agreement shall have matured or appropriate provisions have been made for their payment at maturity.

Section 4.04. Bonds. The City hereby acknowledges that the Commercial Paper Notes are being issued as bond anticipation notes, and therefore the City in good faith shall endeavor to sell a sufficient principal amount of the Bonds authorized by the Bond Authority in order to have funds available, together with other moneys available therefor, to pay the Notes and the interest thereon, or any renewals thereof, or any obligations created under the Reimbursement Agreement, as the same shall become due, and such Bonds may be issued as refunding bonds issued pursuant to and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. Because such refunding bonds have not yet been issued, and thus the applicable interest rates cannot at this time be determined, the assumed applicable interest rate is the maximum rate allowed by law, 15.00% per annum.

Section 4.05. Punctual Payment. The City will punctually pay or cause to be paid the principal of and interest, if any, on the Notes and other Required Payments (but only from the sources pledged herein), in conformity with the Notes, this Ordinance and the Reimbursement Agreement.

Section 4.06. Covenants to Maintain Tax-Exempt Status.

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

“*Closing Date*” means the date on which the Commercial Paper Notes 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 Commercial Paper Notes.

“*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 Commercial Paper Notes are invested and which is not acquired to carry out the governmental purposes of the Commercial Paper Notes.

“*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 Commercial Paper Notes. 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 Commercial Paper Notes 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 Commercial Paper Note 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 Commercial Paper Note, 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 Commercial Paper Notes:

(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 Commercial Paper Notes 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 Commercial Paper Notes 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 Commercial Paper Notes 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 Commercial Paper Notes 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 Commercial Paper Notes.

(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 Commercial Paper Notes 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 Commercial Paper Note is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Commercial Paper Notes 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 Commercial Paper Notes until six (6) years after the final Computation Date.

(3) The City shall pay to the United States out of the Note Payment Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Commercial Paper Notes 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) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, any Assistant City Manager and Finance Director, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Commercial Paper Notes, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

Section 4.07. Allocation of, and Limitation on, Expenditures for Eligible Projects. The City covenants to account for on its books and records the expenditure of proceeds from the sale of the Commercial Paper Notes and any investment earnings thereon to be used for Eligible Projects by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Eligible Project is made or (b) each Eligible Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than sixty (60) days after the later of (a) the fifth anniversary of the date of delivery of the

Commercial Paper Notes or (b) the date the Commercial Paper Notes are retired, unless the City obtains an opinion of Bond Counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Commercial Paper Notes. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of Bond Counsel to the effect that such failure to comply will not adversely affect the excludability of the interest on the Commercial Paper Notes from gross income for federal income tax purposes.

Section 4.08. Disposition of Eligible Projects. The City covenants that the property constituting an Eligible Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of Bond Counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Commercial Paper Notes. For purposes of this Section, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of Bond Counsel to the effect that such failure to comply will not adversely affect the excludability of the interest from gross income for federal income tax purposes.

Section 4.09. Taxable Obligations. The provisions of **Section 4.06** of this Ordinance notwithstanding, the City reserves the ability to issue other commercial paper notes (but not the Commercial Paper Notes authorized under this Ordinance) in a manner such that such obligations are not obligations described in Section 103(a) of the Code or are obligations which constitute “private activity bonds” within the meaning of Section 141(b) of the Code. If such other commercial paper notes are so issued, an Authorized Representative is authorized to designate such other commercial paper notes in such a manner as to distinguish such other commercial paper notes from those Commercial Paper Notes that are issued as obligations described in Section 103(a) of the Code.

Section 4.10. Supplemental Ordinances. The City will not adopt any supplemental ordinances to this Ordinance without the written consent of the Bank.

Section 4.11. Opinion of Bond Counsel. The City shall cause the legal opinion of Bond Counsel as to the validity of the Notes and as to the exemption of interest on the Commercial Paper Notes from federal income taxation to be furnished to any Noteholder without cost. In addition, a copy of said opinion may be printed on or attached to each of the Commercial Paper Notes.

Section 4.12. Ongoing Continuing Disclosure Covenant. To the extent required by the provisions of Rule 15c2-12, promulgated by the U.S. Securities and Exchange Commission, the City agrees to enter into an agreement to file financial information and operating data with respect to the Commercial Paper Notes with such entities as are designated pursuant to the terms of said Rule 15c2-12. Under the provisions of said Rule 15c2-12, as they exist on the date this Ordinance is adopted, the City is exempted from complying with the undertaking described in the first sentence of this **Section 4.12**, as the Notes are to be issued in the form of Commercial Paper Notes.

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES OF NOTEHOLDERS

Section 5.01. Events of Default. If one or more of the following events shall occur:

- (a) if default shall be made in the due and punctual payment of any installment of principal of any Commercial Paper Note when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;
- (b) if the City shall fail to make due and punctual payment of any installment of interest on any Commercial Paper Note when and as such interest installment shall become due and payable and such failure shall continue for five (5) Business Days;
- (c) if the City shall fail to make due and punctual payment of the principal of the Bank Note (or interest accrued thereon) when due, or such principal and interest shall become due and payable prior to the maturity thereof under the Bank Note and the Reimbursement Agreement;
- (d) if default shall be made by the City in the performance or observance of any other of the covenants, agreements or conditions on its part contained in this Ordinance or in the Commercial Paper Notes, and such default shall continue for a period of sixty (60) days after written notice thereof; provided, however, that if such default cannot be cured within the sixty (60) day period but corrective action to cure such default is commenced and diligently pursued until the default is corrected, no such Event of Default shall be deemed to have occurred; or
- (e) if there shall occur the dissolution (without a successor being named to assume the rights and obligations) or liquidation of the City or the filing by the City of a voluntary petition in bankruptcy, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of its creditors, or the entry by the City into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceeding for its reorganization instituted under the provisions of the Bankruptcy Code, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted; then such-event as described above shall constitute an "Event of Default" under this Ordinance.

Section 5.02. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case the Holder of any Note at the time outstanding shall be entitled to proceed to protect and enforce such Holder's rights by such appropriate judicial proceeding as such Holder shall deem most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Ordinance, or in aid of the exercise of any power granted in this Ordinance, or to enforce any other legal or equitable right vested in the Holders of Notes by this Ordinance or the Notes or by law. The provisions of this Ordinance shall be a contract with each and every Holder of Notes and the duties of the City shall be enforceable by any Noteholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

Section 5.03. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holders of Notes is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time

or from time to time, and as often as may be necessary, by the Holder of any one or more of the Notes.

ARTICLE 6

MISCELLANEOUS

Section 6.01. Amendments or Modifications Without Consent of Holders of Notes.

This Ordinance and the rights and obligations of the City and of the Holders of Notes may be modified or amended at any time by a supplemental ordinance, without notice to or the consent of any Noteholders, but only to the extent permitted by law, and, subject to the rights of the Holders of the Notes, only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the City contained in this Ordinance, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the City;

(b) to cure any ambiguity or inconsistency, or to cure or correct any defective provision contained in this Ordinance, upon receipt by the City of an approving opinion of Bond Counsel selected by the City, that the same is needed for such purpose, and will more clearly express the intent of this Ordinance; or

(c) to supplement the security for the Notes, replace or provide additional credit facilities, make such changes, modifications or amendments as may be necessary or desirable in order to obtain the approval of this Ordinance by the Attorney General of Texas, or to obtain or maintain the granting of a rating on the Notes by a nationally recognized municipal bond rating agency, or change the form of the Notes, or to amend the definition of "Eligible Projects" to include obligations approved by the voters of the City at any election held for such purpose after May 19, 2019, or make such other changes in the provisions hereof as the City may deem necessary or desirable and which shall not materially adversely affect the interests of the Holders of the Notes; provided, however, that in the event the City desires to amend the definition of "Eligible Projects" to include obligations approved by voters of the City at an election held for such purpose after May 4, 2019, and the proceedings related to such additional election have not theretofore been approved by the Attorney General of Texas, then the City shall submit such election proceedings to the Attorney General and obtain the Attorney General's approval of such proceedings prior to issuing any Notes to pay the costs of additional Eligible Projects added as a result of such election; and

provided further, however, that nothing contained herein shall permit or be construed to permit the amendment of the terms and conditions of this Ordinance or of the Commercial Paper Notes so as to:

(i) make any change in the maturity of any of the outstanding Commercial Paper Notes;

(ii) reduce the rate of interest borne by any of the outstanding Commercial Paper Notes;

(iii) reduce the amount of the principal payable on any of the outstanding Commercial Paper Notes;

(iv) modify the terms of payment of principal of or interest on the outstanding Commercial Paper Notes, or impose any conditions with respect to such payment;

(v) affect the rights of the Holders of less than all of the outstanding Commercial Paper Notes; or

(vi) reduce or restrict the pledge made pursuant to **Section 2.11** hereof for payment of the Commercial Paper Notes;

and provided further that no such change, modification or amendment shall be made in this Ordinance or become valid and effective without the written consent of the Bank.

Section 6.02. Additional Actions. Any Authorized Representative, the City Secretary, and the other officers of the City, each are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Notes and otherwise to effectuate the purposes of this Ordinance, the Reimbursement Agreement, the Dealer Agreement, the Offering Memorandum and the Issuing and Paying Agent Agreement. Specifically, by the adoption of this Ordinance, the City Council hereby authorizes the payment of the fees and expenses incurred and to be paid by the City in connection with the issuance, sale and delivery of the Notes and the execution and delivery of the Reimbursement Agreement, the Dealer Agreement and the Issuing and Paying Agent Agreement. In addition, the Mayor, City Secretary, City Manager, and Finance Director, any one or more of said persons, 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 necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Offering Memorandum, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Reimbursement Agreement and this Ordinance by the Attorney General's office.

Section 6.03. Ordinance to Constitute a Contract; Equal Security. In consideration of the acceptance of the Notes, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Notes and the pledge made in this Ordinance by the City, and the covenants and agreements set forth in this Ordinance to be performed by the City shall be for the equal and proportionate benefit, security and protection of all Holders of the Notes, without preference, priority or distinction as to security or otherwise of any of the Notes authorized hereunder over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Ordinance or, with respect to the Bank Note, the Reimbursement Agreement.

Section 6.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Notes issued hereunder.

Section 6.05. Payment and Performance on Business Days. Whenever under the terms of this Ordinance or the Commercial Paper Notes, the performance date of any provision

hereof or thereof, including the payment of principal of or interest on the Commercial Paper Notes, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Commercial Paper Notes, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 6.06. Defeasance. If, when all or any portion of the Commercial Paper Notes shall have become due and payable in accordance with their terms or otherwise as provided in this Ordinance, the entire principal and interest so due and payable upon said Commercial Paper Notes shall be paid, or if at or prior to the date said Commercial Paper Notes have become due and payable, (i) sufficient moneys, or (ii) direct obligations of, or obligations guaranteed by, the United States of America, the principal of and interest on which will provide sufficient moneys for such payment, or (iii) noncallable and non-prepayable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, the principal of and interest on which will provide sufficient moneys for such payment, or (iv) noncallable and non-prepayable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, the principal of and interest on which will provide sufficient moneys for such payment, shall be held in trust by the Issuing and Paying Agent, and provision shall also be made for paying all other sums payable hereunder by the City with respect to said Commercial Paper Notes and all other amounts payable under the Reimbursement Agreement, the pledge herein created with respect to said Commercial Paper Notes and the amounts payable under the Reimbursement Agreement shall thereupon cease, terminate and become discharged, and said Commercial Paper Notes shall no longer be deemed outstanding for purposes of this Ordinance, and all the provisions of this Ordinance relating to the Commercial Paper Notes, including all covenants, agreements, liens and pledges made herein for the benefit thereof, shall be deemed duly discharged, satisfied and released.

Section 6.07. Limitation of Benefits with Respect to the Ordinance. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Ordinance or the Notes is intended or should be construed to confer upon or give to any person other than the City, the Holders of the Notes, the Issuing and Paying Agent and the parties to the Dealer Agreement and the Reimbursement Agreement, any legal or equitable right, remedy or claim under or by reason of or in respect to this Ordinance or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Ordinance and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders of the Notes, the Issuing and Paying Agent and the parties to the Dealer Agreement and the Reimbursement Agreement as herein and therein provided.

Section 6.08. Use of Offering Memorandum. The use by the Dealer of the Offering Memorandum, prepared on behalf of the City in connection with the sale of Commercial Paper Notes, and the distribution of the Offering Memorandum by the Dealer, is approved, subject to the approval thereof by an Authorized Representative. The Offering Memorandum shall be updated (i) annually on any date which is not more than six (6) months after the end of the City's Fiscal Year and (ii) as often as necessary to reflect information regarding the City and its finances which, in the reasonable judgment of the Dealer, may be material to investors in the Notes. Any

Authorized Representative is hereby authorized to provide to the Dealer such information as may be reasonably requested by the Dealer.

Section 6.09. Approval of Attorney General. No Notes herein authorized to be issued shall be sold or delivered by an Authorized Representative until the Attorney General of the State of Texas shall have approved this Ordinance, the Reimbursement Agreement, and other agreements and proceedings as may be required in connection therewith, all as is required by the Act.

Section 6.10. Incorporation of Recitals. The Issuer hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the Issuer hereby incorporates such recitals as a part of this Ordinance.

Section 6.11. Repeal of 2015 Note Ordinance. The City has authorized the Notes to replace the City's previous general obligation commercial paper program, which program has been evidenced by the issuance of the City of Garland, Texas General Obligation Commercial Paper Notes, Series 2015 (the "Series 2015 Notes") which were authorized by Ordinance 6758, passed and adopted by the City Council of the City on February 17, 2015 ("Ordinance 6758"). Upon the passage and adoption of this Ordinance and the effective termination of the letter of credit issued under the Letter of Credit Reimbursement Agreement, dated as of March 31, 2015, between the City and Citibank, N.A., Ordinance 6758 shall be and is hereby repealed and the authority of the City to issue any new Series 2015 Notes shall be terminated.

Section 6.12. 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 this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 6.13. 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 6.14. Effective Date. This Ordinance shall be in full force and effect from and after its passage on the date shown below and it is so ordained.

[Remainder of page left blank intentionally]

PASSED AND ADOPTED, this April 20, 2021.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

City Secretary

(City Seal)

Exhibit A
MASTER NOTE

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

MUNICIPAL COMMERCIAL PAPER – TECP MASTER NOTE

(Date of Issuance)

City of Garland, Texas (“Issuer”), for value received, hereby promises to pay to Cede & Co., as nominee of the Depository Trust Company, or to registered assigns (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Issuer (the “Underlying Records”) as being evidenced by this Master Note, which Underlying Records are maintained by U.S. Bank National Association (“Paying Agent”); (ii) interest on the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in installments, if any, on the due date of each installment, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified on the Underlying Records. Payments shall be made solely from the sources stated on the Underlying Records by wire transfer to the registered owner from Paying Agent without the necessity of presentation and surrender of this Master Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS MASTER NOTE SET FORTH ON THE REVERSE HEREOF.

This Master Note is a valid and binding obligation of Issuer.

Not Valid Unless Countersigned for Authentication by Paying Agent.

U.S. Bank National Association
(Paying Agent)

City of Garland, Texas
(Issuer)

By: _____
(Authorized Countersignature)

By: _____
(Authorized Signature)



**The Depository Trust &
Clearing Corporation**

(Reverse Side of Note)

At the request of the registered owner, Issuer shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Name, Address, and Taxpayer Identification Number of Assignee)

the Master Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Master Note on the books of issuer with full power of substitution in the premises.

Dated:

Signature(s) Guaranteed

(Signature)

Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of the Depository Trust Company, a New York corporation ("DTC"), to issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Exhibit B
REIMBURSEMENT AGREEMENT

LETTER OF CREDIT REIMBURSEMENT AGREEMENT

By and among

CITY OF GARLAND, TEXAS

and

BARCLAYS BANK PLC,

Relating to

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Dated as of April __, 2021

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LETTER OF CREDIT REIMBURSEMENT AGREEMENT

This **LETTER OF CREDIT REIMBURSEMENT AGREEMENT** (the “Agreement”) dated as of April __, 2021, by and among **CITY OF GARLAND, TEXAS**, a political subdivision and home rule municipal corporation of the State of Texas (the “City”), and **BARCLAYS BANK PLC**, a Public Limited Company under the laws of England and Wales (the “Bank”).

WITNESSETH:

WHEREAS, the City intends to issue its Commercial Paper Notes designated as the General Obligation Commercial Paper Notes, Series 2021 (the “Notes”), in the aggregate principal amount of up to \$50,000,000 for purposes permitted by the CP Ordinance (as hereinafter defined);

WHEREAS, the 2021 Notes will be issued pursuant to the Texas Government Code, Chapter 1371, as amended (the “Act”), and the Ordinance adopted by the City on April __, 2021, as the same may be amended and supplemented (the “CP Ordinance”);

WHEREAS, in order to secure the payment of the 2021 Notes as the same shall become due and payable pursuant to the provisions of the CP Ordinance, the City has requested that the Bank issue in favor of the Paying Agent (as hereinafter defined), for the account of the City and for the benefit of the holders from time to time of the 2021 Notes, an irrevocable transferable letter of credit (the “Letter of Credit”) in the stated amount of \$55,547,946, which letter of credit is to be issued with such terms as are required to provide funds for the payment of the principal amount of and interest on the 2021 Notes when the same shall become due and payable by the City pursuant to the CP Ordinance;

WHEREAS, in order to induce the Bank to issue the Series 2021 Letter of Credit, the City has agreed to reimburse the Bank for all amounts advanced by it under the Series 2021 Letter of Credit and to pay interest on such amounts as well as certain costs, fees and expenses, all as provided herein; and

WHEREAS, the Bank has agreed to issue the Letter of Credit pursuant to the terms hereof and the parties have entered into this Agreement in order to provide for the issuance of the Letter of Credit and the other matters set forth herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including the covenants, terms and conditions hereinafter contained, and to induce the Bank to issue the Letter of Credit, the Bank and the City agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. In addition to terms defined at other places in this Agreement, the following defined terms are used throughout this Agreement with the following meanings:

“*Accountant*” means an independent certified public accountant or a firm of independent certified public accountants, selected by the City and satisfactory to the Bank.

“*Act*” has the meaning as set forth in the recitals hereof.

“*Affiliate*” means, with respect to any Person, any other Person directly or indirectly controlling or controlled by or under common control with such Person. For purposes of this definition, “control” (including “controlled by” and “under common control with”), when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract or otherwise. Without limiting the foregoing, the definition of “Affiliate” of any Person shall include any subsidiary of such Person.

“*Agreement*” means this Letter of Credit Reimbursement Agreement, including such amendments, modifications or supplements permitted pursuant to the terms hereof

“*Alternate Letter of Credit*” means any replacement Letter of Credit meeting the requirements of an Alternate Letter of Credit pursuant to Section 4.03 of the CP Ordinance.

“*Amortization End Date*” means, with respect to any Principal Drawing, the first to occur of (i) the date which is sixty (60) months after the date of the earliest outstanding Principal Drawing, (ii) an Early Expiration Date, and (iii) the date upon which (A) an Event of Default shall occur or (B) any date during the Term Amortization upon which any representation or warranty of the City made in this Agreement or in any certificate or document delivered in connection with this Agreement shall no longer be accurate and complete, as deemed made on and as of such date.

“*Applicable Law(s)*” means, collectively, the Constitutions of the United States and the State of Texas, all applicable common law and principles of equity and all international, foreign, federal, state and local laws, statutes, treaties, codes, acts, rules, regulations, guidelines, ordinances, resolutions, orders, judgments, decrees, injunctions, and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all administrative orders, directed duties, requests, licenses, certificates, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law, that are applicable now or are applicable at any time hereafter to (a) the City or (b) the assets, property, operations or facilities (including the Project) of the City or (c) the Transactions.

“*Authorized Representative*” means in the case of the City, the Mayor, the City Manager, any Assistant City Manager, the Finance Director or such other person or persons of the City designated in writing by the City Manager to act as an Authorized Representative.

“*Authorized Denominations*” means denominations of \$100,000 or integral multiples of \$1,000 in excess thereof.

“*Bank*” means Barclays Bank PLC, a Public Limited Company under the laws of England and Wales, and its successors and assigns.

“Bank Agreement” means any credit agreement, letter of credit, reimbursement agreement, direct purchase agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) entered into by the City with any Person, directly or indirectly, or otherwise consented to by the City, under which any Person or Persons undertakes to make loans, extend credit or liquidity to the City or to purchase securities pursuant to such agreement.

“Bank Debt Service” means the principal of and interest on the Bank Note and includes all obligations of the City to reimburse the Bank for Drawings under the Letter of Credit and all obligations to repay the Term Amortization and, in each case, all interest accruing thereon.

“Bank Disclosure” means the information provided by the Bank and included in the Offering Memorandum as Exhibit B under the caption “Certain Information Regarding Barclays Bank PLC”

“Bank Note” means the note executed by the City in favor of the Bank in the form of Exhibit E hereto properly completed, including any renewals, amendments, modifications and supplements thereto permitted by the terms hereof.

“Bank Rate” means, for each date of determination, a fluctuating rate per annum equal to (i) for any day commencing on the date such Drawing is made up to and including the sixtieth (60th) day next succeeding the date such Drawing was made, the Base Rate from time to time in effect, (ii) for any day commencing on the sixty-first (61st) day next succeeding the date such Drawing was made up to and including the one hundred eightieth (180th) day next succeeding the date such Drawing was made, the sum of the Base Rate from time to time in effect plus one percent (1.00%) (provided that if the Base Rate for any day is 150% of the yield on 30-year United States Treasury Bonds, the Bank Rate for such day shall be the Base Rate) and (iii) for any day commencing on the one hundred eighty-first (181st) day next succeeding the date of such Drawing and at all times thereafter, the Base Rate from time to time in effect plus two percent (2.00%) (provided that if the Base Rate for any day is 150% of the yield on 30-year United States Treasury Bonds, the Bank Rate for such day shall be the Base Rate); provided, however from and after the earlier of (i) the date amounts are owed hereunder but are not paid when due and (ii) the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, the “Bank Rate” shall mean the Default Rate.

“Base Rate” means, for any day, a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time plus two and one-half percent (2.50%), (ii) the Federal Funds Rate in effect at such time plus two and one-half percent (2.50%), (iii) one hundred fifty percent (150%) of the yield on the 30-year U.S. Treasury Bond in effect from time to time, and (iv) eight percent (8.00%).

“Bonds” means the Bonds, as such term is defined in the CP Ordinance, the payments of which are secured by the Pledge.

“Book Entry Notes” means the Notes so long as the book entry system with the Securities Depository is used for determining beneficial ownership of the Notes.

“*Business Day*” means any day other than (a) a day on which banks located in any of the cities in which the principal office of any of the Paying Agent, the Dealer or the Bank is located are required or authorized by law to close, (b) a day on which the New York Stock Exchange is closed, or (c) a day on which the payment system of the Federal Reserve System is not operational. For purposes of this definition, the Bank’s principal office shall be that office of the Bank at which Drawings are to be presented under the Letter of Credit and the Paying Agent’s principal office shall be its respective office as designated in the Paying Agent Agreement.

“*Capital Lease Obligations*” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“*City*” means the City of Garland, a political subdivision and home rule municipal corporation of the State of Texas.

“*Closing Date*” means April __, 2021, or such later date on which this Agreement is fully executed and delivered.

“*Code*” means the Internal Revenue Code of 1986, as amended, or any successor provision or provisions thereto or any successor Federal tax code, and any regulations (including temporary and proposed regulations relating to the matters governed by this Agreement) thereunder or under any such provision or successor Federal tax code.

“*Commercial Paper Fund*” has the meaning assigned to such term in the CP Ordinance.

“*Commercial Paper Program*” means the commercial paper program established pursuant to the CP Ordinance by the City.

“*Contracts*” means this Agreement and any amendments and supplements hereto, all contracts, (including Hedge Agreements) of the City authorized and executed by the City, the installment payments under which are secured by the Pledge.

“*Counsel*” means an attorney, or firm of attorneys, who is, or who are, duly admitted to practice law before the highest court of any state.

“*CP Ordinance*” has the meaning assigned to such term in the recitals hereto.

“*Date of Determination*” means the second London Banking Day prior to the first day of each calendar month for which a Bank Rate is determined.

“*Date of Issuance*” means April __, 2021, on which date the Bank will issue the Letter of Credit.

“*Dealer*” means Barclays Capital Inc. or any replacement firm which is acting as a dealer in the Notes and is appointed as such by the City.

“*Dealer Agreement*” means the Dealer Agreement, dated as of [April 1, 2021] executed and delivered by the City and the Dealer pursuant to the CP Ordinance, including a Dealer Agreement with a substitute Dealer entered into in accordance with the CP Ordinance and with the prior written consent of the Bank.

“*Debt*” means with respect to any Person, all items that would be classified as a liability in accordance with GAAP, including, without limitation, (a) indebtedness or liability for borrowed money including amounts drawn under a letter of credit or other credit facility, or amounts advanced under a commercial paper program, or for the deferred purchase price of property or services (including trade obligations); (b) all Capital Lease Obligations of such Person; (c) current liabilities in respect of unfunded benefits under employee benefit, retirement or pension plans; (d) obligations issued for the account of any other Person; (e) all obligations arising under acceptance facilities; (f) all Guarantees and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor against loss; (g) obligations secured by full faith and credit or by any mortgage, lien, pledge, security interest or other charge or encumbrance on property, whether or not the obligations have been assumed; (h) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility; (i) obligations of such Person under Bonds or Contracts; (j) all amounts required to be paid by such Person as a guaranteed payment to partners or members or as a preferred or special dividend, including any mandatory redemption of shares or interests; and, in each case, whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss and (k) obligations under Bank Agreements.

“*Debtor Relief Laws*” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws and regulations of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“*Default*” means the occurrence of any event or the existence of any condition which constitutes an Event of Default or the occurrence of any event or the existence of any condition which with the giving of notice, the passage of time, or both, would constitute an Event of Default.

“*Default Premium*” means a per annum rate equal to four hundred basis points (4.00%).

“*Default Rate*” means a per annum rate of interest equal to the Base Rate plus the Default Premium.

“*Drawing*” means a Drawing under the Letter of Credit to pay amounts due with respect to Notes at maturity.

“*Early Expiration Date*” means any occurrence of the Expiration Date described in any of subparts (b), (c) or (d) of the definition of “Expiration Date” in Paragraph 1 of the Letter of Credit.

“*Event of Default*,” in relation to this Agreement, shall have the meaning assigned to such term in Article VII, and in relation to any Related Document, shall have the meaning set forth therein.

“*Event of Insolvency*” means, with respect to any Person, the occurrence of one or more of the following events:

(a) the Person shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding-up, dissolution, composition or other similar relief with respect to itself or its indebtedness under any bankruptcy, insolvency, reorganization or other similar law for the relief of debtors now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, (ii) consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, (iii) make a general assignment for the benefit of creditors, (iv) fail generally to pay or admit in writing its inability to pay its indebtedness as it becomes due, or (v) take (through an authorized officer or representative) any official action to authorize any of the foregoing; or

(b) any of the following shall occur with respect to such Person: (i) an involuntary case or other proceeding shall be commenced against such Person seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and either (A) such Person shall consent in writing to such action or (B) such case shall not be dismissed within sixty (60) days, (ii) an order for relief shall be entered against such Person under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other State or federal laws concerning insolvency or of similar purpose, (iii) a final and non-appealable debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal or interest on the indebtedness of such Person shall be declared or imposed pursuant to a finding or ruling by such Person, the United States of America, the State, any instrumentality thereof or any other Governmental Authority of competent jurisdiction over such Person, or (iv) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of such Person; or

(c) the commencement by or against such Person of a case or other proceeding seeking liquidation, reorganization or other relief with respect to the such Person or its debts under any bankruptcy, insolvency or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property or there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared or introduced or proposed for consideration by it or

by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it.

“*Excess Interest Amount*” shall have the meaning assigned to such term in Section 2.03(b).

“*Excluded Notes*” means (i) any Notes issued after the Expiration Date or maturing after the fifth calendar day prior to the Stated Expiration Date, (ii) any Notes issued after the Bank gives a No Issuance Notice or a Final Drawing Notice, and prior to the Bank giving written notice that such No Issuance Notice or Final Drawing Notice, as applicable, is rescinded and (iii) any Notes issued in a principal amount in excess of the principal amount of Notes maturing on the date such Notes are issued after the Bank gives a Restricted Issuance Notice and prior to the Bank giving written notice that such Restricted Issuance Notice is rescinded.

“*Expiration Date*” has the meaning given to such term in Paragraph 1 of the Letter of Credit.

“*Exposure*” means, for any date with respect to a Person and any Hedge Agreement, the amount of any Settlement Amount that would be payable by such Person if such Hedge Agreement were terminated as of such date. Exposure shall be determined in accordance with the standard methods of calculating such Exposure under similar arrangements as prescribed from time to time by the Bank, taking into account the methodology for calculating amounts due upon early termination as set forth in the related Hedge Agreement and the notional principal amount, term and other relevant provisions thereof.

“*Facility Fee*” has the meaning assigned to that term in the Fee Letter.

“*Federal Funds Rate*” means, for any day a fluctuating interest rate per annum equal to the weighted average (rounded to the next higher 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average (rounded to the next higher 1/100 of 1%) of the quotations for such day on such transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank. Each determination of the Federal Funds Rate by the Bank shall be conclusive and binding on the City.

“*Fee Letter*” means the Fee Letter, dated the date hereof, by and between the City and the Bank.

“*Fiscal Year*” means the fiscal year of the City ending on September 30 of each calendar year.

“*Fitch*” means Fitch, Inc., or any successor thereto.

“*Fund(s)*” means, collectively, all of the Funds (other than the Rebate Fund) established under and pursuant to the CP Ordinance.

“GAAP” means accounting principles generally accepted and consistently applied to governmental entities in the United States, as set forth in the opinions and pronouncements of the Accounting Principles Board, the American Institute of Certified Public Accountants and the Financial Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession as in effect on the date hereof.

“*Governmental Approvals*” means an authorization, consent, approval, permit, license, certificate of occupancy or an exemption of, a registration or filing with, or a report to, any Governmental Authority.

“*Governmental Authority*” means any national, supra national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, administrative, public or statutory instrumentality, authority, body, agency, department, commission, bureau, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Guarantee*” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Debt or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Debt or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Debt or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Debt or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“*Hedge Agreement*” means any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, total return swap, credit default swap or any other similar transaction (including any option with respect to any of these transactions) and any other agreement or option involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

“*Interest Drawing*” means that portion of each Drawing used to pay interest accrued on Notes at maturity.

“*Interest Payment Date*” has the meaning assigned to that term in Section 2.03.

“Investment Policy” has the meaning assigned to that term in Section 6.17.

“Letter of Credit” means the Irrevocable Letter of Credit issued by the Bank on the Date of Issuance, including such amendments, modifications or supplements permitted pursuant to its terms and the terms hereof, substantially in the form of Exhibit A hereto.

“Lien” on or with respect to any asset means any mortgage, deed of trust, lien, pledge, charge, security interest, hypothecation, assignment, deposit arrangement or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected or effective under applicable law, as well as the interest of a vendor or lessor under any conditional sale agreement, capital or finance lease or other title retention agreement relating to such asset and, in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Margin Stock” shall have the meaning assigned to that term in Regulation U promulgated by the Board of Directors of the Federal Reserve System, as now and hereafter from time to time in effect.

“Material Adverse Change” means the occurrence of any event or change which, in the sole reasonable discretion of the Bank, results in a material and adverse change in the business, condition (financial or otherwise), operations or prospects of the City, or which in the sole reasonable discretion of the Bank materially and adversely affects (a) the enforceability of this Agreement or any of the other Related Documents, (b) the ability of the City to perform its obligations hereunder or thereunder or (c) the rights of, or benefits or remedies available to, the Bank under the CP Ordinance, this Agreement or any other Related Document.

“Material Adverse Effect” means (a) a materially adverse effect upon the City’s business, assets, liabilities, condition (financial or otherwise), results of operations or business prospects of the City, (b) with respect to this Agreement or any of the other Related Documents or any of the City’s obligations arising under this Agreement or any of the other Related Documents, an adverse effect upon the binding nature, validity or enforceability of such agreement or obligation, (c) an adverse effect on the exclusion of interest on the Notes from gross income for purposes of federal income taxation or (d) a materially adverse effect (i) on the authority or ability of the City to perform any of its obligations under any Related Document or the ability of the City to complete the Transactions or (ii) on the rights of or remedies of the Bank hereunder or under the other Related Documents or on the Pledge or on the priority of the Liens created thereby

“Material Contract(s)” means each any contract, agreement or other arrangement, now existing or hereafter entered into and relating to the operations of the City, the termination, cancellation, non renewal, impairment, invalidation or modification of which could (i) in any manner impair or adversely affect the ability of the City to pay any Bonds, Contracts or other Debt or (ii) otherwise have a Material Adverse Effect on the City.

“Material Litigation” shall have the meaning assigned in Section 4.01(f).

“Maximum Bank Interest Rate” means the Maximum Lawful Rate.

“*Maximum Lawful Rate*” means the respective maximum, non-usurious, lawful rate of interest that may be contracted for, charged or received in connection with the Required Payments under this Agreement, under Applicable Law presently in effect or, to the extent permitted by law, under Applicable Law that may hereafter be in effect and that allows a higher maximum and non-usurious rate of interest than Applicable Law now allows.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor thereto.

“*No Issuance Notice*” shall have the meaning assigned in Section 7.02.

“*Note*” and “*Notes*” means the City of Garland, Texas General Obligation Commercial Paper Notes, which shall be commercial paper notes having a maturity of not less than 7 days and not more than 270 days, and not expiring later than the Expiration Date, issued pursuant to and in accordance with the provisions of the CP Ordinance, and authenticated and delivered by the Paying Agent under and pursuant to the CP Ordinance.

“*Note Clearance Account*” means the fund of that name established under the CP Ordinance and the Paying Agent Agreement.

“*Note CUSIP Number*” means the CUSIP numbers assigned by Standard & Poor’s CUSIP Service to the Notes.

“*Obligor Rating*” shall mean any rating by a Rating Agency on the long-term general obligation Debt of the City that is not guaranteed by any other Person or subject to any third-party credit enhancement.

“*Offering Memorandum*” means the Offering Memorandum relating to the Notes (including the cover page and all summary statements, appendices and other materials included or incorporated by reference or attached thereto), as amended or supplemented and any other preliminary or final Offering Memorandum of the City or prospectus used with respect to the remarketing of the Notes or supplement to the Offering Memorandum.

“*Other Obligation*” means any indenture, contract, mortgage, deed of trust, guaranty, note or agreement (other than this Agreement), other contractual restriction, lease, instrument, certificate of incorporation, charter or by law.

“*Other Taxes*” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, the Letter of Credit or this Agreement.

“*Outstanding Notes*” means, as of the time in question, all Notes authenticated and delivered under the CP Ordinance and outstanding thereunder.

“*Owner*” or “*Holder*” means the registered owner of a Note or, if the Notes are Book Entry Notes, the beneficial owner of such Note and has the meaning assigned to the term “Noteowner” in the CP Ordinance.

“*Participant(s)*” means any bank(s) or other financial institution(s) which may purchase a participation interest from the Bank in the Letter of Credit, this Agreement and certain of the Related Documents pursuant to a participation agreement between the Bank and the Participant(s).

“*Paying Agent*” means _____ or any replacement entity which is acting as Paying Agent under the Paying Agent Agreement and any successor thereto as shall be appointed pursuant to the Paying Agent Agreement.

“*Paying Agent Agreement*” means the Issuing and Paying Agent Agreement, dated as of [April 1, 2021], executed between the City and the Paying Agent relating to the Notes, as the same may be amended and supplemented from time to time in accordance with the terms thereof and hereof.

“*Paying Agent Letter*” means the letter from the Paying Agent to the Bank, substantially in the form of Exhibit B.

“*Pension Plan*” means any “employee pension benefit plan” which is maintained by the City or to which the City contributes or has an obligation to contribute, or has made contributions at any time during the immediately preceding six (6) plan years.

“*Permitted Investments*” has the meaning assigned to “Eligible Investments” in the CP Ordinance.

“*Person*” means an individual, a corporation, a partnership, an association, a joint venture, a trust, a business trust, a limited liability company or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

“*Pledge*” has the meaning assigned in Section 2.11 hereof and the pledge of the City provided under the CP Ordinance.

“*Prime Rate*” means the rate established by the Bank, from time to time as its prime rate, with each change in the Prime Rate being effective from and including the date such change is publicly announced as being effective; provided, however, the Bank may lend to its customers at rates that are at, above or below the Prime Rate.

“*Principal Drawing*” means that portion of each Drawing used to pay the principal of Notes at maturity.

“*Principal Portion*” has the meaning assigned to such term in the Letter of Credit.

“*Project*” means any capital improvement funded from proceeds of the Notes and consistent with tax-exempt uses of such proceeds.

“*Rating Agency*” means S&P, Moody’s, Fitch or any successor or additional rating agency that rates the Notes or Bonds at the written request of the City and with the written consent of the Bank.

“Related Documents” means, collectively, this Agreement, the Letter of Credit, the Notes, the Bank Note, the Paying Agent Agreement, the CP Ordinance, the Dealer Agreement, the Tax Certificate, the Offering Memorandum and any exhibits, instruments or agreements relating thereto, as the same may be amended from time to time in accordance with their respective terms and the terms hereof.

“Required Payments” means (a) all required payments in reimbursement of Drawings (including without limitation any Term Amortization) under the Letter of Credit for payment of the unpaid principal amount of, and accrued interest on, the Notes, (b) all required payments of interest under this Agreement at the Bank Rate, (c) all required payments of the Facility Fee, (d) all payments of principal and interest on the Bank Note and (e) all other amounts, charges, costs, fees (including reasonable attorneys’ fees as set forth), expenses and sums due the Bank under this Agreement, the Bank Note and the other Related Documents, whether in the form of a direct, reimbursement, or indemnity, payment obligation, and including all payment obligations of the City to the Bank, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the City of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“Restricted Issuance Notice” means a notice given by the Bank pursuant to Section 7.02 in the form of Schedule II to the Letter of Credit.

“S&P” means S&P Global Ratings, or any successor thereto.

“Sale Price” has the meaning assigned to such term in Section 2.04(b).

“Securities Depository” means The Depository Trust Company or such other securities depository which may be designated by the City pursuant to the CP Ordinance, subject to the consent of the Bank, not to be unreasonably withheld.

“Securities Depository Disclosure” means the disclosure provided by the Securities Depository and included in the Offering Memorandum under the caption “Book-Entry Only System”.

“Settlement Amount” means, with respect to a Person and any Hedge Agreement, any amount payable by such Person under the terms of such Hedge Agreement in respect of, or intended to compensate the other party for, the value of such Hedge Agreement upon early termination thereof.

“State” means the State of Texas.

“Stated Amount” has the meaning given to such term in Paragraph 2 of the Letter of Credit.

“Stated Expiration Date” has the meaning assigned to that term in subpart (a) of the definition of “Expiration Date.”

“*Tax Certificate*” means the tax certificate executed and delivered by the City in connection with the initial issuance of Notes by the City.

“*Taxes*” has the meaning assigned to that term in Section 2.06(b).

“*Term Amortization*” means the amortization period the City is deemed to have requested the Bank to extend on and subject to the terms and conditions described in Section 2.01(b).

“*Termination Date*” means the first to occur of any Expiration Date.

“*Termination Fee*” has the meaning assigned to such term in the Fee Letter.

“*To the best knowledge of*” (or any similar knowledge qualifier) means, when modifying a representation, warranty or other statement of any Person, that the fact or situation described therein is known by the Person (or, in the case of a Person other than a natural Person, known by an authorized representative of such Person) making the representation, warranty or other statement, or with the exercise of reasonable due diligence under the circumstances (in accordance with the standard of what a reasonably prudent Person in similar circumstances would have done) would have been known by the Person (or, in the case of a Person other than a natural Person, by such Person’s authorized representative).

“*Transactions*” means the issuance, sale and delivery of the Notes by the City, the execution and delivery by the City of this Agreement and the other Related Documents, the performance by the City of its obligations (including payment obligations) hereunder and thereunder, the advance of the Drawings under the Letter of Credit and the use of the proceeds thereof.

“*Unfunded Pension Liability*” means the excess of a Pension Plan’s benefit liabilities over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan for the applicable plan year.

“*Verification Report*” means, with respect to the deemed payment of the Notes pursuant to Section 6.06 of the CP Ordinance, a report of an Accountant verifying that the securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of the CP Ordinance.

“*Voluntary Termination*” means any election by the City to terminate the Letter of Credit in connection with (i) an optional prepayment of all Outstanding Notes or (ii) the replacement of the Letter of Credit with an Alternate Letter of Credit.

“*Written*” or “in writing” means any form of written communication, a communication by means of facsimile device and as described in Section 10.16.

Section 1.02. Incorporation of Certain Definitions by Reference. Each capitalized term used herein and not otherwise defined herein shall have the meaning provided therefor in the CP Ordinance and the Notes, as applicable, unless the context requires otherwise.

Section 1.03. Accounting Matters. All accounting terms used herein without definition shall be interpreted in accordance with GAAP, and except as otherwise expressly provided herein all accounting determinations required to be made pursuant to this Agreement shall be made in accordance with GAAP.

Section 1.04. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise specified herein, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding.”

Section 1.05. New York City Time Presumption. All references herein to times of the day shall be presumed to refer to New York City time unless otherwise specified.

Section 1.06. Relation to Other Documents. Nothing in this Agreement shall be deemed to amend, or relieve the City of any of its obligations under, any Related Document. To the extent that the City undertakes in any provision of this Agreement representations, covenants or obligations which conflict with, or are more exacting than, a provision of any other Related Document to which the City is a party, such provisions of this Agreement shall control for all purposes of this Agreement.

Section 1.07. Interpretation. All words used herein shall be construed to be of such gender as the circumstances require. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, the singular includes the plural and the part includes the whole. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless otherwise specified (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in such document or herein), (b) any reference herein to any Person shall be construed to include such Person’s permitted successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not be limited to any particular provision of this Agreement, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and, when used in connection with any Person, to refer to all rights, title and interests of such Person in and to any and all property whether real, personal or mixed, or tangible or intangible, and wherever situated, including cash, securities, investment property, accounts, land, buildings, general intangibles, chattel, intellectual property, contract rights and other property and assets.

ARTICLE II

REIMBURSEMENT, FEES AND PAYMENT PROVISIONS

The City shall pay and reimburse the Bank for all amounts drawn under the Letter of Credit and shall pay such other amounts as are set forth in this Article II and the other provisions of this Agreement, all on and subject to the terms and conditions of this Agreement:

Section 2.01. Reimbursement of Drawings. The City agrees to repay to the Bank all amounts drawn under the Letter of Credit pursuant to a Principal Drawing or an Interest Drawing, payable without any requirement of notice or demand by the Bank, on the day on which such Drawing is paid by the Bank; provided, however, if on the date of any Principal Drawing the conditions set forth in Section 3.02 are satisfied, the City shall be deemed to have requested the Bank to extend a Term Amortization of the Principal Drawing to the City on the terms set forth in Section 2.01(b) and the City shall be required to repay to the Bank such Term Amortization and the amounts accruing in respect thereof in accordance with the provisions of this Section 2.01, as follows:

(a) The City shall pay to the Bank, without any requirement of notice or demand by the Bank, an amount equal to the Principal Drawing together with any accrued unpaid interest thereon (i) if the conditions to the Term Amortization are not satisfied, on the day such Principal Drawing is paid by the Bank and thereafter on demand, and (ii) during a Term Amortization, upon the occurrence of an Amortization End Date.

(b) ***Term Amortization.***

(i) The Bank shall extend a Term Amortization to the City on the date of any Principal Drawing if, as of such date, the requirements of Section 3.02 are met.

(ii) Subject to the provisions of subpart (iii) of this Section 2.01(b), the amount of the Principal Drawing shall amortize in eighteen (18) quarterly principal installments (the "Principal Payments") with the initial Principal Payment being due and payable by the City 180 days after the date of such Principal Drawing and each successive Principal Payment being due three (3) months after the prior such Principal Payment, with the final Principal Payment in an amount equal to the entire remaining unpaid amount of the Principal Drawing, with accrued interest thereon, due on the Amortization End Date, together with all Excess Interest Amount due and owing as of such date. Each Principal Payment shall be that amount of principal which will result in equal (as nearly as possible) Principal Payments assuming a Term Amortization ending on the date which is sixty (60) months after the date of the Principal Drawing.

(iii) If as of any date during the Term Amortization, the Amortization End Date shall occur, then the Term Amortization shall be terminated and the entire unpaid principal amount of the Principal Drawing shall be paid in a single principal payment, with accrued interest with respect thereto, together with all Excess Interest Amount due and owing as of such date, on such Amortization End Date; notwithstanding the foregoing, upon any issuance of Notes, the amount owed to the Bank pursuant to this Section shall be immediately paid to the Bank by mandatory prepayment as further provided in Section 2.04(b); and provided, further, that the

amount owed to the Bank under this Section shall be due and payable in full on the date of delivery to the Paying Agent of any Alternate Letter of Credit (as provided in the CP Ordinance) in substitution for the Letter of Credit.

(iv) The City shall be deemed to have made on and as of each day during a Term Amortization each of the representations and warranties of the City made in this Agreement and in any certificate or document delivered in connection with this Agreement and each such representation and warranty shall continue to be accurate and complete on and as of such date.

(c) The City shall pay to the Bank interest on any and all amounts drawn under the Letter of Credit pursuant to a Principal Drawing, such interest to accrue from the date of such Drawing until payment thereof in full, payable on the first Business Day of each month or, if earlier, the date on which all or a portion of such principal amount is paid or required to be paid, to the extent of such principal repayment, at a fluctuating interest rate per annum equal to the Bank Rate from time to time in effect, provided that (i) if any such amount is not paid when due and (ii) upon the occurrence and during the continuance of any Event of Default, amounts owed hereunder shall thereafter bear interest at the Default Rate.

(d) In any event, an amount equal to any Interest Drawing shall be due and payable by the City to the Bank on the date of any such Drawing.

(e) Each time the Paying Agent makes a Drawing, the City shall be deemed to represent and warrant on the date of such Drawing that (i) the conditions set forth in Section 3.02 have been satisfied, and (ii) the representations and warranties made by the City herein are true and correct in all material respects on and as of such date, as made on and as of such date.

Section 2.02. Default Interest. The City agrees to pay to the Bank, upon demand, interest on any and all amounts owed by the City under this Agreement from the earlier of (a) the date such amounts are due and payable but not paid until payment thereof in full and (b) a date on which an Event of Default occurs, at a fluctuating interest rate per annum equal to the Default Rate, to the extent not prohibited by Applicable Law. The obligations of the City under this Section 2.02 shall survive the termination of this Agreement.

Section 2.03. Payment of Interest Amounts. The amount of interest required to be paid on any date under Sections 2.01 or 2.02, or under any other provision of this Article II (each, an “Interest Payment Date”) shall be due and payable by the City on such date at the Bank Rate or the Default Rate, as applicable, in accordance with the following provisions:

(a) Interest at the Bank Rate is due and payable by the City to the Bank hereunder on each Interest Payment Date as a contractual obligation in respect of the advances made by the Bank hereunder.

(b) (i) If the amount of interest required to be paid on any Interest Payment Date calculated in accordance with the terms hereof (together with any fees, charges, and other amounts which are treated as interest on amounts advanced hereunder under

Applicable Law (collectively, the “Charges”)) exceeds the amount of interest that would have been payable for the applicable period had interest for such period been calculated at the Maximum Bank Interest Rate, then the required interest for such period (together with any Charges payable with respect thereto) shall be payable in an amount of interest calculated on the basis of the Maximum Bank Interest Rate.

(ii) Any interest or Charges that would have been due and payable under any provision hereof but for the operation of subparagraph (b)(i) immediately above, shall accrue and be payable as provided in this subparagraph (b)(ii) and shall constitute, less interest actually paid to the Bank on such Interest Payment Date, excess interest (the “Excess Interest Amount”). If there is any accrued and unpaid Excess Interest Amount as of any Interest Payment Date, then, on the current and each subsequent Interest Payment Date, interest shall be paid at the Maximum Bank Interest Rate rather than the otherwise applicable rate until the earlier of (x) payment to the Bank of the entire accrued Excess Interest Amount or (y) the date on which no principal amount hereunder remains unpaid.

(iii) Notwithstanding the foregoing and to the extent not required to be paid earlier in accordance with the terms hereof, all unpaid Excess Interest Amount shall be, to the fullest extent permitted by applicable law, due and payable by the City as a fee on the earlier of the Amortization End Date or the date that such amount is due and payable under this Agreement.

Section 2.04. Prepayment.

(a) ***Optional Prepayment.*** On any Business Day upon not less than three (3) Business Days’ notice, the City may prepay or cause to be prepaid, without penalty, any Term Amortization either in whole or in part in a principal amount equal to \$100,000 or any multiple thereof by paying to the Bank (i) the principal amount of the Term Amortization, or portion thereof, being prepaid plus (ii) accrued and unpaid interest on such principal amount including any Excess Interest Amount.

(b) ***Mandatory Prepayment by Reason of Sales of Commercial Paper Notes.*** Simultaneously with the sale of any Notes while any Drawings or Term Amortizations are outstanding, the City shall be obligated (i) to prepay all outstanding Drawings and Term Amortizations in a principal amount equal to the principal amount of Notes sold and (ii) to pay accrued and unpaid interest on the principal amount of such Drawings or Term Amortizations being prepaid; provided that the prepayment requirement by reason of sales of Notes imposed by this sentence shall not apply to the principal portion of newly issued Notes used to pay the principal of maturing Notes or to reimburse the Bank for amounts drawn under the Letter of Credit to repay such maturing Notes. In order to effectuate such prepayment, prior to or simultaneously with the sale of any Notes, (i) the City shall use its best efforts to cause the Dealer to deliver to the Bank a written notice to the effect that (A) it is selling on the Business Day of such notice a specified principal amount of Notes, (B) it is delivering to the Paying Agent for the account of the Bank on such Business Day by wire transfer a specified amount of immediately available funds which is equal to the principal amount of such Notes plus accrued interest thereon (the “Sale Price”) and which

constitutes proceeds of such sale and (C) such specified principal amount of Notes is being delivered to or upon the order of the Dealer in accordance with the Paying Agent Agreement, (ii) the City shall use its best efforts to cause the Dealer to pay to the Paying Agent for the account of the Bank, by wire transfer of immediately available funds, the proceeds of the sale of such Notes in an amount equal to the Sale Price which shall be applied first, to the prepayment of principal of Term Amortizations in an amount equal to the principal amount of Notes sold, second, to the extent sufficient therefor, to the payment of interest accrued on such principal amount of Term Amortizations prepaid, and third, to the extent sufficient therefor, to the payment of the principal of and interest accrued on all outstanding Drawings, and (iii) the City shall pay to the Bank, by wire transfer of immediately available funds, the amount, if any, by which the sum of the amounts referred to in clauses first, second and third of subpart (ii) exceeds the amount of the Sale Price received by the Bank. Effective upon the actual receipt by the Bank in immediately available funds of the Sale Price and any transfer of funds from the City sufficient to repay the Drawings or Term Amortizations to be repaid, the Principal Portion shall automatically be reinstated by an amount equal to the principal amount of the Notes being sold and/or amounts received by the Bank directly from the City. In the event that the proceeds of any sale of Notes are not received from the Dealer or are received in an amount less than the Sale Price thereof, the City shall pay to the Bank, within one (1) Business Day after such amounts were due, an amount equal to the amount of such proceeds or such deficiency; provided, however, that all amounts due to the Bank shall bear interest as set forth herein until paid in full; and provided further that the Principal Portion shall reinstate only in the amount of funds actually received by the Bank.

Section 2.05. Fees.

(a) **Facility Fee.** The City hereby agrees to pay to the Bank a Facility Fee determined and payable in accordance with the provisions of the Fee Letter (which shall be fully earned when due and non-refundable when paid) with respect to the commitment of the Bank hereunder and all other fees set forth in the Fee Letter. The terms of the Fee Letter shall be deemed incorporated by reference into this Agreement and all references herein to this "Agreement" shall be deemed to include the Fee Letter.

(b) **Drawing Fee; Transfer and Amendment Fee.**

(i) Upon each Drawing hereunder, the City agrees to pay to the Bank a non-refundable drawing fee of \$350, payable without any requirement of notice or demand by the Bank on the day on which such Drawing is paid by the Bank.

(ii) Upon each transfer or assignment of the Letter of Credit or this Agreement in accordance with its terms and upon any amendment of this Agreement or the Letter of Credit, the City agrees to pay to the Bank a non-refundable fee of \$3,500 plus the Bank's actual costs and expenses associated with such transfer, assignment or amendment (including, without limitation, the reasonable fees and expenses of Bank Counsel).

(c) ***Reduction or Termination of Commitment.*** Subject to the provisions of subsection (ii) of this Section 2.05(c), the City at any time may reduce the Stated Amount of the Letter of Credit or terminate the Stated Amount; provided that all Required Payments, including without limitation, all principal and interest owing in connection with any Drawings or Term Amortizations, any Termination Fee and all other amounts payable hereunder and under the Fee Letter shall be paid to the Bank at or prior to the time of such reduction or termination.

Section 2.06. Costs, Expenses and Taxes.

(a) The City agrees to pay on demand all costs and expenses incurred by the Bank and its Counsel in connection with the preparation, negotiation, execution and delivery of this Agreement, the Related Documents and any other documents and certificates which may be delivered in connection with this Agreement and the other Related Documents, including, without limitation, the fees, expenses and disbursements of Counsel for the Bank as provided in Section 3.01(b). In addition, the City shall pay or cause to be paid on demand, upon not less than twenty-one (21) days prior written notice to the City, the necessary and reasonable out-of-pocket expenses and disbursements of the Bank and the necessary and reasonable fees, expenses and disbursements of Counsel to the Bank in connection with (i) the administration of this Agreement including any waiver or consent under this Agreement or any Related Document or other document or certificate delivered in connection with the Transactions or any amendment or requested amendment hereof or thereof (whether or not the transactions contemplated thereby shall be consummated) or any Default or alleged Default hereunder, (ii) the preparation, execution, delivery, administration and enforcement or preservation of rights in connection with a workout, refinancing, restructuring or waiver with respect to this Agreement, or any of the Related Documents and (iii) the occurrence of an Event of Default and collection and other enforcement proceedings resulting therefrom.

(b) Any and all payments to the Bank by or on behalf of the City hereunder shall be made free and clear of, and without deduction for, any and all taxes, levies, imposts, deductions, charges or withholdings imposed, including but not limited to as a result of a change in, law, rule, treaty, or regulation, or any policy, guideline, or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority, and all liabilities with respect thereto, excluding only taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision, other than a connection resulting solely from executing, delivering or performing its obligations or receiving a payment under, or enforcing, this Agreement (all such non excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the City is required by law to withhold or deduct any sum from payments required under this Agreement, the City shall, to the maximum extent permitted by Applicable Law, increase the amount paid by it to the Bank so that, after all withholdings and deductions, the amount received by the Bank shall equal the amount the Bank would have received without any such withholding or deduction.

(c) In addition, the City shall pay or cause to be paid on demand, upon not less than twenty-one (21) days prior written notice to the City, any present or future stamp, recording, or Other Taxes and fees payable or determined to be payable under Applicable Law in connection with the execution, delivery, filing and recording of this Agreement, the Related Documents and such other documents and certificates and agrees to defend, indemnify and hold the Bank harmless from and against any and all liabilities with respect to or resulting from any failure to pay, or any delay in paying, such taxes and fees.

Section 2.07. Change in Law.

(a) If the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case, whether or not having the force of law), or compliance by the Bank with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation or application implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines, standards, policies, regulations, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (BIS) (or any successor or similar organizations), shall (i) change the basis of taxation of payments to the Bank of any amounts payable hereunder (except for taxes on the overall net income of the Bank), (ii) impose, modify or deem applicable any reserve, liquidity, special deposit, insurance premium, fee, financial charge, monetary burden or similar requirement against issuing the Letter of Credit or honoring draws under the Letter of Credit, or complying with any term of this Agreement, or against assets held by, or deposits with or for the account of, the Bank or (iii) impose on the Bank any other condition, expense or cost regarding this Agreement or the Letter of Credit, and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase the cost to the Bank of issuing the Letter of Credit or honoring draws under the Letter of Credit or complying with any term of this Agreement or to reduce the amount of any sum received or receivable by the Bank hereunder, then, upon demand by the Bank, the City shall pay to the Bank for its own account such additional amount or amounts as will compensate the Bank for such increased costs or reductions in amount.

(b) If the Bank shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty, regulation, policy, guideline, supervisory standard or directive of, or any change in the interpretation, implementation, or administration thereof by, any Governmental Authority (in each case whether or not having the force of law), or compliance by the Bank with any request by or directive of any Governmental Authority (in each case, whether or not having the force of law), including but not limited to any such law, rule, regulation, policy, guideline, standard, directive, interpretation or application implementing, invoking or in any way related to any provision (as now or hereafter amended) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (or any other statute referred to therein or amended thereby) or any rules, guidelines,

standards, or directives promulgated by the Basel Committee on Banking Supervision or the Bank for International Settlements (BIS) (or any successor or similar organizations), shall impose, modify or deem applicable any capital (including but not limited to contingent capital) adequacy, reserve, insurance, liquidity or similar requirement (including, without limitation, a request or requirement that affects the manner in which the Bank allocates capital resources or reserves to its commitments (including its obligations under letters of credit)) that either (i) affects or would affect the amount of capital or reserves to be maintained by the Bank or (ii) reduces or would reduce the rate of return on the Bank's capital or reserves to a level below that which the Bank could have achieved but for such circumstances (taking into consideration the policies of the Bank with respect to capital adequacy or the maintenance of reserves) then, upon demand by the Bank, the City shall pay to the Bank for its own account such additional amount or amounts as will compensate the Bank for such event.

(c) All payments of amounts referred to in clauses (a) and (b) above shall be paid by the City to the Bank within fifteen Business Days of such demand. A certificate as to such increased cost, increased capital or reserves or reduction in return incurred by the Bank as a result of any event mentioned in clause (a) or (b) of this subsection setting forth, in reasonable detail, the basis for calculation and the amount of such calculation shall be submitted by the Bank to the City simultaneously with such demand for payment and shall be conclusive as to the amount thereof absent manifest error. The obligations of the City under this Section shall survive the termination of this Agreement.

Section 2.08. Payments Generally.

(a) Except as may be otherwise provided herein, all fees hereunder and interest on amounts owed hereunder or under the Bank Note shall be computed on the basis of a year of 360 days, and the actual number of days elapsed. All payments by or on behalf of the City to the Bank hereunder shall be fully earned when due and nonrefundable when paid and made in lawful currency of the United States of America and in immediately available funds. Amounts payable to the Bank hereunder, unless otherwise directed by the Bank in writing, shall be paid by wire transfer to the Bank's account at Barclays Bank PLC, ABA# 026002574, Credit to Account No.: 050019104, Reference: City of Garland CP (or to such other account of the Bank as the Bank may specify by written notice to the City or the Paying Agent) not later than 4:00 p.m. New York, New York time, on the date payment is due. Any payment received by the Bank after 4:00 p.m., New York, New York time, shall be deemed to have been received by the Bank on the next Business Day. If any payment hereunder is due on a day that is not a Business Day, then such payment shall be due on the next succeeding Business Day, and, in the case of the computation of the interest or fees hereunder, such extension of time shall, in such case, be included in the computation of the payment due hereunder.

(b) If at any time insufficient funds are received by and available to the Bank to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied first, to payment of that portion of the Required Payments constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Bank and amounts payable under Section 2.08) payable to the Bank, second,

to payment of that portion of the Required Payments constituting accrued and unpaid interest on any Drawing or other amount unpaid hereunder or under the Bank Note (and, in any such case, first to past due interest and second to current interest), and third, to payment of that portion of the Required Payments constituting unpaid principal of any Drawing or Term Amortization.

Section 2.09. Maintenance of Accounts. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the payment obligations of the City under this Agreement and the amounts payable and paid from time to time hereunder. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be presumptive evidence of the existence and amounts of the obligations of the City therein recorded. The failure to record any such amount shall not, however, limit or otherwise affect the obligations of the City to repay all amounts owed under this Agreement, together with all interest accrued thereon as provided herein.

Section 2.10. Cure. The City agrees to pay to the Bank on demand, any amounts advanced by or on behalf of the Bank, to the extent required to cure any Default or Event of Default under this Agreement or any Related Document. The Bank shall give the City reasonably prompt notice of any such advances. The Bank shall have the right, but not the obligation, to cure any such Default or Event of Default.

Section 2.11. Pledge. The Funds and ad valorem tax revenues of the City referenced in Section 2.11 of the CP Ordinance are pledged for the punctual payment of the principal of and interest on, the Notes and the Required Payments as the same become due and payable. The City hereby irrevocably pledges, to and for the benefit of the Bank, the Funds and the ad valorem tax revenues of the City, as described in Section 2.11 of the CP Ordinance, to and for the payment and reimbursement of each Drawing, the payment of interest accruing thereon as provided herein, and to pay Bank Debt Service and the Required Payments (the “Pledge”). This Pledge shall constitute a lien on the Funds and the ad valorem tax revenues of the City as described in Section 2.11 of the CP Ordinance. The City shall neither create nor permit or suffer to exist any pledge of or Lien upon the Note Clearance Account, and the other funds and accounts created under the CP Ordinance, or any portion of any of the foregoing, which is prior or superior to the Lien in favor of the Bank hereunder and as Holder of the Bank Note and the Holders of the Notes.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.01. Closing Conditions. On the Date of Issuance, and subject to satisfaction of the conditions precedent set forth in this Section 3.01, the Bank shall issue the Letter of Credit in the Stated Amount, effective on the Date of Issuance and expiring on the Expiration Date. As conditions precedent to the issuance of the Letter of Credit, the Bank shall have received the following items on or before the Date of Issuance, each in form and substance satisfactory to the Bank and its Counsel and the City shall satisfy the Bank that the following conditions have been fulfilled:

(a) (i) an opinion dated the Date of Issuance of Bond Counsel as to the due and valid execution and delivery, and tax exempt status of the Notes, and that the Notes are entitled to the benefits of the CP Ordinance, satisfaction of legal requirements and securities matters and related matters, together with (ii) an opinion dated the Date of Issuance of Bond Counsel which shall expressly include this Agreement and the delivery and acceptance of the Letter of Credit under the CP Ordinance and cover such other matters as the Bank shall reasonably request including without limitation an opinion to the effect that all conditions necessary to create a valid pledge in favor of the Bank have been accomplished, and covering such other matters relating to the Agreement and any of the other Related Documents or the proceedings of the City as the Bank may request, including due authority, due execution and delivery, enforceability, no conflict, no consent, no litigation and related opinions; and each of the opinions under (i) and (ii) shall be addressed to the Bank or a reliance letter shall be provided to the Bank expressly stating that the Bank is entitled to rely upon said opinion as if such opinion were addressed to the Bank;

(b) the executed Paying Agent Letter;

(c) a certificate of the Paying Agent (i) certifying as to the authority, incumbency and specimen signatures of certain officers of the Paying Agent authorized to sign the Paying Agent Agreement and the Paying Agent Letter and (ii) attaching a true, correct and complete copy of an extract of the bylaws of the Paying Agent evidencing the authority of certain officers to sign such documents;

(d) an incumbency certificate of the City certifying as to the name and true signature of the Authorized City Representative(s) authorized to execute this Agreement, the Related Documents and any other document to be delivered by the City hereunder or under the other Related Documents;

(e) certified copies of (i) all approvals, authorizations or consents of, or notices to or filings or registrations with, any governmental body, agency or official required for the City to execute, deliver or perform this Agreement or any of the other Related Documents to which the City is a party and (ii) audited financial statements of the City for the Fiscal Year concluding on September 30, 2020;

(f) in final form, the Offering Memorandum in the form reviewed by the Bank and dated the Date of Issuance;

(g) (i) a specimen original of a Note,

(ii) the duly executed Bank Note, and

(iii) executed originals (or, when the Bank is not a party thereto, duplicates thereof) of this Agreement, each other Related Document and of each other agreement, document, instrument, certificate or opinion required to be delivered by any Person pursuant to the Related Documents, each of which shall be in form and substance satisfactory to the Bank and, in the case of each such opinion, either addressed to the Bank or accompanied by a letter addressed to the Bank from

the counsel rendering such opinion stating that the Bank is entitled to rely upon such opinion as if such opinion were addressed to it;

(h) such other agreements, documents, instruments, certificates (and, if requested by the Bank, certified duplicates of executed copies thereof) and opinions as the Bank may reasonably request; and

(i) Reserved.

(j) The following statements shall be true and correct on the Date of Issuance and the Bank shall have received a certificate signed by an Authorized City Representative dated the Date of Issuance, stating that:

(i) the representations and warranties contained (or incorporated by reference) in Article IV hereof are correct on and as of the Date of Issuance as though made on and as of such date;

(ii) No Material Litigation has been filed since the Fiscal Year ending September 30, 2020;

(iii) No Material Adverse Change has occurred since the Fiscal Year ending September 30, 2020; and

(iv) No Default or Event of Default has occurred and is continuing or would result from the issuance of the Letter of Credit.

(k) On or before the Date of Issuance:

(i) the City shall have duly adopted the CP Ordinance authorizing the execution, delivery and performance by the City of this Agreement and each of the other Related Documents to which the City is a party and approving each such Related Document and this Agreement and the transactions contemplated hereby and thereby;

(ii) the Bank shall have received a copy of the CP Ordinance, certified by an Authorized Representative as being in full force and effect on the Date of Issuance, as not having been amended or supplemented through the date thereof and as being the only ordinance or resolutions adopted by the City relating to the execution, delivery and performance by the City of this Agreement and each of the Related Documents to which the City is a party or the transactions contemplated hereby and thereby;

(iii) all conditions to the acceptance of the Letter of Credit under the CP Ordinance shall have been satisfied and each of the Related Documents shall have been duly authorized, executed and delivered by the parties thereto;

(iv) (A) the fees and expenses of counsel to the Bank payable in connection with the delivery of the Letter of Credit and the preparation and

negotiation of the Related Documents shall be paid and (B) all other amounts payable on the Date of Issuance pursuant to this Agreement shall have been received;

(v) the Bank shall have received satisfactory evidence that (i) the Notes shall have been assigned short-term ratings of A-1 by S&P and F-1 by Fitch after giving effect to the Letter of Credit, (ii) the Obligor Ratings have been assigned [AA+] by S&P and [AAA] by Fitch and (iii) the Bank Note shall have received a long-term rating of at least [AAA] by Fitch.

(l) CUSIP and DTC. The Bank shall have received written evidence satisfactory to the Bank that (A) the Note CUSIP Number has been obtained for the Notes and a CUSIP Number has been obtained for the Bank Note, in each case from Standard & Poor's CUSIP Service and (B) that the Notes are eligible for inclusion in DTC's FAST automated transfer program.

(m) Other Documents. The Bank shall have received such other documents, certificates, approvals, filings, and opinions as the Bank shall have reasonably requested.

(n) Credit Requirements. Prior to the Date of Issuance, the Bank shall have determined, in its sole discretion, based in part upon the information and reports submitted by the City, that (i) the City has met the Bank's credit requirements, (ii) the Bank has not discerned any adverse change in the financial condition, manner of operation, properties or prospects of the City or any material inaccuracy in the information, representations and materials submitted to the Bank by the City in connection with the issuance of the Letter of Credit, (iii) there has been no change in any law, rule or regulation (or their interpretation or administration) nor is there any pending or threatened litigation, that, in each case, may adversely affect the consummation of the Transactions and (iv) all legal requirements provided herein or by Applicable Law incident to the execution and delivery of the Notes and the execution, delivery and performance of the Letter of Credit and the other Related Documents, and the transactions contemplated hereby and thereby, shall have been satisfied.

Section 3.02. Conditions Precedent to Amortization. All amounts drawn under the Letter of Credit as a Principal Drawing are due and payable on the date drawn unless on such date the following conditions are satisfied:

- (a) No Default or Event of Default shall have occurred and be continuing;
- (b) No Early Expiration Date shall have occurred;
- (c) No Material Litigation shall be pending;
- (d) No Material Adverse Change shall have occurred; and

(e) The City shall be deemed to have made on and as of the date of such Drawing each of the representations and warranties of the City made in this Agreement and in any certificate or document delivered in connection with this Agreement and each

such representation and warranty shall continue to be accurate and complete in all material respects on and as of such date.

The City shall be deemed to represent and warrant that the conditions described in this Section 3.02 have been satisfied on the date of such Drawing and on the date of any commencement (or purported commencement) of a Term Amortization.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations of the City. In order to induce the Bank to issue the Letter of Credit, the City represents, warrants and covenants to and with the Bank as of the Closing Date, as of each date on which the Bank honors a Drawing under the Letter of Credit and as of each day during any Term Amortization, as follows:

(a) *Due Organization; Power and Authority.* The City (i) is duly organized and validly existing as a municipal corporation under and by virtue of the laws of the State of Texas; (b) has all corporate powers required to carry on its business as now conducted; (c) has full power and authority to issue the Notes and to use the proceeds of the Notes as contemplated in the CP Ordinance and (d) has full power and authority to execute, deliver, and perform its obligations under this Agreement and the other Related Documents and to borrow and obtain extensions of credit hereunder and under the Letter of Credit.

(b) *Authorization and Validity of Agreement, Related Documents and Borrowing.* The execution, delivery and performance by the City of this Agreement and the other Related Documents to which it is a party have been duly authorized by all necessary action of the governing body of the City. Each of this Agreement and the Related Documents to which the City is a party constitutes a legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as such enforceability may be limited by applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium or other similar laws affecting the enforcement of the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). The Notes, when issued, will be duly executed and delivered under the Act and other Applicable Law and in conformity with the CP Ordinance. The Bank Note has been duly executed, delivered and issued by the City, and the Bank Note constitutes the legal, valid and binding obligation of the City and is enforceable in accordance with its terms. The obligation of the City to make payments on the Notes and the Bank Note is absolute and unconditional and is an obligation imposed by law. The Letter of Credit is a “credit facility” and a “liquidity facility,” as such terms are used in the CP Ordinance.

(c) *Compliance of Agreement, Related Documents with Applicable Law, Organizational Documents, Etc.* The execution, delivery and performance of this Agreement and each of the other Related Documents in accordance with its and their respective terms, the Pledge under the CP Ordinance and the consummation of the Transactions has not and will not (i) contravene or conflict with the City’s charter, by laws

or other organizational documents or with any provision of the Act, (ii) require any consent or approval of any creditor of the City, (iii) violate any Applicable Law (including, without limitation, Regulations T, U or X of the Board of Governors of the Federal Reserve System, or any successor regulations), (iv) conflict with, result in a breach of or constitute a default under any Other Obligation to which the City is a party or by which any of its properties or assets may be bound or (v) result in or require the creation or imposition of any charge, pledge, security interest, encumbrance or other Lien upon or with respect to any assets now owned or hereafter acquired by the City, except such Liens, if any, created under and pursuant to this Agreement and the CP Ordinance. The CP Ordinance has been adopted in compliance with all requirements of Applicable Law.

(d) *Governmental Approvals.* All authorizations, consents, and other Governmental Approvals necessary for the City (i) to enter into this Agreement and the other Related Documents and perform the transactions contemplated hereby and thereby have been obtained and remain in full force and effect and are subject to no further administrative or judicial review and (ii) to perform the transactions contemplated by the other Related Documents remain in full force and effect and are subject to no further administrative or judicial review. No other authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the City of this Agreement or the due execution, delivery or performance by the City of the Related Documents to which it is a party.

(e) *Compliance with Law.*

(i) Other than as set forth on Exhibit C attached hereto, the City is in compliance with all Applicable Laws, including all Governmental Approvals, except for noncompliance that, singly or in the aggregate with all other instances of noncompliance, has not had and will not have a Material Adverse Effect or an adverse effect on the City's ability to perform its obligations under this Agreement and under the other Related Documents.

(ii) Except for a violation or failure to comply that, singly or in the aggregate with all other violations or failures to comply, has not had and cannot have a Material Adverse Effect or an adverse effect on the City's ability to perform its obligations under this Agreement and under the other Related Documents, the City has not received any complaint or other notice alleging a violation of or failure to comply with, any judgment, order, writ, injunction or decree of any Governmental Authority applicable to the City, or any statute, law, rule or regulation applicable to the City. The collection of tax revenues and the accounting and recordkeeping therefor are in material compliance with all Applicable Law and all applicable resolutions, ordinances and rules of the City.

(f) *Litigation.* There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, arbitrator, public board or any other Governmental Authority pending or, to the best knowledge of the City after due inquiry, threatened against or affecting the City (i) wherein an unfavorable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect, (ii) which seeks

to restrain or enjoin any of the Transactions, or (iii) which could adversely affect (A) the status of the City as a municipal corporation, created and validly existing under the laws of the State of Texas, (B) the exclusion of interest on the Notes from gross income for federal income tax purposes, (C) the validity, enforceability or perfection of the Pledge, or (D) the ability of the City to perform its obligations under this Agreement, the CP Ordinance or any other Related Document (any such action, suit, proceeding, inquiry or investigation being herein referred to as “Material Litigation”).

(g) *Absence of Defaults and Events of Default.*

(i) No Default or Event of Default has occurred and is continuing.

(ii) The City is not in material default under (A) any order, writ, injunction or decree of any court or governmental body, agency or other instrumentality applicable to the City, or (B) any law or regulation applicable to the City, or (C) any Bonds or Contracts, or (D) any Other Obligation, default under which would have an adverse effect on the properties, business, condition (financial or other), results of operations or prospects of the City or the Transactions, or which would have an adverse effect on the validity or enforceability of this Agreement or any of the other Related Documents, or on the authority or ability of the City to perform its obligations under this Agreement or any of the other Related Documents to which the City is a party. The City is not in breach of any financial covenant or any other material provision of any Other Obligation entered into in connection with any Debt.

(h) *Financial Statements.* The balance sheet of the City and the related statement of revenues and expenses and changes in financial position for the Fiscal Years reported and the auditors’ reports with respect thereto, copies of which have heretofore been furnished to the Bank, are complete and correctly and fairly present the financial condition, changes in financial position and results of operations of the City at such dates and for such periods, and were prepared in accordance with GAAP consistently applied, except as stated in the notes thereto. Except as described in the Offering Memorandum, since September 30, 2020, there has been no Material Adverse Change, no increase in the City’s Debt, no material contingent liabilities nor other material contracts or commitments which are not reflected in the Offering Memorandum.

(i) *Accuracy and Completeness of Information.* All information, reports and other papers and data furnished by the City to the Bank were, at the time the same were so furnished, complete and correct in all material respects, to the extent necessary to give the recipient a true and accurate knowledge of the subject matter and were provided in expectation of the Bank’s reliance thereon in issuing the Letter of Credit. No fact is known to the City which has had or, so far as the City can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements referred to in Section 4.01(i) or in such other information, reports or other data disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the City or its agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in

light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the City's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Agreement or the Related Documents contains or will contain any untrue statement of a material fact or omits or will omit (as of the date made or furnished) to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were or will be made, not misleading.

(j) *Offering Memorandum.* The information concerning the City, the Commercial Paper Program and any of the Related Documents (but not including the Bank Disclosure and any Securities Depository Disclosure, as to which no representation is made) contained in the Offering Memorandum is, and any supplement or amendment thereto shall be, true and correct in all material respects for the purposes for which its use is, was or shall be, authorized.

(k) *Sovereign Immunity.* Under the laws of the State of Texas, the City, and its revenues, assets and property is not exempt or immune from, whether on the basis of sovereign immunity or any similar legal or equitable principle, doctrine or rule of law and whether now or at any time hereafter arising, (i) jurisdiction, (ii) liability, suit or other legal or equitable remedy for the amounts due and payable under the Notes, the Bank Note, this Agreement or any of the other Related Documents or the performance of any of its other obligations hereunder or thereunder, and (iii) enforcement of any judgment, order or decree to which the City or its or their revenues, assets and property may be made subject.

(l) *Incorporation of Representations and Warranties.* The City hereby makes and remakes to the Bank, as of the date hereof, each of the representations and warranties made by the City in each Related Document to which it is a party, which representations and warranties, together with the related definitions of terms contained therein, are incorporated herein by this reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment to or waiver of such representations, warranties or definitions made pursuant to the relevant Related Document shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Bank.

(m) *Notes.* The City will duly and validly issue and deliver each Note under and pursuant to the CP Ordinance and each shall be entitled to the benefits thereof. The Notes constitute "Notes" as such term is defined and used in the CP Ordinance and the other Related Documents.

(n) *Pension Plans.* The City does not maintain its own Pension Plan. The City has no funding deficiency with respect to any employee benefit plan and is otherwise in compliance with terms of any such plan in which the City or any of its employees participate in.

(o) *Interest.* None of the Related Documents to which the City is a party (including this Agreement and the Bank Note) or the Notes provide for any payments that would violate any Applicable Law regarding permissible maximum rates of interest or the calculation or collection of interest upon interest. In particular, and not in limitation of the foregoing, under the laws of the State of Texas, the obligation of the City under this Agreement to pay interest at the Bank Rate (i) is a valid, binding and enforceable contractual obligation and is not subject to any limitation, restriction or cap on the per annum rate of interest that may be charged or received by the Bank or paid by the City, other than as described in this Agreement and (ii) constitutes Bank Debt Service.

(p) *Investment Company Act.* The City is not an “investment company” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940 (15 U.S.C. §80a-1 et seq.), as amended.

(q) *Federal Reserve Board Regulations.* The City is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. The City will not use any part of the proceeds of the Notes or the funds advanced hereunder and has not incurred any Debt to be reduced, retired or purchased by the City out of such proceeds, for the purpose of purchasing or carrying any Margin Stock.

(r) *No Proposed Legal Changes.* There is no amendment, or to the best knowledge of the City, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any State law or any published administrative interpretation of the Constitution of the State or any State law, or any proposition or referendum (or proposed proposition or referendum) or other ballot initiative or any legislation that has passed either house of the legislature of the State, or any published judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to affect adversely (i) the execution or delivery of, or security for any of the Notes, (ii) the rights or remedies of the Bank or of any Owner of the Notes, or (iii) the existence of the City or the City’s power or ability to perform its obligations hereunder or under any of the other Related Documents including without limitation the City’s ability to repay when due its obligations under this Agreement and the Bank Note.

(s) *Security.* The Funds and ad valorem tax revenues of the City referenced in Section 2.11 of the CP Ordinance are pledged for the punctual payment of the principal of and interest on, the Notes and the Required Payments as the same become due and payable. The Pledge shall constitute a lien on the Funds and the ad valorem tax revenues of the City as described in Section 2.11 of the CP Ordinance and is on a parity with or senior to all other debt of the City secured by the ad valorem tax revenues of the City.

(t) *No Existing Right to Accelerate.* As of the Date of Issuance, no Person, including, without limitation, a credit facility provider or a liquidity provider, either of which provides credit enhancement or liquidity support to any Bonds or other Debt secured by the Pledge has a right under any indenture or any supplemental indenture relating to any such Bonds or Debt or any other document or agreement relating to any such Bonds or

Debt to direct the Trustee or any other Person to declare the principal of and interest on any such Bonds or Debt to be immediately due and payable.

(u) *Anti-Terrorism Representation.*

(i) The City is not in violation of any laws relating to terrorism or money laundering (“Anti-Terrorism Laws”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “Executive Order”), and the USA Patriot Act, Title III of Pub. L. 107-56, 115 Stat. 272 (the “Patriot Act”);

(ii) The City is not any of the following:

(A) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(B) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(C) a Person with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(D) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(E) a Person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control (“OFAC”) or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(iii) The City does not (A) conduct any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (ii)(B) above, (B) deal in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (C) engage in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(v) *Valid Pledges and Liens.*

(i) The Pledge to and for the payment of the debt service payments for the Bank Note and the Notes, in each case, as authorized under and in accordance with Applicable Law, is valid and binding as of the Date of Issuance.

(ii) The Pledge requires no act, instrument, approval, filing, registration, recording or publication of the CP Ordinance, this Agreement or any other Related Document or instrument nor any prior separation or physical delivery of funds or

revenues or notice to any Person, other than the filings and registrations accomplished by the City as of the Closing Date, to validly establish the Pledge.

(iii) Neither the execution and delivery of the Notes, nor the making of the Pledge, requires any vote, approval of taxpayers or act of appropriation for the application thereof to the purposes for which executed, delivered and pledged, respectively.

(w) *CP Ordinance.* The provisions of the CP Ordinance, including without limitation the CP Ordinance, constitute a contract by the City for the direct and intended benefit of the owners of the Bonds and the Bank. The Bank, subject to the provisions of this Agreement, may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the City under this Agreement, and the other Related Documents.

ARTICLE V

AFFIRMATIVE COVENANTS

The City covenants and agrees that until the principal of and interest on the Notes and all Required Payments have been indefeasibly paid in full and all other obligations of the City under this Agreement or with respect to the Bank Note have been paid and performed and the Bank shall have no further obligation or liability under or in respect of the Letter of Credit:

Section 5.01. Compliance With Laws and Regulations. The City shall comply with all Applicable Laws to which it or its property may be subject; provided, however, that the City may contest the validity or application thereof and appeal or otherwise seek relief therefrom, so long as the City continues to perform all of its obligations hereunder and under the Related Documents and provided such acts do not affect the City's power and authority to execute this Agreement and the Related Documents to which it is a party or to perform its obligations and pay all amounts payable by it hereunder and thereunder, or otherwise result in a Default or Event of Default hereunder (including without limitation Section 7.01(k)) or under any of the other Related Documents.

Section 5.02. Reporting Requirements. The City shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the affairs, operations, transactions and activities of the City in accordance with GAAP consistently applied. The City shall furnish to the Bank two copies of each of the following, provided, that, except with respect to the certificates specified in subsection (b) below, the City may satisfy its obligation to provide to the Bank copies of any items identified in this Section by posting an electronic copy of such item on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, www.emma.msrb.org ("EMMA"), or on the City's website (provided that the City gives the Bank notice of such posting) within the timeframe for delivery identified below:

(a) **Financial Statements.** (i) As soon as available, and in any event within 210 days after the close of each Fiscal Year of the City, the complete audited financial

statements of the City including the balance sheet as of the end of such Fiscal Year and the related statements of revenues, expenses and cash flows and changes in fund balance for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the preceding Fiscal Year, all in reasonable detail, all as certified to by the City's independent certified auditors as having been prepared in accordance with GAAP, consistently applied, such audit having been conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

(ii) At any time that the City's Obligor Rating is below A+ or A1 by any two Rating Agencies, as soon as available, and in any event within forty-five (45) days after the last day of each fiscal quarter of the City, the unaudited financial statements of the City including the balance sheet as of the end of such quarter and a statement of income and expenses, all in reasonable detail and certified, subject to year end adjustment, by the an Authorized City Representative.

(b) **Annual Certificate of Compliance.** Simultaneously with the delivery of each set of financial statements referred to in Section 5.02(a), a certificate substantially in the form attached hereto as Exhibit D signed by the Authorized City Representative: certifying that (A) under his/her supervision the City has made a review of its activities during the preceding Fiscal Year for the purpose of determining whether or not the City has complied with all of the terms, provisions and conditions of this Agreement and the other Related Documents, (B) that to the best of his/her knowledge the City is not in Default (and no Event of Default has occurred) in the performance or observance of any of the terms, covenants, provisions or conditions of this Agreement or any of the other Related Documents, or if the City shall be in Default (or an Event of Default has occurred), such certificate shall specify each such Default or Event of Default, the nature and status thereof and any remedial steps taken or proposed to correct each such Default or Event of Default and (C) whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 4.01(i) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate.

(c) **Auditors.** Concurrently with any delivery of financial statements under clause (a) above, a copy of any management letter or audit report provided to the City by such auditors.

(d) **Other Reports.** Promptly upon request by the Bank, copies of any financial statement or report furnished to any other holder of any Bonds or Contracts pursuant to the terms of any Other Obligation and not otherwise required to be furnished to the Bank pursuant to any other clause of this Section 5.02.

(e) **Budget.** As near as practicable to the beginning of each Fiscal Year, an annual budget of the City for such upcoming Fiscal Year which shall include, among other items, projected operating results for such Fiscal Year.

(f) **Material Event Notices.** Immediately following any dissemination, distribution or provision thereof to any Person, a copy of any Material Event Notice disseminated, distributed or provided in satisfaction of or as may be required by the provisions of Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement.

(g) **EMMA Filings.** Copies of all filings made by the City with any Nationally Recognized Municipal Securities Information Repository (including EMMA) promptly after such filings are made.

(h) **Certain Financial Matters.** Promptly upon request of the Bank, confirmation (by the City or by the Paying Agent at the written request of the City) of the amount of funds on deposit in any fund or account established or continued under the CP Ordinance or this Agreement and, promptly after the occurrence thereof, written notice of any material change in accounting policies or financial reporting practices by the City.

(i) **Additional Bonds and Contracts.** Promptly following the date of execution and delivery of any Bond or Contract, written notice of the change in the aggregate principal amount of Bonds and Contracts outstanding, together with a copy of the final official statement or other final disclosure statement prepared with respect to such additional Bond or Contract.

(j) **Monthly Reports.** The City shall provide, or cause the Paying Agent to provide, to the Bank a monthly report, on the first Business Day of each month, showing the amount and maturity of all outstanding Notes secured by the Letter of Credit.

(k) **Other Information.** Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the City as the Bank may from time to time reasonably request.

Section 5.03. Notices.

(a) **Notice of Default.** The City shall provide to the Bank immediate notice by telephone, promptly confirmed in writing, of any Default or Event of Default or any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

(b) **Pension Plan Notices.** If and to the extent the City establishes its own Pension Plan, as soon as practicable, notice of the occurrence of (i) any “prohibited transaction” (as such term is defined in Section 503 of the Code) in connection with any Pension Plan or any trust created thereunder; (ii) the adoption of, or commencement of contributions to, any defined benefit Pension Plan by the City, or (iii) the adoption of any amendment to a Pension Plan, if such amendment results in a material increase in Unfunded Pension Liability, (and in any such case, the City shall provide to the Bank telephonic notice specifying the nature thereof, and, no more than five Business Days after such telephonic notice, written notice again specifying the nature thereof and specifying what action the City is taking or proposes to take with respect thereto, and, when known, any action taken by the IRS or other Governmental Authority with respect thereto); and

(c) ***Litigation and other Notices.*** The City shall provide to the Bank in writing, promptly upon learning thereof, notice of:

(i) any Material Litigation and any other action, suit, proceeding, inquiry or investigation that is commenced or threatened (A) which seeks an injunction or temporary restraining order against the City, or (B) which alleges criminal misconduct by the City or any officer, board member, employee or agent of the City; and

(ii) (A) any criminal investigation or proceeding by a Governmental Authority involving the City, or any officer, board member or managerial employee of the City; (B) written notice of a communication from any labor union, if applicable, of an intent to strike the City at a future date with such notice to include a description of the action or actions that the City propose to take with respect thereto; (C) the proposal of a bill or other legislation or the filing of any initiative or referendum which challenges the validity or enforceability of any of the Related Documents, the Act, or otherwise could annul, amend, modify or replace the Act or which could lead to a material diminution or reallocation of the Revenues or any portion thereof; and (D) any material development in any legal proceeding or other action affecting the City which the City has, or should have, provided notice of to the Bank pursuant to Section 5.03(b) or clause (i) of this Section 5.03(c).

(d) ***Certain Notices under or in connection with the Related Documents.*** The City shall furnish to the Bank a copy of any notice, certification, demand or other writing or communication given by the Dealer or the Paying Agent to the City or by the City to the Dealer or the Paying Agent under or in connection with any of the Related Documents, in each case promptly after the receipt or giving of the same.

(e) ***Amendments.*** The City will not consent to or permit any amendment or supplement to or modification or waiver of any of the provisions of the Related Documents without the prior written consent of the Bank. The City will give the Bank notice as promptly as practicable (but in no event less than ten (10) Business Days) of any proposed amendments or supplements to or modifications or waivers of any provisions of any of the Related Documents and of any meeting of the City Council of the City at which any of the foregoing will be discussed or considered.

(f) ***Paying Agent Agreement Information; Identity of Owners.*** The City shall provide to the Bank copies of all notices, certificates, opinions and other reports or documents required to be filed pursuant to the Paying Agent Agreement.

(g) ***Rating Agencies.*** The City shall provide to the Bank promptly after any Rating Agency then maintaining an Obligor Rating shall have announced a change in, or suspension, removal, withdrawal or placement on ratings review or watch of, an Obligor Rating, written notice of such action.

(h) ***Governmental Authority Filings.*** The City shall furnish to the Bank promptly following receipt, copies of all reports and other materials filed or delivered by

the City to or with any Governmental Authority, if applicable, which is a creditor of the City or which issues debt on behalf of the City.

(i) **Legislation or Proposed Legislation.** The City shall provide to the Bank copies of (i) any amendments or modifications to the Act and (ii) any other legislation of which the City has knowledge which could reasonably be expected to adversely impact the City's ability to perform its obligations under the Related Documents or the Pledge.

(j) **Notices of Dispute.** The City shall promptly give written notice to the Bank of any material dispute which may exist between the City and any of the Dealer or the Paying Agent or any dispute of which the City has actual knowledge in connection with any transaction contemplated under this Agreement or any Related Document.

Section 5.04. Further Assurances. The City will from time to time promptly execute and deliver to the Bank (or as directed by the Bank) all further financing statements, amendments, confirmation statements and will register, record and file and re-register, re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, and shall take any and all other actions as may be necessary or reasonably required by the Bank to (a) perfect and protect, any lien, pledge or security interest or other right or interest given, or purported to be given to the Bank or any Owner under or in connection with the CP Ordinance, this Agreement or the other Related Documents, (b) enable the Bank to exercise and enforce its rights under this Agreement and its rights and the rights of the Owners of the Notes, as and in the manner provided in the CP Ordinance, this Agreement and the other Related Documents and (c) further and more fully vest in the Bank all rights, interests, powers, benefits, privileges, and advantages conferred or intended to be conferred upon them by any of the Related Documents. Except to the extent it is exempt therefrom, the City will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments of further assurance. In the event that the Bank Note shall at any time be lost or destroyed, then upon the execution and delivery by the Bank to the City of a lost bank note affidavit, which shall include a representation by the Bank that it is unable to account for or locate the Bank Note (the "Original Bank Note") and an indemnification by the Bank to protect the City from liability arising under the Original Bank Note, the City shall duly execute and deliver a replacement Bank Note (the "Replacement Bank Note") which shall be identical to the Original Bank Note. The form of lost bank note affidavit to be provided by the Bank shall be mutually satisfactory to counsel for the Bank and counsel for the City.

Section 5.05. Right of Entry; Communication with Accountant.

(a) The City shall permit the agents or representatives of the Bank during normal business hours and, at any time a Default does not exist, upon reasonable prior notice, to enter the premises of the City, or any parts thereof, to examine and copy the City's financial and corporate books, records and accounts, and to discuss the affairs, finances, business and accounts of the City with the City's officers, board members, employees and agents.

(b) (i) At any time that a Default exists, the City authorizes the Bank to communicate directly with its Accountant, and authorizes and shall instruct those accountants to communicate with, disclose and make available to, the Bank, any and all financial statements and other supporting financial documents, schedules and information relating to the City with respect to the business, results of operations and financial condition and other affairs of the City; and

(ii) at any time that no Default exists, the City shall upon receipt of written notice from the Bank, made with reasonable prior notice, instruct and authorize its Accountant to jointly with the City communicate with, disclose and make available to, the Bank, any and all financial statements and other supporting financial documents, schedules and information relating to the City with respect to the business, results of operations and financial condition and other affairs of the City.

Section 5.06. Payment of Obligations; Removal of Liens. The City will pay (a) all Debts and obligations of the City in accordance with the terms thereof, (b) all amounts payable by it hereunder and under the Related Documents in accordance with the terms hereof or thereof and (c) any assessments or other governmental charges as the same respectively become due, all taxes, assessments (general or special) and governmental charges of any kind whatsoever that may be at any time lawfully assessed or levied against or with respect to any of its or their property or any interest thereon; provided that the City may withhold payment of sums described under subpart (c) where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the City has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (iii) the failure to make payment pending such contest could not result in a Material Adverse Effect. Notwithstanding the foregoing, the City will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a Lien on the Funds pledged to pay the Bank Debt Service or the Notes.

Section 5.07. Incorporation of Covenants.

(a) The covenants of the City set forth in the CP Ordinance and each of the other Related Documents to which the City is a party, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety for the benefit of the Bank and shall be enforceable by the Bank against the City. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein. To the extent that any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion, report or other instrument or any event or condition be acceptable or satisfactory to any Person, the waiver or consent or approval, as applicable, of the Bank shall be required under this Agreement and such compliance shall be waived, or such provision shall be consented to, only if it is waived or consented to, as the case may be, by the Bank and such document, opinion, report or other instrument shall be acceptable or satisfactory to the Bank. No amendment to such covenants (or the defined terms relating thereto) made pursuant to any of the Related Documents shall be effective

to amend such incorporated covenants without the written consent of the Bank. Notwithstanding the termination or expiration of any Related Document, the City shall, unless such Related Document has terminated or expired in accordance with its terms and has been replaced by a new Related Document, continue to observe the covenants therein until the termination of this Agreement.

(b) The City shall diligently and in good faith pursue enforcement of each of the Related Documents to which it is a party against each of the other parties thereto and shall in particular and not in limitation of the foregoing cause the Paying Agent and the Dealer at all times to comply with the terms of the Related Documents to which they are a party.

Section 5.08. Reserved.

Section 5.09. Alternate Letter of Credit.

(a) The City covenants to employ its best efforts to obtain, as of the Termination Date, an Alternate Letter of Credit to replace the Letter of Credit unless the City terminates as of such date the Commercial Paper Program.

(b) The City agrees that any Alternate Letter of Credit will require, as a condition to the effectiveness of the Alternate Letter of Credit, that the provider of the Alternate Letter of Credit, or the City, will provide funds to the extent necessary, in addition to other funds available, on the date the Alternate Letter of Credit becomes effective, for the payment in full of all amounts owing under the Bank Note at par plus accrued interest. On such date all Required Payments owing to the Bank hereunder or under the Bank Note shall be paid in full to the Bank by the City.

(c) The City shall not permit an Alternate Letter of Credit as described in subparagraph (a) to become effective with respect to less than all of the Notes without the prior written consent of the Bank.

Section 5.10. Disclosure to Participants. The City agrees to permit the Bank to disclose any information received by the Bank in connection herewith, including without limitation the financial information described in Section 5.02, to any assignees or Participants of the Bank in this Agreement without notice to or further consent from the City.

Section 5.11. Maintenance of Existence. The City will preserve and maintain its existence as a municipal corporation and political subdivision of the State of Texas and maintain all rights and privileges necessary and desirable in the normal conduct of its business and in the performance of its obligations under the Related Documents to which it is a party. The City will continue to conduct in the ordinary course the activities in which it is presently engaged.

Section 5.12. Use of Proceeds. The City shall (a) cause the proceeds from each Drawing made pursuant to the Letter of Credit and this Agreement to be used solely for the specific purpose set forth under the CP Ordinance and this Agreement and (b) use the proceeds of the Notes solely for the capital purposes set forth in an approved Fiscal Year budget or other approved planning documents, or as otherwise approved by the City Council of the City. The City will not use the

proceeds of the Notes or the proceeds from Drawings in a manner which violates Regulation U, as it may be amended or interpreted from time to time by the Board of Governors of the Federal Reserve System.

Section 5.13. Issuance of Notes. The City covenants and agrees to issue and sell Notes on the date and in the principal amount of maturing notes to the extent that there are not amounts otherwise available to reimburse the Bank for amounts drawn under the Letter of Credit by reason of such maturity. The City shall obtain an opinion of nationally-recognized bond counsel to the effect that interest on all Notes shall be excluded from gross income for federal income tax purposes.

Section 5.14. Reserved.

Section 5.15. CUSIP Numbers. The City shall at all times cause Notes and the Bank Note to be assigned a CUSIP Number.

Section 5.16. Rating Maintenance. The City covenants that at all times from and including the Date of Issuance until the defeasance or indefeasible payment in full of all Notes and the indefeasible payment in full of all Required Payments it will (a) maintain a published Obligor Rating from at least two of S&P, Moody's and Fitch, (b) cause at least two of S&P, Moody's and Fitch to assign short term ratings to the Notes and (c) maintain a published long-term rating on the Bank Note from Moody's or Fitch.

Section 5.17. Reserved.

Section 5.18. Budget. The City covenants to prepare and adopt a budget prior to the beginning of each Fiscal Year, which budget shall provide for appropriations at levels required to make all payments of principal, interest, fees, reserves and any other expenditures required or contemplated under the Related Documents, including all Bank Debt Service, and sufficient to pay in such Fiscal Year, to the extent the same becomes due in such Fiscal Year, the Required Payments under this Agreement and all debt service payments on all other principal and interest on any other outstanding Debt of the City.

Section 5.19. Employee Benefit Plan Compliance. The City shall, in a timely fashion, comply in all material respects with all requirements under any employee benefit plan in which the City or any of its employees participate

Section 5.20. Right to Accelerate. In the event that the City has entered into or shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement, which such Bank Agreement includes the right to accelerate the payment of the principal of or interest on any series of bonds or Debt upon the occurrence of an event of default under terms more favorable than those provided herein, the Bank shall be deemed to have the right to accelerate the payment of all amounts owed under the Bank Note (and all other obligations due and owing hereunder) under the same terms and conditions set forth under any such Bank Agreement. If requested by the Bank, the City shall promptly enter into an amendment to this Agreement to include such provision, provided that the Bank shall maintain the benefit of such provision even if the City fails to provide such amendment. The release, termination or other discharge of such other documentation which provides for acceleration of any bonds or Debt shall be effective to amend, release, terminate or

discharge (as applicable) such provision as incorporated by reference herein without the consent of the Bank.

Section 5.21. Dealer. The City shall at all times cause a Dealer acceptable to the Bank to be in place, under a Dealer Agreement in form and substance acceptable to the Bank and the City agrees that any Dealer (or any parent of the Dealer) must have minimum capital of \$500,000,000 and shall be rated at least “A-” (or its equivalent) by S&P or Fitch or “A3” (or its equivalent) by Moody’s. The Dealer Agreement shall contain at all times a provision or provisions under which the Dealer shall covenant to: (i) not resign except upon sixty (60) days’ prior written notice to the Bank, (ii) use its best efforts to place the Notes, and (iii) place the Notes at rates up to and including the maximum rate permitted under the CP Ordinance without regard to the rate payable to the Bank. If at any time the Dealer shall fail to perform its duties or shall fail to place the Notes for a period of thirty (30) consecutive days, the City shall, at the direction of the Bank, appoint a successor Dealer who shall be acceptable to the Bank.

Section 5.22. Compliance with Contracts. The City will neither take nor omit to take any action under any Other Obligation if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the City to pay the Required Payments.

ARTICLE VI

NEGATIVE COVENANTS AND COVENANTS ANCILLARY THERETO

The City covenants and agrees that until the principal of and interest on the Notes and all Required Payments have been indefeasibly paid in full and all other obligations of the City under this Agreement or with respect to the Bank Note have been paid and performed and the Bank shall have no further obligation or liability under or in respect of the Letter of Credit:

Section 6.01. Amendments. The City shall not amend, modify or supplement, nor agree to any amendment or modification of, or supplement to, any of the Related Documents or consent to, or permit or suffer to occur any action, course of dealing or omission which results in, or is equivalent to, an amendment, supplementation, termination or, modification of any of the Related Documents, without obtaining the prior written consent of the Bank and any such amendment, supplementation, termination or modification made or entered into in violation of this Section shall be deemed a nullity and of no force and effect. The City shall not take any action, nor cause the Paying Agent to take any action under any of the Related Documents, which is inconsistent with, or could reasonably be expected to impair, the City’s obligations, or the rights of the Bank under this Agreement or any of the other Related Documents including, without limitation, any right or remedy of the Bank upon an Event of Default, the City’s obligations to make payments to the Bank under Article II of this Agreement, or the Pledge.

Section 6.02. Preservation of Existence, Etc. The City will not directly or indirectly liquidate, wind up, terminate, reorganize, dissolve, merge or consolidate with any other Person (or suffer any liquidation, winding up, termination, reorganization or dissolution), or form or acquire any subsidiary (other than in the ordinary course of business as conducted as of the Closing Date), nor shall it sell, lease, assign, transfer or otherwise dispose of (in a single transaction or a series of transactions) all or substantially all of its property.

Section 6.03. Certain Information. The City shall cause the Dealer not to include in an offering document or circular or reoffering supplement for the Notes any information concerning the Bank that is not supplied in writing, or otherwise approved in writing, by the Bank expressly for inclusion therein.

Section 6.04. Paying Agent; Dealer. The City shall not remove the Paying Agent or the Dealer or appoint a successor to the Paying Agent or the Dealer without the written consent of the Bank, not to be unreasonably withheld, and the City shall contractually require that the resignation or removal of any Paying Agent or Dealer (including each successor thereto) shall only be effective upon the appointment of a successor acceptable to the Bank and the acceptance of such appointment by such successor; provided that any successor Paying Agent or Dealer (or any parent of the Paying Agent or Dealer) must have minimum capital of \$500,000,000 and shall be rated at least “A-” (or its equivalent) by S&P or Fitch or “A3” (or its equivalent) by Moody’s. The City shall provide the Bank written notice of any change in the identity of the Paying Agent or Dealer upon becoming aware of the same. Upon written notice from the Bank that the Paying Agent or the Dealer is failing to perform its respective duties in the manner contemplated by the CP Ordinance or the other Related Documents, the City shall replace or cause to be replaced the Paying Agent or the Dealer, as the case may be, with a successor acceptable to the Bank. If the position of Paying Agent or Dealer becomes vacant, the City shall promptly appoint a successor which is reasonably acceptable to the Bank.

Section 6.05. Accounting Methods; Fiscal Year; Entity Classification. The City will not adopt, permit or consent to any change in accounting practices other than as required by GAAP and will not adopt, permit or consent to any change in its Fiscal Year or take (or permit to be taken) any action that results in a change to its entity classification for U.S. federal income tax purposes.

Section 6.06. Exempt Status. The City shall not take any action or omit to take any action, respectively, that, if taken or omitted, respectively, could cause any revocation or adverse modification of its federal income tax exempt status or which would cause the interest on the Notes to be included in the gross income of the Owners thereof for purposes of federal income taxation under the Code.

Section 6.07. Defeasance. The City will not defease, nor allow the defeasance of, the Notes without (i) procuring a Verification Report and providing a copy thereof to the Bank and (ii) contemporaneously paying all Required Payments and satisfying all obligations of the City hereunder.

Section 6.08. Reserved.

Section 6.09. Reserved.

Section 6.10. No Sovereign Immunity; Waiver of Related Defenses. To the fullest extent permitted by applicable law, the City hereby waives any exemption or immunity, whether on the basis of sovereign immunity or any similar legal or equitable principle, doctrine or rule of law and whether now or at any time hereafter arising, of the City with respect to its contractual obligations under this Agreement and the other Related Documents or with respect to any of its or their revenues, assets or property (irrespective of their use or intended use), from (a) jurisdiction,

(b) liability, suit or other legal or equitable remedy for the amounts due and payable under the Notes, this Agreement or any of the other Related Documents or the performance of any of its other obligations hereunder or thereunder, and (c) enforcement of any judgment, order or decree to which it or its revenues, assets or property may be made subject. The City further hereby irrevocably agrees not to assert or to otherwise obtain the benefit of, in any civil action or other legal proceeding in any court of competent jurisdiction brought to enforce or collect upon the obligations of the City under this Agreement, the Bank Note, the other Related Documents or in respect of the Transactions, (i) any defense to personal jurisdiction, and (ii) any defense against relief by writ of mandamus for the performance of its obligations.

Section 6.11. Material Contracts.

(a) The City covenants to perform each of its obligations and covenants under each of the Material Contracts and to enforce the material covenants and obligations of the respective contracting party to each Material Contract and not to consent, except with the prior written consent of the Bank, to any waiver of the timely performance of any material covenant by the respective contracting party thereto.

(b) Furthermore, the City covenants not to consent to or permit the amendment, cancellation, termination, non renewal, non continuation or rescission of, except with the prior written consent of the Bank, any Material Contract, nor to otherwise take or fail to take any action required or permitted to be taken by it under or in connection with a Material Contract, provided, however, that the City shall not be in breach of this subsection (b) to the extent that, in the case of any such cancellation, termination, non renewal, non continuation or rescission or other action or omission, such occurrence would not and could not reasonably be expected to (x) expose the City to any materially greater risks, costs or liabilities, or (y) impair or adversely affect the ability of the City to pay all Contracts and Bonds and to pay the Bank Note and the other Required Payments.

Section 6.12. Incurrence of Bonds and Contracts. The City shall not issue or enter into, as the case may be, any Bonds or Contracts (a) except in compliance with all requirements of this Agreement and (b) during any time that a Default exists hereunder or under any Related Document.

Section 6.13. Reserved.

Section 6.14. Investment of Funds. The City shall cause all moneys held in the Funds established under the CP Ordinance to be invested in Permitted Investments. The City shall not after the Date of Issuance supplement or otherwise modify or amend (except by the removal of one or more investments which are Permitted Investments as of the Date of Issuance) the list of Permitted Investments without the prior written consent of the Bank in its discretion.

Section 6.15. Hedge Agreements. The City will not enter into any Hedge Agreement hedging or otherwise relating to the Notes, the Bank Note or this Agreement without the prior written consent of the Bank.

Section 6.16. Transactions with Affiliates. The City certifies that it currently has no Affiliates. If Affiliates of the City were established in the future, except as permitted in Section 6.19 below, the City will not sell, lease or otherwise transfer any of its respective property to, or

purchase, lease or otherwise acquire any property from, or otherwise engage in any other transactions with, any Affiliates, except in the ordinary course of business at prices and on terms and conditions not less favorable to the City than could be obtained on an arm's length basis from unrelated third parties.

Section 6.17. Investment Policy. The City shall maintain its Investment Policy dated January 20, 2015 (the "Investment Policy"), as submitted to the Bank, in compliance with Applicable Law. In the case of any amendment, the City shall provide the Bank with an updated Investment Policy.

Section 6.18. [Reserved].

Section 6.19. Tax Covenants. Notwithstanding any other provision of this Agreement, absent an opinion of Special Counsel that the exclusion from gross income of interest with respect to the Notes will not be adversely affected for federal income tax purposes, the City covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) **Private Activity.** The City will not take or omit to take any action or make any use of the proceeds of the Notes or of any other moneys or property which would cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code.

(b) **Arbitrage.** The City will make no use of the proceeds of the Notes or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(c) **Federal Guarantee.** The City will make no use of the proceeds of the Notes or take or omit to take any action that would cause the Notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) **Information Reporting.** The City will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code.

(e) **Hedge Bonds.** The City will make no use of the proceeds of the Notes or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Notes to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the City takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Notes for federal income tax purposes.

(f) **Miscellaneous.** The City will take no action, or omit to take any action, inconsistent with the expectations stated in any Tax Certificate executed with respect to the Notes and will comply with the covenants and requirements stated therein and incorporated by reference herein.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. The occurrence of any of the following events shall constitute an “Event of Default”:

(a) Failure of the City to pay or cause to be paid when due any amount owed by the City under this Agreement or the Bank Note;

(b) Failure of the City to observe or perform the covenants set forth in any of Sections 5.02, 5.03, 5.06, 5.09, 5.11, 5.12, 5.13, 5.16, 5.17, 5.21, 5.22, 6.01, 6.02, 6.04, 6.06, 6.07, 6.10, 6.11, 6.12 and 6.15;

(c) Failure of the City to observe or perform any covenant, condition or provision of this Agreement (other than as specified in (a) or (b) above) and such failure remains uncured 10 Business Days after the earlier of (i) a senior officer of the City having knowledge of such breach or (ii) written notice of such failure from the Bank to the City and the Paying Agent, or failure to observe or perform any covenant, condition or provision contained in any Related Document and, in the case of any covenant incorporated by reference pursuant to Section 5.07 hereof which is not a payment or financial covenant, after the expiration of any applicable grace period contained in the relevant Related Document;

(d) Any representation or warranty made or deemed made by or on behalf of the City in this Agreement or any other Related Document or in any amendment of, or waiver under, this Agreement or other Related Document, or in any certificate, financial statement or other document furnished by or on behalf of the City pursuant to or in connection with this Agreement or any of the other Related Documents shall have been inaccurate or incomplete in any material respect when made or deemed to have been made;

(e) The occurrence and continuation of a default, event of default or termination event under the CP Ordinance or the Notes or any of the other Related Documents, irrespective of whether said default, event of default or termination event is declared, undeclared or has been waived under the terms of such respective document;

(f) Any Bond or Contract shall not be paid when and as the same shall become due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise);

(g) (i) Failure by the City to make any payment (whether of principal, interest or other amount) due in respect of (x) any Debt owed to the Bank or any Affiliate of the Bank, or (y) any other Debt having an aggregate outstanding principal amount in excess of \$5,000,000 (measured in the case of any Hedge Agreement, by the City’s Exposure thereunder), in any such case, as and when the same shall become due and provided that any applicable notice or grace period shall not apply; or (ii) the occurrence or existence of a default or event of default (other than a payment default) or other similar condition by or on the part of the City, under any Other Obligation evidencing, issuing, securing or relating

to such Debt described in (i) and continuance of such default or event of default or similar condition beyond the period of grace, if any, allowed with respect thereto, which results in such Debt becoming, or being capable of becoming, due and payable prior to its scheduled maturity and regardless of whether any such right is exercised (or, with respect to any Hedge Agreement, an event which results in such Hedge Agreement being terminated early or being capable of being terminated early, other than in the case of an optional termination exercised by the City and without liability for payment by the City of any Settlement Amount);

(h) The entry or filing of one or more judgments or orders or of any similar decrees or decisions for the payment of money which, individually or in the aggregate, equals or exceeds \$15,000,000 (each, a "Judgment") shall be rendered against the City or against any of its or their respective properties or assets and (x) such Judgment shall be undischarged, unstayed or unbonded for a period of 60 consecutive days, or (y) any action shall be taken by a judgment creditor to attach, execute or levy upon any revenues or assets of the City to enforce any such Judgment;

(i) The occurrence of an Event of Insolvency with respect to the City;

(j) (i) one hundred twenty (120) days after the long-term unenhanced Obligor Rating shall be reduced below "Baa1" by Moody's or below "BBB+" by S&P or Fitch, (ii) the long-term unenhanced Obligor Rating shall be withdrawn, suspended or reduced below "Baa3" by Moody's or "BBB-" by S&P or Fitch, or (iii) the City shall no longer have an Obligor Rating from S&P or Moody's;

(k) This Agreement, any other Related Document or any provision of this Agreement or any of the other Related Documents shall cease to be valid and binding on the City or a Governmental Authority with jurisdiction to rule on the validity of this Agreement or any other Related Document shall so find, announce or rule, or the City or any Person on its behalf shall (i) contest the validity or enforceability of the Notes, the Bank Note, this Agreement or any other Related Document or any provision of this Agreement or any such other Related Document, (ii) deny that the City has any further liability under one or more provisions of the Bank Note, this Agreement or any of the other Related Documents or (iii) seek an adjudication that (y) this Agreement or the Bank Note or (z) a provision of this Agreement or the Bank Note or of any other Related Document relating to, or the absence or invalidity of which could adversely affect, the security for the Notes or the Bank Note or the City's ability to pay the Bank Note or any other Required Payments, or the Notes or perform its obligations under this Agreement or any of the other Related Documents or the rights and remedies of the Bank, is not valid and binding on the City;

(l) Any funds or accounts established or continued under any of the Related Documents shall become subject to any writ, judgment, warrant or attachment, execution or similar process;

(m) (i) any Lien created by this Agreement or any of the other Related Documents in favor of any Owner or the Bank, at any time and for any reason (except as

expressly permitted to be released by the terms of such governing document) shall not constitute a valid and perfected Lien or shall fail to have the priority required by this Agreement or such other Related Documents or, except as permitted under the CP Ordinance or this Agreement, the City shall so assert in writing, (ii) any legislation is enacted, repealed, reenacted, amended or otherwise modified, and such repeal, enactment, reenactment, amendment or modification, in the opinion of the Bank, has a Material Adverse Effect or (iii) any rescission of or amendment to or any other action under or in connection with any legislation, law or regulation relating to the Pledge which would (A) materially reduce the amount of the ad valorem tax revenues or the allocation of the ad valorem tax revenues to the payment of the Bank Note or the other Required Payments or the Notes or (B) impair or adversely affect the rights or security of the Owners or the Bank, under the CP Ordinance or this Agreement;

(n) An event or condition (separately or in the aggregate with other events or conditions) occurs which in the judgment of the Bank results in, or could reasonably be expected to result in, a Material Adverse Change;

(o) A repudiation by the City of the payment when due of the principal of or interest on any Debt of the City; or

(p) (i) The breach by the City of any material covenant of the Dealer Agreement or the Paying Agent Agreement, respectively, or (ii)(A) the breach by the Dealer of any material covenant of the Dealer Agreement or (B) the breach by the Paying Agent of any material covenant of the Paying Agent Agreement or (C) the suspension or termination by the Dealer of its obligations under the Dealer Agreement and, in any such case described under (A), (B) or (C), the failure of the City, within thirty (30) days after written direction by the Bank, to either cause such breach to be cured or to replace such Dealer or Paying Agent, respectively, with a successor acceptable to the Bank in accordance with Section 6.04 hereof.

Section 7.02. Rights and Remedies.

(a) If an Event of Default occurs and is continuing, the Bank may, in its sole discretion:

(i) notify the Paying Agent and the City that an Event of Default has occurred and is continuing,

(ii) (A) deliver to the Paying Agent a notice in the form of Schedule I to the Letter of Credit (a “No Issuance Notice”) stating that on the maturity date for the last Note to mature which was issued prior to the delivery of such No Issuance Notice and upon the Bank’s honoring Drawings under the Letter of Credit with respect to such Notes, the Letter of Credit shall terminate and be returned to the Bank, and any Notes issued after such No Issuance Notice shall constitute Excluded Notes, (B) deliver to the Paying Agent a Restricted Issuance Notice and thereafter Notes issued in a principal amount in excess of the principal amount of Notes maturing on the date such Notes are issued shall constitute Excluded Notes, or (C)

deliver a notice to the Paying Agent stating that an Event of Default has occurred hereunder, directing that no additional Notes be issued, and stating that the Letter of Credit will terminate 10 days after the Paying Agent's receipt of such notice, and any Notes issued after such notice shall constitute Excluded Notes,

(iii) at any time subsequent to any notice under subpart (ii) and if the Bank has not already directed such action, the Bank may give notice to the City declaring the principal of the Bank Note, and the accrued interest thereon, to be immediately due and payable,

(iv) by notice to the City, declare the entire unpaid principal and interest amount of any advances outstanding as a result of any Drawing (including any Term Amortization) together with accrued interest thereon, and all other amounts owing under the Bank Note or this Agreement, to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City; provided that in the case of any of the Events of Default specified in Section 7.01(i) or 7.01(p) above, without any notice to the City or any other Person or any other act by the Bank, the principal amount of any advances outstanding as a result of any Drawing (including any Drawing thereafter occurring), together with accrued interest with respect thereto, and all other Required Payments owing to the Bank, and the Bank Note, shall be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the City,

(v) (A) cure any default, event of default or event of nonperformance under this Agreement or under any of the Related Documents (in which event the City shall reimburse the Bank therefor pursuant to Section 2.11 hereof), (B) exercise its banker's lien, or right of set off, (C) proceed to protect its right by suit in equity, action at law or other appropriate proceedings, whether for specific performance of any covenant or agreement of the City herein contained or in the exercise of any power or remedy granted to the Bank under any of the Related Documents, (D) exercise its rights under the Pledge and exercise any right it or the Paying Agent may have under the CP Ordinance or the Paying Agent Agreement to take any action, including without limitation any right it or the Paying Agent may have to direct or cause the Paying Agent to collect, foreclose, marshal, dispose of or otherwise realize on the Funds, and all of the ad valorem tax revenues of the City pursuant to and in compliance with the Related Documents, to cause the payment of ad valorem tax revenues and amounts on deposit in the Funds and payment to the Bank, and to otherwise direct or control the enforcement of remedies and proceedings taken under the Related Documents, and foreclose, marshal, dispose of and otherwise realize on any other collateral of the City pledged hereunder or under the Related Documents, on such terms and in such manner as the Bank may determine, or (E) exercise any other rights or remedies available under any Related Document, any other agreement or at law or in equity,

(b) The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have

no duty or obligation to the City, the Paying Agent, the Owners of the Notes or any other Person, (i) to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder, or (ii) to cause the Paying Agent or any other Person to exercise or to refrain from exercising any right or remedy available to it under any of the Related Documents.

(c) From and after the occurrence of an Event of Default, all amounts owing to the Bank hereunder and the Bank Note shall bear interest at the Default Rate.

Section 7.03. No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any right under this Agreement preclude any other further exercise of such right or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law or equity.

ARTICLE VIII

NATURE OF OBLIGATIONS; INDEMNIFICATION

Section 8.01. Obligations Absolute. The obligations of the City to pay all Required Payments under this Agreement and the other Related Documents shall be absolute, unconditional and irrevocable, notwithstanding any other provision of this Agreement or any other Related Document, and shall not be subject to any right of setoff, recoupment or counterclaim against the Bank or any Participant and shall be paid and performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever. Until the principal of and interest on the Notes and all Required Payments including the repayment of all Drawings, have been indefeasibly paid in full and all other obligations of the City hereunder and under the Related Documents have been performed and discharged, the City waives and covenants not to assert any right of setoff or recoupment against its obligation to make all payments of principal, interest and all other Required Payments due hereunder and under the other Related Documents in the amounts and at the times required hereby and thereby, and shall make such payments without abatement, diminution, deduction, counterclaim or defense for any reason, including, without limitation, in the following circumstances:

(a) any lack of validity or enforceability of the Letter of Credit or any of the Related Documents;

(b) any amendment or waiver of any provision, term or condition of any of the Related Documents;

(c) any failure of any portion of the Project to be delivered, constructed or completed, any defects, malfunctions, breakdowns or infirmities in the Project, any accident, condemnation, destruction or unforeseen circumstances, or any damage, destruction or condemnation of the Project or any part thereof or any acts or circumstances that may constitute failure of consideration or commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof;

(d) the existence of any dispute with, or any claim, right of setoff or recoupment, defense or other rights which the City may have at any time against, the Paying Agent, any beneficiary or any transferee of the Letter of Credit (or any Persons for whom the Paying Agent, any such beneficiary or any such transferee may be acting), the Bank (other than the defense of payment to the Bank in accordance with the terms of this Agreement), any Participant or any other Person, whether in connection with this Agreement, the Related Documents or any transaction contemplated thereby or any unrelated transaction;

(e) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(f) payment by the Bank under the Letter of Credit against presentation of a sight draft or certificate which does not comply with the terms of the Letter of Credit; and

(g) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff or recoupment against, the City's obligations hereunder or under any of the other Related Documents.

Section 8.02. Continuing Obligation. All covenants, agreements, representations and warranties made by the City in this Agreement and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the Bank and shall survive the execution and delivery of this Agreement, the issuance of the Letter of Credit and any Drawings under the Letter of Credit, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the Notes or any Required Payments remain outstanding and unpaid. The obligations of the City under this Agreement shall survive the expiration or termination of the Letter of Credit and continue until the date upon which all amounts due and owing to the Bank hereunder and under the Bank Note shall have been indefeasibly paid in full; provided, however, that the obligations of the City pursuant to Article II and Article VIII and Sections 10.14 and 10.15 hereof shall survive any expiration or termination of this Agreement.

Section 8.03. Liability of the Bank. With respect to the Bank, the City assumes any and all risks with respect to the acts or omissions of each of the Paying Agent, the Dealer, any transferee of the Letter of Credit and any other Person in connection with its or their use of the Letter of Credit or of any amounts made available by the Bank thereunder. Neither the Bank, its Affiliates nor any Participant nor any of their respective officers, directors, employees or agents shall be liable or responsible for any of the following: (a) the use that may be made of the Letter of Credit or any amounts made available by the Bank thereunder or for any acts or omissions of the Paying Agent, the City, the Dealer or any other Person in connection with the Letter of Credit or the use of its proceeds; (b) any of the acts, omissions, agreements, circumstances or conditions covered by the indemnification provided in Section 8.04 hereof; (c) any act or omission of the Bank; (d) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or

forged; (e) payment by the Bank against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (f) any other circumstances whatsoever in making or failing to make payment under the Letter of Credit; provided, that, the City shall have a claim against the Bank, and the Bank shall be liable to the City, to the extent, but only to the extent, of any direct, actual damages, but expressly not for any lost profits or any incidental, consequential, special, indirect or punitive damages (the right to recover or receive lost profits, incidental, consequential, special, indirect or punitive damages being hereby waived), suffered by the City and not required to be mitigated by the City, which direct, actual damages are determined by a final and nonappealable judgment of a court of competent jurisdiction to have been directly caused by (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms thereof or (ii) the Bank's willful failure to pay under the Letter of Credit after the presentation to it by the Paying Agent of a draft and certificate strictly complying with the terms and conditions thereof; provided, however, that the maximum amount of damages recoverable by the City as provided above is expressly limited to the Stated Amount. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 8.04. Indemnification; Taxes, Etc. To the extent permitted by law and in addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the City hereby agrees to defend, indemnify and hold harmless each of the Bank, its Affiliates, each Participant and each of the respective officers, directors, employees and agents of the foregoing Persons (each an "Indemnified Party") from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys' fees) that an Indemnified Party may incur (or which may be claimed against an Indemnified Party by any Person whatsoever) that arises out of or in connection with any of the transactions contemplated by this Agreement or the Related Documents, including, without limitation, (i) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the Offering Memorandum or any other Offering Memorandum or document used in connection with the Notes or the Letter of Credit, or in any supplement or amendment thereof, or the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they are or were made, not misleading or the failure to deliver the Offering Memorandum or any other Offering Memorandum or document to any offeree or purchaser of Notes (but excluding the Bank Disclosure or equivalent disclosure information relating to the Bank included in such other Offering Memorandum or document and provided in writing by the Bank for inclusion therein); (ii) the execution and delivery or transfer of, or payment or failure to pay under the Letter of Credit; (iii) the issuing, offering, sale, remarketing or resale of the Notes; (iv) the proposed or actual use of the proceeds of the Notes or of any amounts drawn under the Letter of Credit; (v) the untruth or material inaccuracy of any warranty or representation undertaken or given by the City in this Agreement or any Related Document or in any certificate furnished hereunder or thereunder or the breach or nonperformance by any Person of any covenant of this Agreement or any other Related Document; (vi) any act or omission of the City or any imposition arising from, burden imposed by, violation of, or failure to comply with, any Applicable Law by the City; (vii) any Taxes or Other Taxes; or (viii)(A) any patent or latent condition of or any real property, land or structure owned, leased or occupied by the City, (B) the construction, reconstruction, improvement, use,

occupancy, conduct or management of or any work or anything whatsoever done or omitted to be done in or about any real property, land or structure owned, leased or occupied by the City or (C) any accident, injury or damage whatsoever to any person occurring in or about any real property, land or structure owned, leased or occupied by the City; provided, in each case, that the City shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, directly caused by (1) the willful misconduct or gross negligence of the Bank or (2) the Bank's willful failure to pay under the Letter of Credit after the presentation to it by the Paying Agent of a draft and certificate strictly complying with the terms and conditions of the Letter of Credit, to the extent that there has been a final and nonappealable judgment of a court of competent jurisdiction that such claims, damages, losses, liabilities, costs and expenses were directly caused by the willful misconduct or gross negligence of the Bank. If any proceeding shall be brought or threatened against an Indemnified Party by reason of or in connection with the events described in (i), (ii), (iii), (iv), (v), (vi), (vii) or (viii), such Indemnified Party shall promptly notify the City in writing and the City shall assume the defense thereof, including the employment of counsel and the payment of all costs of litigation. The City will not settle or compromise any such action or claim without the prior written consent of the relevant Indemnified Party if the settlement or compromise would require any act or admission by such Indemnified Party or any of its Affiliates, or impose any cost or expense on the Indemnified Party or its Affiliates or impose any limitation on the business or future actions of the Indemnified Party or its Affiliates. Notwithstanding the preceding sentence, an Indemnified Party shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (x) the employment of such counsel has been authorized in writing by the City or (y) the City, after due notice of the action, shall not have employed counsel to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnified Party shall be borne by the City. The City shall not be liable for any settlement of any such action effected without its consent. Nothing under this Section 8.04 shall or shall be construed to limit the City's payment obligations under Article II.

The provisions of this Section 8.04 shall survive the termination of this Agreement and the payment in full of the Notes and the obligations of the City thereunder and hereunder.

Section 8.05. Facsimile Documents. At the request of the City, the Letter of Credit provides that Drawings thereunder may be presented to the Bank by, among other methods, facsimile. The City acknowledges and assumes all risks relating to the use of such facsimile demands for payment and agrees that its obligations under this Agreement and the Related Documents shall remain absolute, unconditional and irrevocable as provided in Section 8.01 above if the Bank honors such facsimile demands for payment.

ARTICLE IX

TRANSFER, REDUCTION OR REINSTATEMENT OF LETTER OF CREDIT

Section 9.01. Transfer, Reduction and Reinstatement. The Letter of Credit may be transferred, reduced and reinstated in accordance with the provisions set forth therein.

ARTICLE X

MISCELLANEOUS

Section 10.01. Right of Setoff. Upon the occurrence of an Event of Default, the Bank and its Affiliates may, at any time and from time to time, without notice to the City or any other Person (any such notice being expressly waived), set off and appropriate and apply, against and on account of, any obligations and liabilities of the City to the Bank or its Affiliates, whether or not arising under or connected with this Agreement or the Related Documents and without regard to whether or not the Bank shall have made any demand therefor and although such obligations and liabilities may be contingent or unmatured and regardless of currency, place of payment or booking office thereof, any and all deposits (general or special, including but not limited to Debt evidenced by certificates of deposit, but not including trust accounts) and any other Debt or other payment obligation at any time held or owing by the Bank or its Affiliates to or for the credit or the account of the City, whether or not arising under or connected with this Agreement or the Related Documents, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office thereof. The rights of the Bank under this Section are in addition to other rights and remedies (including other rights of setoff) which the Bank may have at law or in equity.

Section 10.02. Amendments and Waivers; Remedies Cumulative. No amendment or waiver of any provision of this Agreement nor any consent to any departure by the City from any such provision shall in any event be effective unless the same shall be in writing and signed by the Bank. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the event any covenant or agreement contained in this Agreement should be breached by the City and thereafter waived by the Bank, such waiver shall be limited to the particular breach so waived for the specific period set out in such waiver and such waiver shall not constitute a waiver of such breach for any other period and shall not waive any other or similar breach hereunder. Specifically and not in limitation of the foregoing, this Agreement may not be amended or modified by course of dealing, oral acknowledgement or agreement or by any writing, unless it is a writing which is expressly stated to constitute an amendment of this Agreement and is signed by an authorized officer of the Bank, and Authorized Representative. The rights and remedies of the Bank hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have.

Section 10.03. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

Section 10.04. Notices. All notices, requests, demands, directions and other communications (collectively “notices”) under the provisions of this Agreement shall be in writing (including facsimile communication), unless otherwise expressly permitted hereunder, and shall be properly addressed and sent by registered or certified mail or by express courier for next Business Day delivery and shall be deemed received as follows: (a) if by registered or certified mail, five (5) days after mailing; (b) if by express courier for next Business Day delivery, on the next Business Day; and (c) if by facsimile, when confirmation of transmission is obtained if prior to 5:00 p.m. local time on a Business Day, and otherwise, on the next Business Day; provided that

service of a notice prescribed by any applicable statute shall be considered complete when the requirements of that statute are met. Notices by electronic mail (e-mail) shall not constitute notice under this Agreement and are only to be used in addition to notice given as prescribed under (a), (b) or (c) of this Section 10.04. All notices shall be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

if to the City, addressed to the City at:

City of Garland, Texas
200 N. Fifth Street
Garland, Texas 75040
Attention: Matt Watson, Finance Director
Telephone: 972-205-2355
Facsimile: 972-205-2810
E-Mail: mwatson@garlandtx.gov

or if to the Bank, addressed to if at:

For Administrative Matters:

Barclays Capital Inc.
Municipal Finance - Liquidity
745 7th Ave, 19th Floor
New York, NY 10019
Attention: R. Cassandra Bolz
Telephone: (212) 526-3974

and, with respect to the Letter of Credit:

Barclays Bank PLC
745 7th Ave
New York, NY 10019
Attention: Letter of Credit Department
Telephone: (212) 320-7534 or (212) 320-7537

With a copy to:

Barclays Capital Inc.
Municipal Finance - Liquidity
745 7th Ave, 19th Floor
New York, NY 10019
Attention: R. Cassandra Bolz
Telephone: (212) 526-3974

or if to the Paying Agent, addressed to it at:

U.S. Bank National Association
Corporate Trust Services
100 Wall Street, Suite 600
New York, New York 10005
Attention: Wendy Kumar, Corporate Trust Services
Telephone: 212-951-8651
E-Mail: wendy.kumar@usbank.com

or if to the Dealer, addressed to it at:

Section 10.05. Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. The parties shall endeavor, in good faith negotiations, to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 10.06. GOVERNING LAW. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND TOGETHER WITH ANY DISPUTES OR CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES OTHER THAN NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401 (OR ANY SUCCESSOR STATUTE THERETO); PROVIDED THAT THE OBLIGATIONS AND RIGHTS OF THE CITY AND LEGAL AUTHORITY AND CAPACITY OF THE CITY UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

Section 10.07. Service of Process. The City and the Bank also irrevocably consent to the service of any and all process in any such action or proceeding by the mailing of copies of such process to the respective address set forth for such party in Section 10.04. The City and the Bank agree that a final judgment in any suit, action or proceeding shall be conclusive and may be enforced in appropriate jurisdictions by suit on the judgment or in any other manner provided by law. All mailings under this Section 10.07 shall be by certified mail, return receipt requested.

Nothing in this Section 10.07 shall affect the right of the Bank to serve legal process in any other manner permitted by law or affect the right of the Bank to bring any suit, action or proceeding against the City or its property in the courts of any other jurisdiction.

Section 10.08. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not have any effect for purposes of interpretation or construction of the terms of this Agreement.

Section 10.09. Participations. The City acknowledges and agrees that the Bank may participate all or any portion of its obligations under the Letter of Credit and the obligations of the City under the Bank Note and under this Agreement and any other Related Documents (collectively, the “Participated Obligations”) to other financial institutions and waives any notice of such participations; provided that no Participant shall be entitled to receive (nor shall the Bank be entitled to receive on behalf of any Participant) any greater payment under Section 2.07 than the Bank would have been entitled to receive without regard to any such participation unless any such participation is made with the express written consent of the City. The City agrees to provide to the Bank, promptly upon request, a copy of the most recent financial information concerning the City in connection with any such participation or prospective participation. The Bank may disclose to any Participants or prospective Participants any information or other data or material in the Bank’s possession relating to this Agreement, the Offering Memorandum or any other Related Document, without the consent of or notice to the City. The City further acknowledges and agrees that upon any such participation the Participants will become owners of a pro rata portion of the Participated Obligations and the City waives any right of setoff it may at any time have against the Bank or any Participant with regard to the Participated Obligations. The grant of any participation interest in the Participated Obligations shall not impair the Bank’s obligation to honor Drawings made in accordance with the express terms of the Letter of Credit.

Section 10.10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the City, the Bank and their respective successors, endorsees and assigns, except that the City shall not assign, transfer or delegate all or any portion of its rights or obligations hereunder without the prior written consent of the Bank. The Bank may grant interests in its rights hereunder as provided in Section 10.09; provided, however, that no such grant shall affect the obligations of the Bank under the Letter of Credit. Notwithstanding any other provision of this Agreement, the Bank may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, rights to payment under this Agreement) to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank, without notice to or consent of the City; provided that no such pledge or grant of a security interest shall release the Bank from any of its obligations hereunder, as the case may be, or substitute any such pledgee or grantee for the Bank as a party hereto, as the case may be.

Section 10.11. Complete and Controlling Agreement. This Agreement and the other Related Documents completely set forth the agreements between the Bank and the City and supersede all prior and contemporaneous understandings, agreements and contracts, both written and oral, between the Bank, and the City relating to the issuance of the Letter of Credit and all matters set forth herein and in the Related Documents.

Section 10.12. Waiver of Rule of Construction. The City hereby waives any and all provisions of law to the effect that an ambiguity in a contract or agreement should be interpreted against the party responsible for its drafting.

Section 10.13. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, THE CITY AND THE BANK EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (WHETHER AS CLAIM, COUNTER CLAIM, AFFIRMATIVE DEFENSE OR OTHERWISE) BASED HEREON, OR ARISING OUT

OF, UNDER OR IN CONNECTION WITH, THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE CITY OR THE BANK. THE CITY ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION AND RECOGNIZES AND AGREES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK ENTERING INTO THIS AGREEMENT AND ISSUING THE LETTER OF CREDIT. THE CITY REPRESENTS AND ACKNOWLEDGES THAT IT HAS REVIEWED THIS PROVISION WITH ITS LEGAL COUNSEL AND THAT IT HAS KNOWINGLY AND VOLUNTARILY WAIVED ANY JURY TRIAL RIGHTS IT MAY HAVE FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL.

Section 10.14. Payments Set Aside. To the extent that any payment by or on behalf of the City is made to the Bank, or the Bank exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 10.15. Usury. If notwithstanding the application of Section 2.03 of this Agreement, Applicable Law shall be interpreted by a court of competent jurisdiction to render usurious any amount or amounts payable to the Bank under this Agreement or under the Notes, or contracted for, charged or received by the Bank with respect to the obligations of the City hereunder or under the Notes, or if any acceleration or optional or extraordinary prepayment results in the City having paid any interest (together with any Charges) in excess of that permitted by Applicable Law, then it is the Bank's express intent that all excess amounts theretofore collected by the Bank shall be credited against the principal balance of the City's obligations to the Bank and the provisions of this Agreement and the other Related Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder modified, without the necessity of the execution of any new documents, so as to comply with the Applicable Law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to the Bank, which may be characterized as interest under Applicable Law shall, to the extent permitted thereby, be amortized, prorated, allocated, and spread throughout the full stated term of the Notes or other obligations of the City until payment in full so that the rate or amount of interest on account of such obligations does not exceed the Maximum Lawful Rate from time to time in effect and applicable to such obligations for so long as the obligations are outstanding.

Section 10.16. Extension. At any time not earlier than one hundred eighty (180) days, and not later than ninety (90) days, prior to the Stated Expiration Date, the City may by written notice to the Bank request that the Stated Expiration Date of the Letter of Credit and of this Agreement be extended on terms and conditions to be mutually agreed to by the City and the Bank. The Bank may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Bank shall have consented thereto in writing within thirty (30) days of the Bank's receipt of such written notice. The Bank's consent shall be conditioned upon the preparation, execution and delivery of documentation in form and substance

satisfactory to the Bank and its counsel. The Bank's failure to so respond to a requested extension of the Stated Expiration Date shall constitute the Bank's denial of such request. If the Stated Expiration Date is extended, the City shall, except as otherwise agreed to in writing by the Bank, be deemed to have made the representations and warranties contained herein on and as of the date on which the Stated Expiration Date is so extended.

Section 10.17. Electronic Signature; Electronically Signed Document. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e mail message; and "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. The parties agree that the electronic signature of a party to this Agreement (or any amendment or supplement of this Agreement) shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (a) to be "written" or "in writing," (b) to have been signed, and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts", if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Section 10.18. No Advisory or Fiduciary Responsibility. In connection with all aspects of the transactions contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the City acknowledges and agrees that: (a)(i) any arranging, structuring and other services regarding this Agreement provided by the Bank and any of its Affiliates are arm's length commercial transactions between the City, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the City is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents; (b)(i) the Bank and each of its Affiliates is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent or fiduciary for the City or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the City with respect to the Transactions, except those obligations expressly set forth herein; and (c) the Bank and each of its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the City, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the City. To the fullest extent permitted by Applicable Law, the City hereby waives and releases any claims that it may have against the Bank and each of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

[Remainder of page intentionally left blank]

[Signature Page to Letter of Credit Reimbursement Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit Reimbursement Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CITY OF GARLAND, TEXAS

By _____
Name _____
Title _____

[Signatures continued on next page]

[Signature Page to Letter of Credit Reimbursement Agreement]

BARCLAYS BANK PLC

By_____

Name: R. Cassandra Bolz

Title: Authorized Signatory for and on behalf
Barclays Bank PLC

EXHIBIT A

FORM OF LETTER OF CREDIT

April __, 2021
**U.S. \$55,547,946

BARCLAYS BANK PLC
IRREVOCABLE LETTER OF CREDIT NO. SB-03979

April __, 2021

U.S. Bank National Association
Corporate Trust Services
100 Wall Street
Suite 1600
New York, New York 10005
Attention: Wendy Kumar

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Ladies and Gentlemen:

At the request and for the account of the City of Garland, Texas (the “City”), a political subdivision and home rule municipal corporation of the State of Texas, pursuant to the Letter of Credit Reimbursement Agreement by and between us and the City dated as of April __, 2021 (as amended or supplemented from time to time pursuant to its terms, the “Reimbursement Agreement”), we hereby establish this Irrevocable Letter of Credit (the “Letter of Credit”) in your favor as Paying Agent (the “Paying Agent”) under the Issuing and Paying Agent Agreement dated April __, 2021, between the City and you, as Paying Agent (as it may be further amended or supplemented from time to time in accordance with its terms, the “Paying Agent Agreement”), for the benefit of the owners of the above-referenced commercial paper notes (the “Notes”) issued, executed and delivered pursuant to the Texas Government Code, Chapter 1371, as amended (the “Act”) and the Ordinance adopted by the City on April __, 2021, as the same may be amended and supplemented (the “CP Ordinance”), in accordance with the following terms and conditions.

1. **Expiration.** This Letter of Credit automatically shall expire on the Expiration Date. As used herein, “Expiration Date” shall mean 5:00 p.m., New York City time (except as otherwise specified in the following subparagraphs) on the earliest of:

- (a) April ___, 2024 (the “Stated Expiration Date”);
- (b) the date on which we receive an appropriately completed certificate from the Paying Agent in the form of Exhibit D hereto that the principal amount of and interest with respect to all of the Notes has been paid in full or deemed paid in full in accordance with the provisions of the CP Ordinance;
- (c) the date on which an Alternate Letter of Credit has become effective as provided under Section 4.03 of the CP Ordinance, in substitution for this Letter of Credit, and we have received an appropriately completed certificate from the Paying Agent in the form of Exhibit E hereto; or
- (d) the first to occur of (i) the date which is ten (10) days after you have received written notice from us (a “Final Drawing Notice”) in the form of Schedule III stating that an Event of Default has occurred under the Reimbursement Agreement and directing that you make a Final Drawing (as defined in paragraph 5) hereunder, pursuant to a draft and certificate for Final Drawing in the form of Exhibit B, whereby you shall draw an amount hereunder equal to the principal of and accrued interest to maturity on all Outstanding Notes in the manner provided herein and in the notice in the form of Schedule III or (ii) the date, following receipt of such notice in the form of Schedule III, upon which the Paying Agent has made such Final Drawing under this Letter of Credit and the proceeds of the Drawing have been distributed to the Paying Agent.

In the event the Expiration Date shall not be a Business Day, then this Letter of Credit shall expire on the next preceding Business Day.

2. **Stated Amount.** The maximum aggregate amount available under this Letter of Credit shall be \$55,547,946, which amount as from time to time reduced and reinstated as provided in Paragraphs 3 and 4 is hereinafter referred to as the “Stated Amount.” Of the Stated Amount, up to \$50,000,000 is available for the payment of the unpaid principal of the Notes (the “Principal Portion”) and up to \$5,547,946 is available for the payment of the unpaid interest accrued with respect to the Notes (the “Interest Portion”) for the immediately preceding two hundred seventy (270) days, calculated at a rate of 15% per annum based on a year of 365 or 366 days, as applicable. On each date on which payment is to be made on the Notes secured by this Letter of Credit you may submit a Drawing (as defined in paragraph 5 hereof) to us as provided in paragraph 6 hereof in an amount equal to the lesser of (1) the Stated Amount or (2) the amount of principal and interest due on the Notes maturing on the date for which the Drawing is requested.

3. **Reductions in the Stated Amount.** The Stated Amount shall be reduced automatically from time to time as follows:

- (a) Upon our honoring of a Drawing hereunder, the Stated Amount shall be reduced by an amount equal to the amount of such Drawing.
- (b) Upon our receipt of your certificate in the form of Exhibit C hereto appropriately completed, the Stated Amount shall be reduced by an amount equal to the amount specified in such certificate.

Upon such a reduction, we may require you to return the original of this Letter of Credit and to accept in substitution hereof a substitute Letter of Credit for a Stated Amount reflecting such reduction, but otherwise identical in form and substance to this Letter of Credit.

4. Reinstatement.

(a) Reductions under Paragraph 3(a) with respect to any Drawing in accordance with a draft and certificate in the form of Exhibit A hereto properly completed and presented prior to the delivery to you of a No Issuance Notice in the form of Schedule I hereto shall be reinstated automatically to the extent we receive reimbursement for the amounts so drawn. Any such automatic reinstatement shall be in an amount equal to the amount of such reimbursement. We will advise the Paying Agent of such reinstatement and the amount thereof upon request.

(b) Reductions under Paragraph 3(a) with respect to any Drawing in accordance with a draft and certificate in the form of Exhibit B hereto or a Drawing in the form of Exhibit A hereto following the delivery to you of a No Issuance Notice in the form of Schedule I hereto shall not be subject to reinstatement.

(c) Reductions under Paragraph 3(b) shall not be subject to reinstatement.

5. Documents To Be Presented. Funds under this Letter of Credit are available to you, against a draft and certificate purported to be signed by you in the form of Exhibit A hereto (each, a “Maturity Drawing”) or Exhibit B hereto (the “Final Drawing”) appropriately completed (Maturity Drawings and the Final Drawing are herein individually referred to as a “Drawing” and collectively referred to as “Drawings”).

6. Method and Notice of Presentment. Each Drawing and any other certificate or notice required or permitted to be provided to us hereunder, shall be in writing and dated the date of presentation and, in the case of each Drawing and the certificate in the form of Exhibit E, shall be delivered to us by facsimile; and, in all other cases, shall be delivered to us at the address stated in this paragraph, in person, by first class registered or certified mail or by an express delivery service. A Drawing (and any certificate in the form of Exhibit E) shall be presented on or after the date of this Letter of Credit during our business hours on a Business Day on or prior to the Expiration Date at our office at Barclays Bank PLC, New York Branch, 745 Seventh Avenue, New York, NY 10019, Attn: Letters of Credit Department, or at such other address or facsimile number as we may notify you in writing from time to time. As used herein, “Business Day” means any day other than (a) a day on which banks located in any of the cities in which the principal office of any of the Paying Agent, the Dealer (as defined in the Reimbursement Agreement) or the Bank is located are required or authorized by law to close, (b) a day on which the New York Stock Exchange is closed, or (c) a day on which the payment system of the Federal Reserve System is not operational. For purposes of this definition, the Bank’s principal office shall be that office of the Bank at which Drawings are to be presented under this Letter of Credit and the Paying Agent’s principal office shall be its respective office as designated in the Paying Agent Agreement.

7. Time and Method for Payment.

(a) If a Drawing is made by you in strict conformity with the terms and conditions of this Letter of Credit, we will honor the Drawing if such Drawing is received by us prior to 10:00 a.m. on a Business Day, not later than 1:00 p.m. on such Business Day or such later date as you may specify in such Drawing. If a Drawing is received by us on a day which is not a Business Day or is received after 10:00 a.m. on a Business Day, such Drawing shall be deemed to have been received by us on the next Business Day, and we will honor such Drawing by 1:00 p.m. on the Business Day on which the Drawing is deemed to have been received by us; provided in any case that the Business Day on which a Drawing is requested to be honored by us in accordance with the terms of this Paragraph 7 is on or prior to the Expiration Date. All times referenced herein are as of New York City time.

(b) Unless otherwise agreed, payment under this Letter of Credit shall be made by Fedwire in immediately available funds to U.S. Bank National Association, ABA #091-000-022; Account # 1731-0185-1827; Attn: Rosalyn Callender; Ref: City of Garland Ser 2015 CP. For the purposes of determining compliance with the times for payment specified in (a) above, payment shall be deemed to have been made by us when we have delivered appropriate wire transfer instructions to an appropriate Federal Reserve Bank.

(c) All payments made by the Bank under this Letter of Credit shall be made with the Bank's own funds.

8. Other Documents in the case of a Substitution. You agree to provide to us a duly completed certificate in the form of Exhibit F hereto upon the substitution of an Alternate Letter of Credit for this Letter of Credit as set forth in Paragraph 1(c) hereof; and you agree that each such certificate shall be provided (x) on the same day as any Drawing is made upon this Letter of Credit in connection with the substitution or (y) if no Drawing is made, on the effective date of such substitution.

9. Transferability. This Letter of Credit is transferable in its entirety, but not in part, to any transferee who has succeeded you as Paying Agent under the Paying Agent Agreement and the CP Ordinance and may be successively transferred. Transfer of the drawing rights under this Letter of Credit to such transferee shall be effected by (a) your presentation to us of the original of this Letter of Credit, including all amendments, if any, accompanied by a certificate in the form of Exhibit F hereto and (b) our transfer of this Letter of Credit (i) by endorsement on the original Letter of Credit or (ii) by issuance of a substitute Letter of Credit made out in favor of such transferee but otherwise identical in form and substance to this Letter of Credit.

10. Governing Law and Practices. This Letter of Credit is issued subject to the International Standby Practices (1998), International Chamber of Commerce, Publication No. 590 (the "ISP 98"). This Letter of Credit shall be deemed made under the laws of the State of New York, including Article 5 of the Uniform Commercial Code, and as to matters not addressed by the ISP 98 shall be governed by and construed in accordance with the laws of the State of New York and applicable U.S. Federal law.

11. **Irrevocability.** This Letter of Credit shall be irrevocable.

12. **No Negotiation.** A Drawing under this Letter of Credit shall be presented directly to us by you or by any transferee who has succeeded you as Paying Agent under the Paying Agent Agreement and the CP Ordinance and shall not be negotiated to or by any third party.

13. **Excluded Notes.** Notwithstanding any other provision of this Letter of Credit, no Drawing under this Letter of Credit may be made with respect to any (a) any Notes issued after the Expiration Date or maturing after the fifth calendar day prior to the Stated Expiration Date, (b) any Notes issued after your receipt of any No Issuance Notice in the form of Schedule I hereto or a Final Drawing Notice in the form of Schedule III hereto, in either case, from us and prior to your receipt of written notice from us that such No Issuance Notice or Final Drawing Notice, as applicable, is rescinded and (c) any Notes issued in a principal amount in excess of the principal amount of Notes maturing on the date such Notes are issued after your receipt of any Restricted Issuance Notice, in the form of Schedule II hereto from us and prior to your receipt of written notice from us that such Restricted Issuance Notice is rescinded, (d) any Note registered in the name of, or to the best of your knowledge held for the account or benefit of, the City, or any Affiliate of the City, or a Person who is a guarantor of any of the obligations of the City in connection with the Notes, and (e) any Notes from and after the date we receive notice from the Paying Agent in the form of Exhibit D hereto that payment or provision for payment of all the Notes has been made (Notes described in any of (a), (b), (c), (d) or (e) being referred to as “Excluded Notes”).

14. **Address for Communications.** Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at the address referenced in Paragraph 6, specifically referring thereon to our Irrevocable Letter of Credit No. New York Branch, 745 Seventh Avenue, New York, NY 10019, Attn: Letters of Credit Department SB-03979. At the time any such communications or Drawings are sent, copies of such communications or Drawings shall also be sent by facsimile to us at Barclays Bank PLC, (212) 412-5011; provided, however, that the failure to send such copies shall not affect our obligations hereunder. Communications with respect to the Paying Agent shall either be sent by first class registered or certified mail or express courier service, properly addressed and prepaid, or physically delivered to the address set forth on the first page of this Letter of Credit.

15. **Definitions.** In addition to the definitions set forth in the other paragraphs of this Letter of Credit, as used herein, (a) “Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person (and “control” (including “controlled by” and “under common control with”) means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise), and (b) “Alternate Letter of Credit” means a direct pay letter of credit or other credit facility satisfying the requirements of the CP Ordinance and which is accepted by the Paying Agent in substitution for this Letter of Credit, and (c) “Business Day” has the meaning assigned thereto in Paragraph 6 of this Letter of Credit, and (d) “Outstanding Notes” means, as of the time in question, all Notes executed and delivered under the CP Ordinance except Notes canceled or required to be canceled, Notes with respect to which all liability of the City shall have been discharged in accordance with the requirements of the CP Ordinance, and Notes in substitution for which other Notes have been

authenticated and delivered under the CP Ordinance, and (e) “Person” means an individual, a corporation, a partnership, an association, a joint venture, a trust, a business trust, a limited liability company or any other entity or organization, including a governmental or political subdivision or an agency or instrumentality thereof.

16. **Complete Agreement.** This Letter of Credit, including Exhibits A through F hereto and Schedules I, II and III hereto, sets forth in full the terms of our undertaking. Reference in this Letter of Credit to other documents or instruments is for identification purposes only and any such reference (including, without limitation, the use herein of terms defined in the Reimbursement Agreement) shall not modify, amend, amplify, limit or otherwise affect the terms of our undertaking or cause such documents or instruments to be deemed incorporated herein.

17. **U.S. Government Sanctions.** The Paying Agent and the City are advised that the U.S. Government has in place certain sanctions against certain countries, individuals, entities, and vessels. Barclays Bank PLC and its Affiliates are prohibited from engaging in transactions or other activities within the scope of applicable sanctions.

[Remainder of page intentionally left blank]

We hereby agree with you to honor your Drawings presented in strict compliance with the terms and conditions of this Letter of Credit.

Very truly yours,

BARCLAYS BANK PLC

By _____
Name _____
Title _____

EXHIBIT A

DRAFT AND CERTIFICATE FOR MATURITY DRAWING

\$50,000,000

City of Garland, Texas|
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

The undersigned, a duly authorized officer of U.S. Bank National Association (the “Paying Agent”), hereby certifies to Barclays Bank PLC (the “Bank”), with reference to Irrevocable Letter of Credit No. SB-03979 (the “Letter of Credit”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

1. The Paying Agent is the Paying Agent under the Paying Agent Agreement and is making this demand for payment of the principal of and interest on the above-referenced Notes in accordance with their terms, which amount is payable on [_____] (the “Payment Date”).

2. The following amounts are owed on Notes maturing on the Payment Date [complete as appropriate]

(a) \$[_____] constitutes the principal of Notes; and

(b) \$[_____] constitutes interest with respect to Notes.

3. Demand is hereby made under the Letter of Credit for \$[_____], which amount does not exceed the lesser of (i) the sum of the amounts specified in (2)(a) and (b) above and (ii) the Stated Amount.

4. The amount demanded hereunder does not include any amount payable with respect to an Excluded Note as described in Paragraph 13 of the Letter of Credit.

5. The proceeds hereof shall be deposited in the Note Payment Fund (as defined in the Paying Agent Agreement) and shall be applied solely to the payment of Notes in accordance with Section 2.10 of the CP Ordinance and Section 8 of the Paying Agent Agreement.

6. (a) Payment of this demand for payment is requested on or before 1:00 p.m., New York, New York time, on the later of (i) the Payment Date (or if the Payment Date is not a Business Day, the next succeeding Business Day) and (ii) the Business Day on which this Drawing is received or deemed to have been received by the Bank in accordance with paragraph 7(a) of the Letter of Credit.

(b) Payment of this demand for payment shall be made in accordance with the payment instructions provided in paragraph 7(b) of the Letter of Credit.

7. Drawn under Barclays Bank PLC Irrevocable Direct-Pay Letter of Credit No. SB-03979: Pay the amount of [\$_____] in interest with respect to the Notes as certified above.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the ____ day of _____, 20__.

U.S. Bank National Association, as Paying Agent

By _____
Name _____
Title _____

EXHIBIT B

DRAFT AND CERTIFICATE FOR FINAL DRAWING

\$50,000,000

City of Garland, Texas

General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

The undersigned, a duly authorized officer of U.S. Bank National Association (the “Paying Agent”), hereby certifies to Barclays Bank PLC (the “Bank”), with reference to Irrevocable Letter of Credit No. SB-03979 (the “Letter of Credit”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

The Paying Agent is the Paying Agent under the Paying Agent Agreement and is making this Drawing for amounts sufficient to pay the principal of and interest on the Notes outstanding at their respective maturity in accordance with the CP Ordinance. Payment for this demand for payment shall be made on _____ (the “Payment Date”).

1. We are in receipt of the written notice from you described in paragraph 1(d) of the Letter of Credit.

2. The following amounts will be due and owing on the Notes currently outstanding at the respective maturity dates thereof: [complete as appropriate]

(a) \$[_____] constitutes the principal of Notes; and

(b) \$[_____] constitutes interest with respect to Notes.

3. Demand is hereby made under the Letter of Credit for \$[_____] , which amount does not exceed the lesser of the sum of the amounts specified in 2(i) and (ii) above and the Stated Amount.

4. The amount demanded hereunder does not include any amount payable with respect to an Excluded Note as described in Paragraph 13 of the Letter of Credit.

5. The proceeds hereof shall be deposited in the Note Payment Fund (as defined in the Paying Agent Agreement) and shall be applied solely to the payment of Notes in accordance with Section 2.10 of the CP Ordinance and Section 8 of the Paying Agent Agreement.

6. (a) Payment of this demand for payment is requested on or before 1:00 p.m., New York, New York time, on the later of (i) the Payment Date (or if the Payment Date is not a Business Day, the next succeeding Business Day) and (ii) the Business Day on which this Drawing is received or deemed to have been received by the Bank in accordance with paragraph 7(a) of the Letter of Credit.

(b) Payment of this demand for payment shall be made in accordance with the payment instructions provided in paragraph 7(b) of the Letter of Credit.

7. The Letter of Credit shall be returned to the Bank upon our receipt of payment of this demand for payment and no additional amounts shall be drawn under the Letter of Credit.

Drawn under Barclays Bank PLC Irrevocable Direct-Pay Letter of Credit No. SB-03979:
Pay the amount of [\$_____] in principal of the Notes as certified above.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the ____ day of _____, 20__.

U.S. Bank National Association, as Paying
Agent

By _____
Name _____
Title _____

EXHIBIT C

CERTIFICATE REGARDING REDUCTION OF STATED AMOUNT

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

The undersigned, a duly authorized officer of U.S. Bank National Association (the "Paying Agent"), hereby certifies to Barclays Bank PLC (the "Bank"), with reference to Irrevocable Letter of Credit No. SB-03979 (the "Letter of Credit"; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, that:

1. The City has instructed the Paying Agent to reduce the Stated Amount of the Letter of Credit.

2. The Principal Portion shall be reduced by \$[] and the Interest Portion shall be reduced by \$[] which is 270 days' interest at 15% per annum (based on a year of 365 days) on the amount of the reduction in the Principal Portion.

3. Pursuant to paragraph 3 of the Letter of Credit, the Stated Amount shall be reduced automatically by \$[], such reduction to be allocated so that the Principal Portion and the Interest Portion of the Stated Amount are reduced by the amounts stated in paragraph 2, upon receipt by the Bank of this Certificate.

4. The Stated Amount, as so reduced, is at least equal to the outstanding principal amount of the Notes plus 270 days' interest thereon at 15% per annum (based on a year of 365 days).

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the ____ day of _____, 20__.

U.S. Bank National Association, as Paying
Agent

By _____
Name _____
Title _____

EXHIBIT D

TERMINATION CERTIFICATE—DEFEASANCE/PAYMENT

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

The undersigned, a duly authorized officer of U.S. Bank National Association (the “Paying Agent”), hereby certifies to Barclays Bank PLC (the “Bank”), with reference to Irrevocable Letter of Credit No. SB-03979 (the “Letter of Credit”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, as follows:

We hereby instruct you [to terminate the Letter of Credit as the principal amount of and interest on all Outstanding Notes, other than Excluded Notes, has been paid or provision for such payment in full is deemed to have been made by the deposit of cash or eligible securities and all of the Outstanding Notes, other than Excluded Notes, have been defeased in accordance with Section 6.06 of the CP Ordinance.] [to terminate the Letter of Credit as the principal amount of and interest on all Outstanding Notes, other than Excluded Notes, has been paid in full in accordance with the CP Ordinance.] [that the Letter of Credit shall terminate on [_____] and that cash or eligible securities sufficient to pay the principal amount of and interest on all Outstanding Notes, other than Excluded Notes, has been deposited in accordance with Section 6.06 of the CP Ordinance.]

[The original Letter of Credit, including all amendments, if any, is attached hereto and being surrendered to you herewith.]

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate
as of the ____ day of _____, 20__.

U.S. Bank National Association, as Paying
Agent

By _____
Name _____
Title _____

EXHIBIT E

TERMINATION CERTIFICATE—ALTERNATE LETTER OF CREDIT

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

The undersigned, a duly authorized officer of U.S. Bank National Association (the “Paying Agent”), hereby certifies to Barclays Bank PLC (the “Bank”), with reference to Irrevocable Letter of Credit No. SB-03979 (the “Letter of Credit”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in favor of the Paying Agent, as follows:

In accordance with the terms of the CP Ordinance, we hereby confirm the termination of the Letter of Credit for the reason that the conditions precedent to the acceptance of an Alternate Letter of Credit under Section 4.03 of the CP Ordinance have been satisfied, all demands for payment under the Letter of Credit for Notes (other than Excluded Notes) have been paid in accordance with the provisions of the Letter of Credit and the Alternate Letter of Credit has become effective under the CP Ordinance in substitution for the Letter of Credit.

The original Letter of Credit, including all amendments, if any, is attached hereto and being surrendered to you herewith.

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this Certificate as of the ____ day of _____, 20__.

U.S. BANK NATIONAL ASSOCIATION, as Paying
Agent

By _____
Name _____
Title _____

EXHIBIT F
NOTICE OF TRANSFER

[DATE]

Barclays Bank PLC
745 Seventh Avenue
New York, NY 10019
Attention: Letter of Credit Department

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

Ladies and Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

(Name of Transferee)

(Address)

all rights of the undersigned beneficiary to draw under the above Letter of Credit in its entirety. Any capitalized term used herein and not defined shall have its respective meaning as set forth in Letter of Credit No. SB-03979 issued by you in connection with the above-referenced Notes.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the transferee and the transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised directly to the transferee without necessity of any consent of or notice to the undersigned beneficiary.

By its signature below the undersigned transferee acknowledges that it has duly succeeded as Paying Agent under the CP Ordinance.

The original Letter of Credit, including all amendments, if any, is returned herewith and we ask you to notify the transferee in such form as you deem advisable of this transfer and of the terms and conditions of the Letter of Credit.

Yours very truly,

SIGNATURE AUTHENTICATED:

U.S. Bank National Association

(Authorized Signature)

By _____
Name _____
Title _____

ACKNOWLEDGED:

[TRANSFEREE]

By _____
Name _____
Title _____

EXHIBIT G
NOTICE OF EXTENSION

[DATE]

U.S. Bank National Association,
as Paying Agent
Corporate Trust Services
100 Wall Street
Suite 1600
New York, New York 10005
Attention: Wendy Kumar

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

Ladies and Gentlemen:

The undersigned, a duly authorized signatory of Barclays Bank PLC (the “Bank”), hereby advises you, with respect to the above-referenced Irrevocable Letter of Credit (the “Letter of Credit”; any capitalized term used herein and not defined shall have its respective meaning as set forth in the Letter of Credit) issued by the Bank in your favor, that:

1. At the request and for the account of the City of Garland, Texas, we hereby extend the date referenced in paragraph 1(a) of the Letter of Credit (as such date may have been extended previously from time to time) to
2. Except as specifically provided in paragraph (1) above, all of the terms and conditions of the Letter of Credit remain unchanged and in full force and effect.
3. This Notice of Extension is an integral part of the Letter of Credit.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Extension as of the ____ day of _____, ____.

BARCLAYS BANK PLC

By _____
Name _____
Title _____

SCHEDULE I
FORM OF NO ISSUANCE NOTICE

[DATE]

U.S. Bank National Association
Corporate Trust Services
100 Wall Street
Suite 1600
New York, New York 10005
Attention: Wendy Kumar

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

Ladies and Gentlemen:

The undersigned, pursuant to the Letter of Credit Reimbursement Agreement between Barclays Bank PLC (the “Bank”) and the City of Garland, Texas dated as of April __, 2021 (as amended or supplemented from time to time pursuant to its terms, the “Reimbursement Agreement”), hereby notifies you as Paying Agent for the above-referenced Notes (the “Notes”) that an Event of Default, as defined in the Reimbursement Agreement, has occurred. Unless this notice is subsequently rescinded by the undersigned in writing, all Notes issued after your receipt of this notice shall be “Excluded Notes” as defined in the above-referenced Letter of Credit (the “Letter of Credit”) issued for your benefit as Paying Agent for the Notes. On the maturity date of the last maturing Note issued prior to your receipt of this notice and upon payment of all amounts drawn under the Letter of Credit with respect to such Notes, the Letter of Credit shall be returned to the undersigned for cancellation.

IN WITNESS WHEREOF, the undersigned has executed this No Issuance Notice as of the ____ day of _____, 20__.

BARCLAYS BANK PLC

By _____
Name _____
Title _____

SCHEDULE II
FORM OF RESTRICTED ISSUANCE NOTICE

[DATE]

U.S. Bank National Association
Corporate Trust Services
100 Wall Street
Suite 1600
New York, New York 10005
Attention: Wendy Kumar

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

Ladies and Gentlemen:

The undersigned, pursuant to the Letter of Credit Reimbursement Agreement between Barclays Bank PLC (the “Bank”) and the City of Garland, Texas dated as of April __, 2021 (as amended or supplemented from time to time pursuant to its terms, the “Reimbursement Agreement”), hereby notifies you as Paying Agent for the above-referenced Notes (the “Notes”) that an Event of Default, as defined in the Reimbursement Agreement, has occurred. Unless this notice is subsequently rescinded by the undersigned in writing, all Notes issued after your receipt of this notice in a principal amount in excess of the principal amount of Notes maturing on such date of issuance shall be “Excluded Notes” as defined in the above-referenced Letter of Credit issued for your benefit as Paying Agent for the Notes.

IN WITNESS WHEREOF, the undersigned has executed this Restricted Issuance Notice as of the ____ day of _____, 20__.

BARCLAYS BANK PLC

By _____
Name _____
Title _____

SCHEDULE III
FORM OF FINAL DRAWING NOTICE

[DATE]

U.S. Bank National Association
Corporate Trust Services
100 Wall Street
Suite 1600
New York, New York 10005
Attention: Wendy Kumar

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Irrevocable Letter of Credit No. SB-03979

Ladies and Gentlemen:

The undersigned, pursuant to the Letter of Credit Reimbursement Agreement between Barclays Bank PLC (the “Bank”) and the City of Garland, Texas dated as of April __, 2021 (as amended or supplemented from time to time pursuant to its terms, the “Reimbursement Agreement”), hereby notifies you as Paying Agent for the above-referenced Notes (the “Notes”) that an Event of Default, as defined in the Reimbursement Agreement, has occurred. Unless this notice is subsequently rescinded by the undersigned in writing, you are directed to make a Final Drawing under the above-referenced Letter of Credit (the “Letter of Credit”) issued for your benefit as Paying Agent for the Notes within two (2) Business Days of your receipt of this notice and all Notes issued after your receipt of this notice shall be “Excluded Notes” as defined in the Letter of Credit. You are further notified that the Letter of Credit shall terminate on the date which is ten (10) days after your receipt of this notice.

IN WITNESS WHEREOF, the undersigned has executed this Final Drawing Notice as of the ____ day of _____, 20__.

BARCLAYS BANK PLC

By _____
Name _____
Title _____

EXHIBIT B
FORM OF PAYING AGENT'S LETTER

April __, 2021

Barclays Bank PLC

Re: Irrevocable Transferable Direct Pay Letter of Credit No. SB-03979

Dear Ladies and/or Gentlemen:

We refer to the above referenced Irrevocable Transferable Direct Pay Letter of Credit (the "Letter of Credit") issued pursuant to the Letter of Credit Reimbursement Agreement dated April __, 2021 (the "Reimbursement Agreement") by and among the City of Garland (the "City"), and Barclays Bank PLC

We have read and understand our obligations under the Reimbursement Agreement. We hereby further agree to provide notice to you in the form of Exhibit E to the Letter of Credit when so instructed by the City or when payment for all of the Notes has been made pursuant to the CP Ordinance. Subject to the terms and conditions of the CP Ordinance and the Paying Agent Agreement regarding performance of the duties set forth therein by the Paying Agent, we agree to perform our duties set forth in Article II of the Reimbursement Agreement and the Letter of Credit.

Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Reimbursement Agreement.

Very truly yours,

[Signature on next page]

[Signature Page to Letter of Paying Agent]

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By _____
Name _____
Title _____

EXHIBIT C
COMPLIANCE WITH LAW DISCLOSURES

None

EXHIBIT D

FORM OF COMPLIANCE CERTIFICATE

To: Barclays Bank PLC (the “Bank”)

This Compliance Certificate is furnished pursuant to that certain Letter of Credit Reimbursement Agreement dated April __, 2021, (as amended, modified, renewed or extended from time to time, the “Agreement”) by and among the City of Garland (the “City”) and the Bank. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the _____ of the City;
2. This Compliance Certificate is provided with respect to the [Fiscal Quarter/Fiscal Year] ending on [_____] (the “Relevant Period”).
3. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the City during the Relevant Period; and
4. The examinations described in paragraph 3 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default or Event of Default during or at the end of the Relevant Period or as of the date of this Compliance Note, except as set forth below.

Described below are the exceptions, if any, to paragraph 4 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the City has taken, is taking, or proposes to take with respect to each such condition or event:

5. In accordance with Section 5.02 of the Agreement, I certify on behalf of the City the following as of __, 20__ for the Relevant Period:

(a) Annex attached hereto sets forth financial data and computations evidencing the City’s compliance with the above covenants of the Agreement, all of which data and computations are true, complete and correct.

6. [OTHER REPORTING ITEMS, INCLUDING 5.02(C)(IV), AS APPLICABLE].

The foregoing certifications, together with any financial data and computations provided herewith, are made and delivered this ____ day of _____, ____.

CITY OF GARLAND, TEXAS

By _____
Name _____
Title _____

EXHIBIT E
FORM OF BANK NOTE

CUSIP NUMBER: [_____]

\$50,000,000
City of Garland, Texas
General Obligation Commercial Paper Notes
Series 2021

Barclays Bank PLC
New York, New York

For value received, CITY OF GARLAND (the “City”), promises to pay to the order of BARCLAYS BANK PLC (the “Bank”), the lesser of (a) \$55,547,946 and (b) the unpaid aggregate principal and interest amounts due and owing to the Bank under that Letter of Credit Reimbursement Agreement dated as of April __, 2021 (the “Reimbursement Agreement”) by and among the City and the Bank. The City promises to pay interest on the unpaid principal amount of this Bank Note on the dates and at the rate or rates provided for in the Reimbursement Agreement. All such payments of principal and interest shall be made in lawful money of the United States in immediately available funds to the Bank as provided in the Reimbursement Agreement.

All Principal Drawings and Term Amortizations made by the Bank, the maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such Principal Drawing and Term Amortization then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the City hereunder or under the Reimbursement Agreement.

This Note is secured by and entitled to all the benefits of the Reimbursement Agreement and the other Related Documents. Reference is made to the provisions of Article II of the Reimbursement Agreement as well as Sections 8.01, 8.02, 10.14, 10.15 and the other provisions thereof relating to the payment of Bank Debt Service and such provisions are incorporated by reference herein. Whenever an event of default under the Reimbursement Agreement shall have occurred and, as a result thereof, the principal owing thereunder and interest accrued thereon, shall have been declared to be immediately due and payable, the unpaid principal amount of and accrued interest on this Note and all other amounts payable hereunder shall also be due and payable on the date of such acceleration, provided that the annulment of a declaration of acceleration shall also constitute an annulment of any corresponding declaration of acceleration with respect to this Note.

This Note shall be subject to mandatory and optional prepayment in accordance with the provisions of the Reimbursement Agreement.

Each payment of principal of and any premium and interest on this Note shall at all times be sufficient to pay when due the total amount of principal (whether at maturity or upon

acceleration) or prepayment price of, and interest payable under this Note (whether at mandatory or optional prepayment, maturity or upon acceleration) and such other amounts required by the Reimbursement Agreement.

All payments hereunder shall be payable in lawful money of the United States of America in immediately available funds. The obligation of the City to make payments hereunder shall be absolute and unconditional and the City shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the City may have or assert against the Bank, the Paying Agent, the Dealer or any other person.

The City hereby promises to pay all costs of collection and fees in the event of a default of this Note including, without limitation, reasonable arbitration, paralegals', attorneys' and experts' fees and expenses, whether incurred without the commencement of a suit, in any trial, arbitration, or administrative proceeding, or in any appellate or bankruptcy proceeding.

The City hereby waives presentment, notice of prepayment or acceleration, notice of dishonor and protest and all other notices, except for such notices (if any) of Default required to be given under the Related Documents, protest, diligence in collecting or bringing suit against the City or any other party liable hereon and waives all rights to the benefit of any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisalment, and exemption now provided, or which may hereafter be provided by the Constitution and laws of the United States of America and of any state thereof, both as to itself and in and to all of its property, real and personal, against the enforcement and collection of the obligations evidenced by this Note. The City further agrees to any and all extensions, renewals, modifications, partial payments, substitutions of evidence of indebtedness, and the taking or release or impairment of any collateral with or without notice before or after demand by the Bank for payment hereunder.

The failure of the holder hereof to exercise any of its rights hereunder in any particular instance shall not constitute a waiver of the same or any other right in that or any subsequent instance. Time is of the essence for this Note and all of the City's obligations hereunder.

This Note shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns. The Bank's interests in and rights under this Note are freely assignable, in whole or in part, by the Bank. In addition, nothing in this Note or any of the other Related Documents shall prohibit the Bank from pledging or assigning this Note or any interest herein to any Federal Reserve Bank. The City shall not assign its rights and interest hereunder without the prior written consent of the Bank, and any attempt by the City to assign without the Bank's prior written consent is null and void. Any assignment shall not release the City from its obligations hereunder and under the other Related Documents.

Capitalized terms used in this Bank Note and not defined herein shall have the meaning assigned in the Reimbursement Agreement and the CP Ordinance.

[Remainder of page intentionally left blank; signature and authentication on following pages]

IN WITNESS WHEREOF, the City has issued this Bank Note and caused the same to be signed by its Mayor and attested by its City Secretary.

Attested:

CITY OF GARLAND, TEXAS

By _____
Name _____
Title _____

By _____
Name _____
Title _____

Exhibit C

ISSUING AND PAYING AGENT AGREEMENT

ISSUING AND PAYING AGENT AGREEMENT

This Issuing and Paying Agent Agreement, dated as of April 20, 2021 (the "Agreement"), is by and between the City of Garland, Texas, a municipal corporation duly organized and existing under the laws of the State of Texas (the "City") and U.S. Bank National Association, a national banking association with trust powers duly organized and existing under the laws of the United States of America and authorized to do business in the State of Texas (the "Issuing and Paying Agent").

RECITALS

WHEREAS, the City has duly authorized and provided for the issuance of "City of Garland, Texas, General Obligation Commercial Paper Notes, Series 2021" in an aggregate principal amount not to exceed \$50,000,000 (the "Commercial Paper Notes") pursuant to an ordinance adopted by the City on April 20, 2021, as amended from time to time (the "Ordinance"), and, in conjunction with the issuance and sale of such securities for and on behalf of the City, the Issuing and Paying Agent has agreed to act (i) as depository for the safekeeping of such Commercial Paper Notes, (ii) as issuing agent on behalf of the City in connection with the issuance of such Commercial Paper Notes, including making drawings under the Letter of Credit (as hereinafter described) to make such payments, (iii) as paying agent to undertake certain obligations to make payments in respect of the Commercial Paper Notes, and (iv) as a registrar in relation to the registration, payment, transfer, and exchange of the Commercial Paper Notes; now, therefore, the City and the Issuing and Paying Agent hereby mutually agree as follows:

Section 1. Appointment of Agent. The City hereby appoints the Issuing and Paying Agent and the Issuing and Paying Agent hereby agrees to act, on the terms and conditions specified herein and in the Ordinance, as custodian and issuing and paying agent for the Commercial Paper Notes. Additionally, the selection and appointment of the Issuing and Paying Agent to serve as Paying Agent/Registrar for the Commercial Paper Notes is hereby confirmed, and the City covenants and agrees to keep and maintain at the office of the Issuing and Paying Agent set forth in Section 12(b) hereof so long as the Issuing and Paying Agent serves such function of Paying Agent/Registrar appropriate books and records (the "Registration Books") relating to the registration, payment, transfer and exchange of the Commercial Paper Notes, all as provided herein and in accordance with such reasonable rules and regulations as the Issuing and Paying Agent as Paying Agent/Registrar may prescribe. For purposes of satisfying the requirements of Texas Government Code, Section 1203.021(b)(2), as amended, the City designates itself as a "registrar" and shall maintain a copy of the Registration Books within the State of Texas.

The Commercial Paper Notes will initially be issued in book-entry form ("Book-Entry Notes") with the aggregate of all such obligations evidenced by Master Notes ("Master Notes") in substantially the form set forth in the Ordinance. Pursuant to the Ordinance, the City may elect to terminate issuing the Commercial Paper Notes in book-entry form in which case they shall be issued in certificated form evidenced by individual certificates ("Certificated Notes"). The Commercial Paper Notes will be sold through such commercial paper dealer or dealers as the City shall have selected and identified to the Issuing and Paying Agent in writing from time to time (the "Dealer"). The Dealer currently is Barclays Capital Inc.

To provide credit support for the payment of principal of and interest due on Commercial Paper Notes, the City has entered that certain Reimbursement Agreement by and between the City and Barclays Bank PLC (the "Credit Provider"), dated as of _____, 2021 (the

“Reimbursement Agreement”) pursuant to which the Credit Provider has issued its irrevocable direct pay letter of credit (the “Letter of Credit”). In the Ordinance, the City has reserved the right to change the bank providing a credit facility or a liquidity facility with respect to the Commercial Paper Notes, which change is subject to the notice provisions set forth in the Ordinance and herein. Prior to the effective date of any substitute credit or liquidity facility, all Commercial Paper Notes issued that are secured by the then-existing credit or liquidity facility, including the Letter of Credit, shall have matured or appropriate provisions shall have been made for their payment at maturity. As covenanted in the Ordinance, while any Commercial Paper Notes are outstanding, the City will maintain credit or liquidity facilities with one or more banks in amounts such that, assuming that all then outstanding Commercial Paper Notes were to become due and payable immediately, the amount available for borrowing under such facilities would be sufficient at that time to pay principal of and interest on all Commercial Paper Notes.

Section 2. Book-Entry-Only System. Pursuant to Section 2.02 of the Ordinance, the City has determined initially to issue the Commercial Paper Notes in book-entry-only form through The Depository Trust Company (“DTC”) for delivery and settlement of the Commercial Paper Notes. The City shall provide the Issuing and Paying Agent and DTC an executed Book-Entry-Only Municipal Tax-Exempt Commercial Paper (TECP) (Master Note) Letter of Representations (the “Letter of Representations”) and the Issuing and Paying Agent shall provide to DTC an executed Exhibit A to the existing U.S. Bank National Association Money Market Instrument Certificate Agreement (the “Certificate Agreement”), and either or both the City and the Issuing and Paying Agent shall provide such other appropriate agreements, that establish or will establish, among other things, the procedures to be followed by the Issuing and Paying Agent in connection with the issuance and custody of the Commercial Paper Notes in book-entry form. The Issuing and Paying Agent and the City agree to comply with the relevant portions of DTC’s Commercial Paper Issuing and Paying Agent Manual and the DTC Same Day Settlement System Rules (collectively, the “DTC Rules”). The City’s obligations under the Commercial Paper Notes issued in book-entry form shall be evidenced by Master Notes substantially in the form attached to the Letter of Representations or other such agreement with DTC.

Section 3. Supply of Commercial Paper Notes. The City will from time to time, and prior to the date that Commercial Paper Notes are first issued, furnish the Issuing and Paying Agent with an adequate supply of Commercial Paper Notes, which shall be Master Notes and/or Certificated Notes, as the City in its sole and absolute discretion considers appropriate. Book-Entry Notes shall be represented by one or more Master Notes, which shall be executed by manual or facsimile signature by an Authorized Representative (as hereafter defined) in accordance with the Letter of Representations. Certificated Notes shall be serially numbered and shall have been executed by manual or facsimile signature of an Authorized Representative, with the principal amount, payee, date of issue, maturity date, amount of interest (if an interest-bearing Commercial Paper Note), and maturity value left blank. Pending receipt of instructions pursuant to this Agreement, the Issuing and Paying Agent will hold the Commercial Paper Notes in safekeeping for the account of DTC in accordance with the requirements of the Certificate Agreement or other such agreement prescribed by DTC and, in the event Certificated Notes are used, for the account of the City in accordance with its customary practice. The Certificated Notes shall be printed on a manifold that will produce one original and three non-negotiable copies.

Section 4. Authorized Representatives. From time to time, the City will furnish the Issuing and Paying Agent with a certificate or certificates, substantially in the form attached hereto as **Exhibit A**, certifying the incumbency and specimen signatures of officers or agents of the City authorized to execute Commercial Paper Notes on behalf of the City by manual or facsimile signature and/or to take other action hereunder on behalf of the City (each an “Authorized

Representative"). Until the Issuing and Paying Agent receives a subsequent incumbency certificate of the City, it shall be entitled to conclusively rely upon the last such certificate delivered to the Issuing and Paying Agent for purposes of determining the Authorized Representatives. The Issuing and Paying Agent shall not have any responsibility to the City to determine by whom or by what means a facsimile signature may have been affixed on the Commercial Paper Notes, or to determine whether any facsimile or manual signature resembles the specimen signature(s) filed with the Issuing and Paying Agent by a duly authorized officer of the City. Any Commercial Paper Notes bearing the manual or facsimile signature of a person who is an Authorized Representative on the date such signature is affixed shall be binding on the City after the authentication thereof by the Issuing and Paying Agent notwithstanding that such person shall have died or shall have otherwise ceased to hold his office on the date such Commercial Paper Note is countersigned or delivered to the Issuing and Paying Agent.

Section 5. Completion, Authentication, and Delivery of Commercial Paper Notes. (a) Instructions for the issuance of Commercial Paper Notes (the "Instructions") will be given via SPANS (the "System"), as such System is substantially described herein in Section 6, if available, or in writing (which may be by facsimile or electronic message) either by an Authorized Representative, or by any officer or employee of a Dealer who has been designated by an Authorized Representative in writing to the Issuing and Paying Agent as a person authorized to give such Instructions hereunder (each an "Authorized Dealer Representative"), provided that Instructions may be given in writing if the System is unavailable or is inoperative, and provided further that the Issuing and Paying Agent will not issue Commercial Paper Notes in an amount that would cause the total amount of the Commercial Paper Notes previously issued and currently outstanding (after taking into account the Commercial Paper Notes paid or to be paid on such proposed issuance date) plus interest to accrue thereon plus the amount of any unpaid Drawing (as defined in the Reimbursement Agreement) made pursuant to the Letter of Credit to exceed the Initial Stated Amount (as defined in the Reimbursement Agreement) and that would mature less than five (5) calendar days prior to the expiration of the Letter of Credit. Provided, that should there be any extension of the Letter of Credit, the Issuing and Paying Agent shall be given written notice of such extension within ten (10) Business Days of the agreement upon such extension and the Paying Agent shall provide notice of such extension to the Dealer within five (5) Business Days of the Paying Agent's receipt of such notice. Upon receipt of Instructions as described in this Section, the Issuing and Paying Agent will withdraw the necessary Commercial Paper Note(s) from safekeeping and, in accordance with such Instructions, shall, (i) in the case of Book-Entry Notes, cause the issuance of such Book-Entry Notes in the manner set forth in, and take such other actions as are required by, the Letter of Representations and the Certificate Agreement, or other such agreement, or, (ii) in the case of Certificated Notes:

(1) complete each Certificated Note as to principal amount (which shall not be less than \$100,000 and integral multiples of \$1,000 in excess of such amount or which, collectively with the outstanding Commercial Paper Notes (in any form) will not exceed \$50,000,000 in principal), payee, date of issue, maturity date (which shall not be more than 270 days from the date of issue), amount of interest (calculated at a rate of interest that shall never exceed the maximum interest rate allowed by Texas Government Code, Chapter 1204, as amended, and which statutory maximum interest rate is, as of the date of this Agreement, a net effective interest rate of fifteen percent (15.00%) per annum), and maturity value; and

(2) manually countersign each Certificated Note by any one of the Issuing and Paying Agent's officers or employees who are duly authorized and designated for such purpose; and

(3) deliver the Certificated Note(s) to the appropriate Dealer or its agent within the Borough of Manhattan and the State of New York, which delivery shall be against receipt for payment as herein provided or as otherwise provided in such Instructions. (If such instructions do not provide for such receipt, such Dealer shall nevertheless pay the purchase price for the Certificated Note(s) (in accordance with Section 7 hereof.)) Of the three (3) non-negotiable copies of each Commercial Paper Note, two shall be retained by the Issuing and Paying Agent and one shall be sent promptly to the City.

(b) Instructions given via the System must be entered by 11:00 A.M., New York time, for physical issuance and 11:00 A.M., New York time, for book-entry issuance, and Instructions delivered in writing (which may be by facsimile or electronic message) must be received by the Issuing and Paying Agent by 11:00 A.M., New York time, if the Commercial Paper Note(s) are to be delivered the same day. The City understands and agrees that the Issuing and Paying Agent shall have no obligation to act on Instructions, deliver Commercial Paper Notes, or take any other action on any day that the Issuing and Paying Agent is not open for business.

(c) The City understands that although the Issuing and Paying Agent has been instructed to deliver Commercial Paper Notes against payment, delivery of Certificated Notes will, in accordance with the custom prevailing in the commercial paper market, be made before receipt of payment in immediately available funds. Therefore, once the Issuing and Paying Agent has delivered a Certificated Note to a Dealer or its agent as provided in Section 5(a)(3) hereof, the City shall bear the risk that a Dealer or its agent fails to remit payment for the Certificated Note to the Issuing and Paying Agent. It is understood that each delivery of Commercial Paper Notes hereunder shall be subject to the payment, clearance, and settlement rules of the New York Clearing House Association L.L.C. in effect at the time of such delivery.

(d) If the Issuing and Paying Agent, at its option, acts upon Instructions transmitted after the times specified in Section 5(b) hereof on the day on which the Instructions are to be operative, the City understands and agrees that (i) such Instructions shall be acted upon, on a best efforts basis, by the Issuing and Paying Agent pursuant to the custom and practice of the commercial paper market, and (ii) the Issuing and Paying Agent makes no representations or warranties that the issuance and delivery of any Commercial Paper Note(s) pursuant to Section 5 hereof shall be completed prior to the close of business on the issue date specified in the Instructions.

Section 6. The SPANS System of Instruction Transmittal. The City is granted a personal, non-transferable and nonexclusive right to use the reporting communication service SPANS ("SPANS") to receive information from the Issuing and Paying Agent. The City, by separate agreement between the City and the Dealer may authorize the Dealer (in each case other than the Issuing and Paying Agent) to directly access SPANS for the purposes of obtaining reports with respect to the Commercial Paper Notes.

The City acknowledges that (a) some or all of the services utilized in connection with SPANS are furnished by Open Information System ("OIS") and the Issuing and Paying Agent, (b) SPANS is provided to the City "AS IS" without warranties or representations of any kind whatsoever by OIS or the Issuing and Paying Agent, and (c) SPANS is proprietary and confidential property disclosed to the City in confidence and only on the terms and conditions and for the purposes set forth in this Agreement.

By this Agreement, the City acquires no title, ownership or sublicensing rights whatsoever in SPANS or in any trade secret, trademark, copyright or patent of the Issuing and Paying Agent or OIS now or to become applicable to SPANS. The City may not transfer, sublicense, assign, rent, lease, convey, modify, translate, convert to a programming language, decompile, disassemble, recirculate, republish or redistribute SPANS for any purpose without the prior written consent of the Issuing and Paying Agent and, where necessary, OIS.

To permit the use by the City of SPANS to obtain reports with respect to the Commercial Paper Notes, the Issuing and Paying Agent will supply the City with an identification number and initial passwords. From time to time thereafter, the City may change its passwords directly through SPANS. To the extent permitted by law, the City will keep all information relating to its identification number and passwords strictly confidential and will be responsible for the maintenance of adequate security over its customer identification number and passwords. For security purposes, the City should change its passwords at least once a year.

Section 7. Accounts and Funds; Proceeds of Sale of the Commercial Paper Notes. Contemporaneously with the execution and delivery of this Agreement, and for the purposes of this Agreement, the City will establish with the Issuing and Paying Agent pursuant to Section 2.09 of the Ordinance a clearing account designated as the "City of Garland, Texas General Obligation Note Clearance Account" (the "Note Clearance Account"). As set forth in the Ordinance, at the close of business on each Payment Date (as defined in the Ordinance), the City shall cause to be credited to the Note Clearance Account proceeds received from the sale of Commercial Paper Notes or Bonds ("Proceeds") and, to the extent needed, Available Tax Revenues (as defined in the Ordinance), the amount required pursuant to Section 2.09 of the Ordinance. Contemporaneously with the execution and delivery of this Agreement, and for the purposes of this Agreement, the City will establish with the Issuing and Paying Agent pursuant to Section 2.10 of the Ordinance for the benefit of the City, the Credit Provider, and the holder of any Commercial Paper Note, a "City of Garland, Texas General Obligation Note Payment Interest and Sinking Fund" (the "Note Payment Fund").

In accordance with the Dealer Agreement (currently between the Dealer and the City and dated as of _____, 2021, but meaning any Dealer Agreement as may be entered into from time to time by the City and a Dealer and with respect to the Commercial Paper Notes), by 9:30 A.M., New York time, on the date that Commercial Paper Notes are maturing and new Commercial Paper Notes are to be issued to pay the principal of and, to the extent necessary, interest on the maturing Commercial Paper Notes (if such date is a Business Day and if not then on the next corresponding Business Day), the Dealer or its agent shall either (i) confirm in writing to the Issuing and Paying Agent and the City the sale of Commercial Paper Notes (to an investor other than the Dealer or to the Dealer) and shall cause the Issuing and Paying Agent's account with DTC (or the Issuing and Paying Agent's account, if the Issuing and Paying Agent does not have or ceases to have an account with DTC) to be credited in an amount equal to the proceeds of the sale of the Commercial Paper Notes, or (ii) provide written notice to the Issuing and Paying Agent and the City of the Dealer's inability to sell any or all of the Commercial Paper Notes intended to be issued, sold and delivered that day.

The Issuing and Paying Agent shall, in response to the confirmation in (i) in the preceding paragraph of this Section 7 and the Instructions, issue Commercial Paper Notes as set forth in Section 5 hereof (or pursuant to any succeeding procedures which may be developed and agreed to by the parties) or shall, under the circumstances described in (ii) in the preceding paragraph of this Section 7, above, submit a draw request to the Credit Provider as set forth in the Letter of Credit and in Section 8(b) hereof.

On each day on which a Dealer or its agent receives Commercial Paper Notes (whether through the facilities of DTC in the manner set forth in the Letter of Representations, or other agreement relating to the book-entry-only system, or by delivery in accordance with Section 5(a)(3) hereof), the Issuing and Paying Agent, upon receipt of funds from the Dealer, shall deposit the Proceeds in immediately available funds to the credit of the Note Clearance Account. As set forth in the Ordinance, Proceeds (net of all expenses and costs of sale and issuance) and other amounts credited to the Note Clearance Account pursuant to the Ordinance shall be applied by the Issuing and Paying Agent for any or all of the following purposes, in the following order (such application to be made on the date the applicable amount is due) : (i) first, to reimburse the Credit Provider for Drawings under the Letter of Credit to pay the principal of and interest on the Commercial Paper Notes on such date, (ii) second, to repay any Bank Debt Service (to the extent not paid in clause (i)), and (iii) third, to pay any other Required Payments to the Credit Provider. Proceeds not withdrawn from the Note Clearance Account and expended as provided in (i) through (iii) above minus any moneys remaining in the Note Clearance Account as a result of an owner's failure to present a Commercial Paper Note for payment at maturity shall, on the next Business Day following the Payment Date (as defined herein), be transferred and deposited to the "City of Garland, General Obligation Commercial Paper Notes, Series 2021, Note Construction Account" (the "Note Construction Account") (created and established pursuant to the Ordinance) and used and applied by the City in accordance with the provisions of the Ordinance. Provided, that the foregoing sequence shall not apply to the City's initial issuance of Commercial Paper Notes ("Initial Draw"); such Proceeds of such Initial Draw (net of all expenses and costs of sale and issuance) shall be immediately transferred and deposited to the City's Note Construction Account. Proceeds deposited to the Note Clearance Account and allocated to the repayment of Drawings made under the Letter of Credit shall be separately accounted for in a subaccount within the Note Clearance Account hereby created and to be known as the "Credit Account" and shall be held therein uninvested until such amounts are disbursed for the repayment of any Drawing.

Section 8. Payment of Matured Commercial Paper Notes. (a) Pursuant to a timely transmitted demand for payment (as described in the Letter of Credit and in Section 8(b) hereof), and by 1:00 P.M., New York time, on the date that any Commercial Paper Notes are scheduled to mature, the Credit Provider shall have transferred to the Issuing and Paying Agent for deposit in the Note Payment Fund in immediately available funds an amount at least equal to the principal amount of and accrued interest on the Commercial Paper Notes maturing on such date. When any matured Commercial Paper Note is presented to the Issuing and Paying Agent for payment by a nominee of DTC pursuant to the Certificate Agreement, the payment of the principal thereof and interest thereon shall be made from and charged to the Note Payment Fund to the extent funds sufficient to effect such payment are available in said account.

(b) While the Commercial Paper Notes are secured by the Letter of Credit, the Issuing and Paying Agent shall make timely payments of the principal of and interest due on the Commercial Paper Notes from funds available in the Note Payment Fund received from Drawings made under the Letter of Credit for the purpose of paying principal of and interest on maturing Commercial Paper Notes. In connection with the timely payment of the principal of and interest on the maturing Commercial Paper Notes, the Issuing and Paying Agent acting as the agent of the City, shall make demands for payment under the Letter of Credit before 10:00 a.m., New York time on or before such Payment Date in accordance with the Letter of Credit, which payments by the Credit Provider are referred to therein and herein as "Drawings," in strict conformity with the Letter of Credit, to enable the Credit Provider to provide funds by 1:00 p.m., New York time on or before each date any Commercial Paper Notes are to mature (the "Payment Date"). All Drawings received under the Letter of Credit pursuant to any demand for payment thereunder shall be

deposited into the Note Payment Fund and applied solely to the payment of the principal amount of and interest accrued on the maturing Commercial Paper Notes. Funds representing any Drawing made under the Letter of Credit and deposited to the Note Payment Fund shall be maintained in the Credit Account. After receipt of a Notice of No Issuance (as such term is defined in the Letter of Credit and attached in the form of Schedule I of the Letter of Credit) the Issuing and Paying Agent will not complete, authenticate and deliver any Commercial Paper Notes pursuant to Section 5 hereof unless and until the Issuing and Paying Agent receives a notice rescinding such Notice of No Issuance. Furthermore, upon receipt of a Final Drawing Notice (as such term is defined in the Letter of Credit and attached as Schedule III of the Letter of Credit), the Issuing and Paying Agent shall immediately make a demand for payment under the Letter of Credit for the purpose of paying principal of and interest on the outstanding Commercial Paper Notes and will not complete, authenticate or deliver any Commercial Paper Notes after the receipt of the Final Drawing Notice

(c) Pursuant to Section 2.10 of the Ordinance, monies in the Note Payment Fund shall remain uninvested. Moneys in the Note Clearance Account shall be invested pursuant to Section 2.09 of the Ordinance.

(d) The Issuing and Paying Agent shall have no obligation to pay, at maturity, the amount referred to in this Section 8 unless sufficient funds have been received by the Issuing and Paying Agent in collected funds. If the Issuing and Paying Agent, at its sole option, makes any such payment that results in an overdraft in any account of the City, the amount of such overdraft shall be considered a loan to the City (a "Sufficiency Advance"). The City agrees to pay the Issuing and Paying Agent on demand interest on any Sufficiency Advance made at the rate charged by the Credit Provider for Drawings made by the Credit Provider under the Letter of Credit until the City (or the Issuing and Paying Agent acting as the City's agent) can secure a Drawing under the Letter of Credit or the City otherwise makes arrangements to repay the Sufficiency Advance.

Section 9. Reliance on Instructions. Except as otherwise set forth herein, the Issuing and Paying Agent shall incur no liability in acting hereunder upon written, facsimile, or electronic message Instructions contemplated hereby, including but not limited to Instructions received in connection with the issuance of Commercial Paper Notes, which the recipient thereof reasonably believed in good faith to have been given by an Authorized Representative or an Authorized Dealer Representative, as the case may be. In addition, in the event that the City currently or in the future utilizes a trading system that produces issuance instructions that do not include signatures or initials, the Issuing and Paying Agent may conclusively rely upon such instructions absent such signatures or initials.

Section 10. Cancellation of Commercial Paper Notes. After payment of any matured Book-Entry Note, the Issuing and Paying Agent shall annotate its records to reflect the face amount of Book-Entry Notes outstanding in accordance with the Letter of Representations. In the event Certificated Notes are issued, the Issuing and Paying Agent will in due course cancel and destroy Certificated Note(s) presented for payment and furnish the City with an affidavit of cancellation and destruction. Promptly upon the written request of the City, the Issuing and Paying Agent agrees to cancel and return to the City all unissued Commercial Paper Notes in its possession at the time of such request.

Section 11. Substitution of Letter of Credit. The City hereby agrees to provide written notice to the Issuing and Paying Agent of the proposed substitution of the Letter of Credit not less than 45 days in advance of such proposed substitution. The Issuing and Paying Agent hereby

agrees to send written notice of such proposed substitution of the Letter of Credit and the effective date of such substitution by first class mail to all owners of any outstanding Notes to be secured by such substitute Letter of Credit, DTC, and the Dealer within 30 days of the receipt of such notice from the City. A substitution of the Letter of Credit will not be effective until the City obtains a confirmation of no rating change from the rating agencies then providing a rating on the Commercial Paper Notes.

Section 12. Notices; Addresses. (a) All communications by or on behalf of the City or a Dealer, relating to the completion, delivery, or payment of the Commercial Paper Note(s) are to be directed to the Issuing and Paying Agent's Commercial Paper Issuance Unit of the Corporate Trust Division (or such other department or division which the Issuing and Paying Agent shall specify in writing to the City and the Dealer), which address information and telephone/facsimile numbers are provided in Section 12(b), below. The City will send all Commercial Paper Notes to be completed and delivered by the Issuing and Paying Agent to its Commercial Paper Issuance Unit of the Corporate Trust Division (or such other department or divisions the Issuing and Paying Agent shall specify in writing to the City), which address information and telephone/facsimile numbers are provided in Section 12(b), below. The Issuing and Paying Agent will advise the City and the Dealer from time to time in writing of the individuals generally responsible for the administration of this Agreement and will from time to time certify incumbency and specimen signatures of officers or employees authorized to countersign Commercial Paper Notes.

(b) Notices and other communications hereunder, including issuance Instructions, shall (except to the extent otherwise expressly provided) be in writing (which may be by facsimile) and shall be addressed as follows, or to such other address as the party receiving such notice shall have previously specified to the party sending such notice:

if to the City, at:

concerning daily issuance of Commercial Paper Notes:

City of Garland, Texas
200 North Fifth
Garland, Texas 75040
Attention: Matt Watson, Finance Director
Telephone Number: (972) 205-2355
Facsimile Transmission Number: (972) 205-2810

if to the Issuing and Paying Agent, at:

concerning daily issuance of Commercial Paper Notes and all other matters:

U.S. Bank National Association
Corporate Trust Services
Attn: Wendy Kumar
100 Wall Street
Suite 600
New York, New York 10005
Telephone Number: (212) 951-8561
Facsimile Transmission Number: (212) 509-3384

if to the Credit Provider, at:

Barclays Bank PLC
745 7th Avenue, 19th Floor
New York, NY 10019
Attention: Cassandra Bolz
Telephone Number: (212) 526-3974
Facsimile Transmission Number: (212) ____ - ____

(c) Reasonable notice shall be given by the City to each and every rating agency then rating the Commercial Paper Notes of: the issuance of Commercial Paper Notes; the adoption or execution of any amendment to the Ordinance, the Reimbursement Agreement, Letter of Credit, or this Agreement; any change in any party to the Reimbursement Agreement, the Dealer Agreement or this Agreement or the addition of any Dealer; any termination or extension of the Letter of Credit or the substitution of the Letter of Credit with another credit facility or facilities; and any full or partial defeasance of Commercial Paper Notes made in accordance with the Ordinance. As of the date of this Agreement, the rating agencies rating or expected to be rating the Commercial Paper Notes are as follows:

Fitch, Inc.
One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance
Telephone Number: 212/908-0689
Facsimile Transmission Number: 212/480-4421

Standard & Poor's Ratings Services, a Standard &
Poor's Financial Services LLC business
500 N. Akard, Suite 3200
Dallas, Texas 75201
Telephone Number: 214/871-1401
Facsimile Transmission Number: 214/871-1409

Notices shall be deemed delivered when received at the address(es) specified above. For purposes of this paragraph, "when received" shall mean actual receipt (i) of an electronic communication by a telex machine, telecopier or issuance system specified in or pursuant to this Agreement; or (ii) of a written communication sent via facsimile or hand-delivered at the office specified in or pursuant to this Agreement.

Section 13. Additional Information. Upon the request of the City given at any time and from time to time, the Issuing and Paying Agent shall promptly provide the City with information with respect to the Commercial Paper Note(s) issued and paid hereunder. Such request shall be in written form and, to the extent known by the City, shall include the serial number, principal amount, date of issue, maturity date and amount of interest, if any, of each Commercial Paper Note which has been issued or paid by the Issuing and Paying Agent and for which the request is being made.

Section 14. Liability. Neither the Issuing and Paying Agent nor any of the Issuing and Paying Agent's officers, employees, or agents shall be liable for any losses, damages, liabilities, or costs suffered or incurred by the City as a result of (a) the Issuing and Paying Agent's having

executed Instructions, (b) the Issuing and Paying Agent's improperly executing or failing to execute any Instructions because of unclear Instructions, failure of communications media, or any other circumstances beyond the Issuing and Paying Agent's control, (c) the actions or inaction of DTC, any agent or any broker, dealer, cosignee, or agent not selected by the Issuing and Paying Agent, or (d) any other acts or omissions of the Issuing and Paying Agent (or any of its agents or correspondents) relating to this Agreement or the transactions or activities contemplated hereby, except in the case of negligence or willful misconduct as determined by the final judgment of a court of competent jurisdiction within the State of Texas, no longer subject to appeal or review. The Issuing and Paying Agent's duties and obligations and those of its officers and employees shall be determined by the express provisions of this Agreement, the Letter of Representations, and the Certificate Agreement (or other agreement executed in connection with the book-entry only system, including the documents referred to in such agreements), and they shall not be liable except for the performance of such duties and obligations as are specifically set forth herein and therein, and no implied covenants or obligations shall be read into any such document against them. Neither the Issuing and Paying Agent nor any of its officers or employees shall be required to ascertain whether any issuance or sale of Commercial Paper Note(s) (or any amendment or termination of this Agreement) has been duly authorized or is in compliance with any other agreement to which the City is a party (whether or not the Issuing and Paying Agent is a party to such other agreement).

Section 15. **INDEMNIFICATION.** **TO THE EXTENT PERMITTED BY LAW, THE CITY AGREES TO INDEMNIFY AND DEFEND AND HOLD THE ISSUING AND PAYING AGENT AND ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS HARMLESS FROM AND AGAINST ALL LIABILITIES, CLAIMS AND SUITS (REGARDLESS OF THEIR MERIT), DAMAGES, LOSSES, PENALTIES, STAMP AND OTHER SIMILAR TAXES, JUDGMENTS, COSTS, AND EXPENSES (INCLUDING REASONABLE LEGAL FEES AND EXPENSES) DIRECTLY OR INDIRECTLY RELATING TO OR ARISING OUT OF THEIR ACTIONS OR INACTION IN CONNECTION WITH THIS AGREEMENT, EXCEPT TO THE EXTENT THEY ARE CAUSED BY THE ISSUING AND PAYING AGENT OR ITS OFFICERS, AGENTS, OR EMPLOYEES, OR THEIR NEGLIGENCE OR WILLFUL MISCONDUCT. THIS INDEMNITY SHALL SURVIVE TERMINATION OF THIS AGREEMENT.**

Section 16. **Benefit of Agreement.** This Agreement is solely for the benefit of the parties hereto and the Credit Provider, and no other person shall acquire or have any right under or by virtue hereof.

Section 17. **Termination.** This Agreement may be terminated at any time by either the Issuing and Paying Agent or the City by fifteen (15) days prior written notice to the other. If no successor issuing and paying agent shall have been selected by the City and accepted its appointment within fifteen (15) days after the giving of such notice of termination, the Issuing and Paying Agent may petition any court of competent jurisdiction for the appointment of a successor. Unless and until a successor issuing and paying agent is appointed, the Issuing and Paying Agent shall continue to perform all of its duties and functions under this Agreement. All rights, duties, and obligations of the Issuing and Paying Agent under the Ordinance, the Reimbursement Agreement, and this Agreement will be assigned to the successor. Such termination shall not affect the respective liabilities of the parties hereunder arising prior to such termination. Upon an early termination of this Agreement, the Issuing and Paying Agent agrees to promptly transfer and deliver the Reimbursement Agreement and the Letter of Credit, together with the other pertinent, documents, books and records relating to the Commercial Paper Notes, to the successor issuing and paying agent designated and appointed by the City.

Section 18. Governing Law. This Agreement is to be delivered and performed in, and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Texas; provided, however, that the Issuing and Paying Agent's obligations, rights, protections, immunities, and indemnities hereunder shall be governed by and construed in accordance with the internal laws of the State of New York, and as applicable, both the Issuing and Paying Agent and the City shall fully comply with the operating circulars of the Federal Reserve Bank, federal laws and regulations as amended, New York Clearing House Rules, the DTC Rules, and general commercial bank practices applicable to commercial paper issuance and payment, funds transfer, and related activities.

Section 19. Fees and Expenses. The Issuing and Paying Agent shall receive fees from the City for acting as Issuing and Paying Agent and as Registrar hereunder in such amounts as the Issuing and Paying Agent and the City shall agree to from time to time in writing. The City will pay or reimburse the Issuing and Paying Agent upon receipt of the Issuing and Paying Agent's invoice for all reasonable expenses, disbursements, and advances incurred or made by the Issuing and Paying Agent in good faith and in accordance with any of the provisions hereof or any other documents executed in connection herewith (including the reasonable expenses and disbursements of its counsel and of all persons not regularly in its employ). The City's obligations under this Section 19 to compensate the Issuing and Paying Agent and to pay or reimburse the Issuing and Paying Agent for reasonable expenses, disbursements and advances made in good faith shall survive the termination of this Agreement.

Section 20. Legal Counsel. The Issuing and Paying Agent may consult with legal counsel and the written advice or any opinion of legal counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by the Issuing and Paying Agent hereunder in good faith and in reliance thereon.

Section 21. Representations and Warranties of the City. The City represents and warrants as follows:

(a) The Ordinance is in full force and effect, and, accordingly, the City has taken all necessary action and has full power to enter into this Agreement and to issue and deliver the Commercial Paper Notes;

(b) This Agreement when executed and the Commercial Paper Notes when issued in accordance with the Instructions or otherwise pursuant to the terms of this Agreement will be legal, valid, and binding obligations of the City, enforceable against the City in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, other laws of general applicability relating to or affecting creditors' rights and to general equity principals, and any other laws including judge-made law generally or specifically applicable to the City which may limit the obligations of the City under the Ordinance, the Reimbursement Agreement, or this Agreement;

(c) This Agreement and the consummation of the transactions herein contemplated will not result in a breach or violation of, conflict with or constitute a default under any law, regulation, order, judgment, agreement or instrument to which the City is a party or by which the City or any of its property is bound;

(d) There are no consents, authorizations, or approvals of, or filings with, any Federal or State government authority (other than the City) required in connection with the issuance or sale by the City of the Commercial Paper Notes or the performance of its obligations thereunder

except as may be required under state securities laws and those which have already been obtained or made or will be obtained or made prior to the initial delivery of the Commercial Paper Notes;

(e) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the best knowledge of the City, threatened against or affecting the City wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Commercial Paper Notes and this Agreement, or any other agreement or instrument to which the City is a party and which has been executed in connection with the issuance of the Commercial Paper Notes;

(f) Each Commercial Paper Note or other obligation issued under this Agreement will be exempt from registration under the Securities Act of 1933, as amended; and

(g) Each Instruction by the City to issue Commercial Paper Notes under this Agreement shall be deemed a representation and warranty by the City as of the date thereof that the representations and warranties herein are true and correct as if made on and as of such date.

Section 22. Rights of the Issuing and Paying Agent.

(a) In the absence of bad faith on the part of the Issuing and Paying Agent, the Issuing and Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Issuing and Paying Agent which conform to the requirements of this Agreement.

(b) The Issuing and Paying Agent shall not be liable for any error of judgment made in good faith by an officer or officers of the Issuing and Paying Agent, unless it shall be conclusively determined by a court of competent jurisdiction located within the State of Texas that the Issuing and Paying Agent was negligent in ascertaining the pertinent facts.

(c) None of the provisions of this Agreement shall require the Issuing and Paying 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, 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 indemnity satisfactory to it against such risk or liability is not assured to it. Notwithstanding the foregoing, nothing (other than the limitation of the Initial Stated Amount) shall prevent the Issuing and Paying Agent from making a demand for payment pursuant to Section 8(b) hereof to the extent necessary to have sufficient moneys on deposit in the Note Payment Fund to pay when due interest on or principal of maturing Commercial Paper Notes (it being understood that the Issuing and Paying Agent shall have no liability in connection with its timely delivery of such demand for payment).

(d) The Issuing and Paying Agent may conclusively rely and shall be fully protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, paper, or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(e) Whenever in the administration of the provisions of this Agreement the Issuing and Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Issuing and Paying Agent, be deemed to be conclusively proved and established by a

certificate signed by an Authorized Representative or Authorized Dealer Representative, as the case may be, and delivered to the Issuing and Paying Agent, and such certificate, in the absence of any negligence or bad faith on the part of the Issuing and Paying Agent, shall be full warrant to the Issuing and Paying Agent for any action taken, suffered, or omitted by it under the provisions of this Agreement upon the faith thereof.

(f) The Issuing and Paying Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, or other paper or document.

(g) Except as set forth in Section 8(c) hereof, the Issuing and Paying Agent shall have no obligation to invest and reinvest any cash held by it. It is agreed and understood that the Issuing and Paying Agent may earn fees associated with the investments referenced in Section 8(c) hereof, which overnight repurchase agreements secured solely by direct obligations of the United States of America the Issuing and Paying Agent may select at its discretion. In no event shall the Issuing and Paying Agent be deemed an investment manager or advisor in respect of any selection of investments hereunder. In no event shall the Issuing and Paying Agent be liable for the selection of investments or for investment losses incurred thereon. The Issuing and Paying Agent shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity.

(h) The Issuing and Paying Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or, by or through agents, custodians or nominees appointed with due care. Provided, however, if the City shall have given its prior approval of the agent, custodian or nominee selected by the Issuing and Paying Agent, such approval not unreasonably withheld or delayed, the Issuing and Paying Agent shall not be responsible for any willful misconduct or negligence on the part of any agent, custodian or nominee so appointed. Provided further, that if the City shall not have given its prior approval of the agent, custodian or nominee selected by the Issuing and Paying Agent, the Issuing and Paying Agent shall not be responsible for any willful misconduct or gross negligence on the part of any agent, custodian or nominee so appointed.

(i) Any corporation into which the Issuing and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Issuing and Paying Agent shall be a party, or any corporation succeeding to the business of the Issuing and Paying Agent shall be the successor of the Issuing and Paying Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of the parties hereto except when an instrument of transfer or assignment is required by law to effect such succession. Further provided that in any case in which any of the herein described events of succession would foreseeably result in any cessation, temporary or permanent, of the Issuing and Paying Agent's (or any successor entity's) ability to perform any of the trusts or powers or duties of the Issuing and Paying Agent (or of any successor entity) under this Agreement, then in such case written notice shall be transmitted to the City prior to any such reasonably foreseeable cessation of ability as herein described as would give the City fair opportunity to terminate this Agreement pursuant to Section 17 hereof.

(j) The City (for itself and any person or entity claiming through it) hereby releases, waives, discharges, exculpates and covenants not to sue the Issuing and Paying Agent for any action taken or omitted under this Agreement except to the extent caused by the Issuing and Paying Agent's negligence or willful misconduct.

(k) In no event shall the Issuing and Paying Agent be liable for any failure or delay in the performance of its obligations hereunder because circumstances beyond the Issuing and Paying Agent's control, including but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, government action, including any laws, ordinances, regulations or the like which would restrict or prohibit the provision of the services contemplated by this Agreement.

(l) Anything in this Agreement to the contrary notwithstanding, in no event shall the Issuing and Paying Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Issuing and Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(m) The Issuing and Paying Agent shall be entitled to conclusively assume, without any independent inquiry or investigation on its part, that the maximum rate of interest allowed by Texas Government Code, Chapter 1204, as amended, and which statutory maximum interest rate is, as of the date of this Agreement, a net effective interest rate of fifteen percent (15.00%) per annum is unchanged unless the City shall notify the Issuing and Paying Agent in writing pursuant to Section 12 herein that such statutory maximum rate has been changed or modified under applicable law.

Section 23. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the issuing and Paying Agent requires documentation to verify its formation and existence as a legal entity. The Issuing and Paying Agent may ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The parties acknowledge that a portion of the identifying information set forth herein is being requested by the Issuing and Paying Agent in connection with the USA Patriot Act, Pub.L.107-56, and each agrees to provide any additional information requested by the Issuing and Paying Agent in connection with the Issuing and Paying Agent or any other legislation or regulation to which the Issuing and Paying Agent is subject, in a timely manner.

Section 24. No Boycott of Israel. The Issuing and Paying 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, as amended, 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 Issuing and Paying Agent understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Issuing and Paying Agent and exists to make a profit.

Section 25. Contracts With Companies Engaged in Business With Iran, Sudan or Foreign Terrorist Organizations Prohibited. The Issuing and Paying 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 Issuing and Paying 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 Issuing and Paying Agent understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Issuing and Paying Agent and exists to make a profit.

Section 26. Miscellaneous.

(a) The City agrees that the Commercial Paper Notes issued or presented hereunder shall be denominated in United States dollars. The City further agrees that payment of any and all amounts due pursuant to the provisions of this Agreement shall be made solely in United States dollars.

(b) Under no circumstances shall funds representing Drawings made under the Reimbursement Agreement be used for any other purpose or retained by the Issuing and Paying Agent for any reason, such funds to be used only for the purpose of paying principal and interest due on Commercial Paper Notes.

(c) This Agreement may not be assigned by the City and may not be modified or amended or supplemented except by a writing or writings duly executed by the duly authorized representatives of the City and the Issuing and Paying Agent.

(d) This Agreement, the Ordinance, and the Reimbursement Agreement contain the entire understanding and agreement among the parties with respect to the subject matter hereof. All prior agreements, understandings, representations, statements, promises, inducements, negotiations, and undertakings and all existing contracts previously executed among said parties with respect to said subject matter are superseded hereby. The City agrees to deliver to the Issuing and Paying Agent, prior to or concurrently with the first issuance of any amount of Commercial Paper Notes, an executed copy of each of the Ordinance and the Reimbursement Agreement.

(e) With respect to all references herein to nouns, insofar as the context requires, the singular form shall be deemed to include the plural, and the plural form shall be deemed to include the singular.

[The remainder of this page is intentionally left blank]

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

U.S. BANK NATIONAL ASSOCIATION,
as Issuing and Paying Agent and Registrar

By: _____

Title: _____

*[signature page to Issuing and Paying Agent Agreement relating to
City of Garland, Texas General Obligation Commercial Paper Notes, Series 2021]*

CITY OF GARLAND, TEXAS

By: _____
Mayor

Attest:

City Secretary

*[signature page to Issuing and Paying Agent Agreement relating to
City of Garland, Texas General Obligation Commercial Paper Notes, Series 2021]*

EXHIBIT A

CERTIFICATE OF AUTHORIZED REPRESENTATIVE

THE STATE OF TEXAS	§
	§
COUNTIES OF DALLAS, COLLIN	§
AND ROCKWALL	§
	§
CITY OF GARLAND	§

I certify that the persons listed below have been designated pursuant to the ordinance (the "Ordinance") authorizing the issuance of \$50,000,000 City of Garland, Texas, General Obligation Commercial Paper Notes, Series 2021 (the "Notes"), to act as Authorized Representative in connection with the issuance, sale and delivery of any Notes pursuant to the Ordinance and the carrying out of any matters relating to the Notes and any and all of the Reimbursement Agreement, the Issuing and Paying Agent Agreement and the Dealer Agreement (all as defined in the Ordinance).

Authorized Representative

Name: Scott LeMay
Title: Mayor

Signature: _____

Designees of Authorized Representative

<u>Name</u>	<u>Specimen Signature</u>
-------------	---------------------------

Bryan Bradford
City Manager

Assistant City Manager

Matthew Watson
Finance Director

City Secretary, City of Garland, Texas

Dated: _____

Exhibit D
DEALER AGREEMENT

\$[_____]
CITY OF GARLAND, TEXAS
GENERAL OBLIGATION COMMERCIAL PAPER NOTES, [SERIES 2021]
COMMERCIAL PAPER DEALER AGREEMENT

[____], 2021

City of Garland, Texas
200 North Fifth
Garland, Texas 75040

Dear Ladies & Gentlemen:

This Agreement confirms the agreement among the undersigned, ("Barclays Capital Inc." or the "Dealer") and the City of Garland, Texas (the "Issuer") for the Dealer to act as exclusive dealer in connection with the execution and delivery of the Issuer's \$[_____] General Obligation Commercial Paper Notes, [Series 2021] (the "Notes"). The Notes are to be executed and delivered under and pursuant to an ordinance adopted by the Issuer on [____], 2021 (the "Ordinance") and will be authenticated by U.S. Bank National Association (the "Paying Agent"), pursuant to an Issuing and Paying Agent Agreement by and between the Issuer and the Paying Agent. All terms used herein and not defined herein shall have the meanings specified in the Ordinance.

The Notes are to be executed and delivered for the purposes described in the Ordinance. The aggregate principal amount of the Notes that may be outstanding at any one time and the aggregate amount of interest to maturity with respect to such Notes are limited as provided in the Ordinance. The holders from time to time of the Notes will be entitled to the benefits of a liquidity facility issued by Barclays Bank PLC(the "Bank") under and pursuant to a Direct Pay Letter of Credit, dated as of [,2021] (the "LOC"), by and between the Issuer and the Bank and a Reimbursement Agreement, dated as of [____, 2021] (the "Reimbursement Agreement"), by and between the Issuer and the Bank. This Agreement, the Ordinance, the Issuing and Paying Agent Agreement, the LOC and the Reimbursement Agreement are hereinafter referred to as the "Issuer Documents".

The Issuer agrees and acknowledges that: (i) with respect to the engagement of the Dealer by the Issuer, including in connection with the purchase, sale and offering of the Notes, and the discussions, conferences, negotiations and undertakings in connection therewith, the Dealer (a) is and has been acting as a principal and not an agent or fiduciary of the Issuer, and (b) is not acting as a municipal or other advisor or expert to the Issuer, including, without limitation, with respect to the determination of the offering price of the Notes, and such relationship between the Issuer, on the one hand, and the Dealer, on the

other, is entirely and solely commercial, based on arms-length negotiations; (ii) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; (iii) the Dealer and their respective affiliates may have interests that differ from those of the Issuer and (iv) this Agreement expresses the entire relationship between the parties hereto. The Issuer hereby waives any claims that the Issuer may have against the Dealer with respect to any breach of fiduciary duty in connection with the purchase and sale of the Notes.

The Issuer will, to the extent required by Rule 15c2-12 referenced in the Ordinance, undertake to provide annual reports and notices of certain events pursuant to the requirements of said Rule 15c2-12.

1. Appointment of Dealer; Basic Responsibilities of Dealer. (a)

Subject to the terms and conditions herein contained, the Issuer hereby appoints the Dealer, and the Dealer hereby accepts such appointment, as exclusive dealer for the Issuer in connection with the offering, issuance and sale of the Notes.

(b) In its capacity as dealer, the Dealer shall exercise its commercially reasonable efforts to solicit purchases of the Notes, on such terms and conditions, including maturity dates and interest rates, as may prevail from time to time in the tax-exempt commercial paper market. The Dealer and the Issuer agree that any Notes which the Dealer may purchase or for which the Dealer may arrange the sale, will be purchased or sold on the terms and conditions and in the manner provided in this Agreement, the Ordinance, and the Issuing and Paying Agent Agreement. The Dealer agrees that it shall not purchase or arrange the sale of any Notes following the receipt by it of written notice from the Issuer pursuant to the Issuing and Paying Agent Agreement instructing it not to issue Notes, until such time as such instruction is revoked by written notice from the Issuer.

(c) The Dealer, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Notes, including, without limitation, any Notes offered and sold by the Dealer pursuant to this Agreement, and may join in any action which any owner of the Notes may be entitled to take with like effect as if it did not act in any capacity hereunder. The Dealer may sell any of the Notes at prices above or below par, at any time. The Dealer, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, account party, or agent for any committee or body of owners of the Notes or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

(d) It is understood and agreed that the Dealer's responsibilities hereunder will include (i) the soliciting of purchases of Notes from investors that customarily purchase commercial paper or tax-exempt securities in large denominations, (ii) effecting and processing such purchases, (iii) causing the furnishing, by mail or otherwise (at the Issuer's expense), of such materials as are described in Section 4 hereof, (iv) billing and

receiving payment for Notes purchases, and (v) performing such other related functions as may be requested by the Issuer and agreed to by the Dealer.

(e) It is understood and agreed by all parties hereto that the Dealer is only obligated hereunder to use its commercially reasonable efforts to solicit indications of interest on the part of purchasers of the Notes and is not acting as an underwriter of the Notes.

(f) While the Dealer has and shall have no obligation to purchase the Notes from the Issuer or to arrange any sale of the Notes for the account of the Issuer, the parties hereto agree that in any case where the Dealer purchases Notes from the Issuer, or arranges for the sale of Notes by the Issuer, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of the Issuer contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein and in the Ordinance and the Issuing and Paying Agent Agreement.

(g) The Dealer agrees that it will stop soliciting purchases of Notes upon receipt of a notice from the Bank of an Immediate Termination Event pursuant to Section [7.03] of the [Reimbursement Agreement].

2. **The Notes.** (a) As more fully described in the Ordinance, the Notes shall be issued by the Issuer in an aggregate principal amount not to exceed \$[_____] outstanding at any time. No Notes may be outstanding after [____], 20___. Each of the Notes will be issuable in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess of such amount and will have maturities of not more than 270 days from their respective dates of execution and delivery. The Notes may be executed and delivered in registered form, without coupons. The Notes will be issued as interest-bearing obligations, maturing at such times as an Authorized Representative (as defined in the Ordinance) may designate upon authorizing the issuance thereof. Principal of and interest with respect to the Notes will be payable at maturity in immediately available funds at the offices of the Issuing and Paying Agent in The City of New York, New York.

(b) The Notes shall be book-entry notes evidenced by one or more master notes (each, a "Master Note") registered in the name of The Depository Trust Company ("DTC") or its nominee, in the form or forms annexed to the Issuing and Paying Agency Agreement. The Notes will be issued as [interest-bearing obligations] maturing at such times as an Approving Officer may designate upon authorizing the issuance thereof. The Dealer shall pay for the Notes, if any, purchased by the Dealer or sold by the Dealer in immediately available funds in the manner provided for in the Issuing and Paying Agent Agreement on the Business Day such Notes are delivered to the Dealer.

(c) Not later than [1:00 p.m.], New York, New York time on the date of each transaction, the Dealer shall (i) confirm each transaction, if any, made with or arranged by Dealer and/or (ii) notify the Issuer and the Issuing and Paying Agent of the difference, if any, between the amount of maturing Notes, together with the interest payment due thereon, and the amount of Notes which the Dealer has arranged to sell or has agreed to purchase (the “Difference”). Such confirmation or notification shall be delivered electronically or by telephone to the Issuer and the Issuing and Paying Agent in the Dealer’s customary manner.

(d) The Issuer shall reimburse the Dealer for the Difference, if any, pursuant to the terms and conditions and in the manner provided in the Issuing and Paying Agent Agreement.

(e) On or before [12:30 p.m.], New York City time, on each day on which Notes, are to be executed and delivered, the Dealer will notify an Approving Officer (as defined in the Issuing and Paying Agent Agreement) and the Issuing and Paying Agent of the confirmed terms of the final maturities, prices and interest rates at which the Dealer has purchased and/or will arrange the sale of the Notes (as applicable), and the Dealer shall provide the Issuer with any other information required for the Issuer or the Dealer to record [and deliver] such Notes. Such amounts and terms and conditions shall be subject to the approval of an Approving Officer. The receipt by the Dealer of such indications of interest from potential purchasers of Notes shall not constitute legal and binding commitments of such purchasers, and the giving by the Dealer of notice of such indications of interest from potential purchasers of Notes pursuant to this paragraph shall not constitute, or be construed as constituting, notice of the receipt by the Dealer of legal and binding commitments of such purchasers.

(f) As long as the terms of the Notes conform to the direction from the Issuer in any standing letter of instructions then in effect, the Dealer shall not be required to obtain additional direction or confirmation from the Issuer. In the absence of any standing letter of instructions, the Issuer must confirm the terms of the transactions proposed by the Dealer. Pursuant to [Section [6] hereof, the Dealer shall only be obligated to purchase or arrange the sale of any Notes when it has agreed to purchase or arrange the sale of such Notes and the Issuer has agreed thereto in accordance with the provisions of this Section.

3. Furnishing of Offering Materials. (a) The Issuer agrees to pay the cost of as many copies as the Dealer may reasonably request of the offering materials (including materials referred to therein or incorporated by reference therein, if any) approved by the Issuer and the Dealer for provision to purchasers or prospective purchasers of the Notes, including any amendments or supplements thereto which may be prepared from time to time in accordance with this Agreement (such materials, the “Offering Materials”).

(b) The Offering Materials and their contents (other than any information concerning the Dealer and provided by the Dealer in writing expressly for inclusion in the Offering Materials (the “Dealer Information”)) shall be the sole responsibility of the Issuer. The Issuer authorizes the Dealer to distribute the Offering Materials as determined by the Dealer.

(c) As promptly as practicable, but in no event more than 90 days following receipt by the Issuer of the annual audited financial statements of the Issuer for each fiscal year ending September 30, the Issuer shall update the Offering Materials to include such financial statements. The Offering Materials shall be annually revised in the same manner and within the same period as described in this Section 3(c).

(d) If, during and prior to such time as any Offering Materials are used in connection with the offering and sale of the Notes, any event or condition relating to or affecting the Issuer shall occur which might materially adversely affect the properties, business, condition (financial or other) or results of operations of the Issuer or the ability of the Issuer to perform its obligations under and in respect of this Agreement, the Notes, the Ordinance, the Issuing and Paying Agent Agreement, the LOC or the Reimbursement Agreement, or which may cause the Offering Materials then in effect to include an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading, the Issuer will promptly (but in any event prior to any subsequent issuance of Notes hereunder) notify the Dealer of the circumstances and details of such event or condition. If, as a result of such event or condition or any other event or condition, it is necessary or advisable, in the opinion of the Dealer, to amend or supplement such Offering Materials in light of such event or condition, the Issuer will forthwith cooperate with the Dealer in the prompt preparation of a supplement to such Offering Materials, in form and substance satisfactory to the Dealer, which will so amend or supplement such Offering Materials.

(e) In addition, the Issuer shall from time to time furnish to the Dealer such information as the Dealer may reasonably request, including, without limitation, any press releases or material provided by the Issuer to any national securities exchange or rating agency, regarding (i) the Issuer’s operations and financial condition, (ii) the due authorization and execution of the Notes and (iii) the Issuer’s ability to pay the Notes as they mature.

4. Financial Statements. (a) As long as the Notes are outstanding and Barclays Capital Inc. is the Dealer, the Issuer shall deliver to the Dealer within 210 days after the end of each of its fiscal years, the audited financial statements of the Issuer.

(b) Simultaneously with the furnishing thereof to the Bank, the Issuer shall furnish to the Dealer all financial statements, reports and information required to be furnished to the Bank pursuant to Section [5.07] of the [Reimbursement Agreement].

5. Representations, Warranties and Covenants of the Issuer.

The Issuer hereby represents, warrants and covenants to the Dealer that:

- (a) the Ordinance is in full force and effect and has not been modified or amended since adoption and the Issuer is a home rule city of the State of Texas, duly organized and validly existing under the applicable laws of such jurisdiction, and has full power and authority to execute and deliver the Issuer Documents;
- (b) it is empowered to issue the Notes, to enter into and to perform its obligations under the Issuer Documents and to carry out and consummate all transactions contemplated hereby and by the other Issuer Documents;
- (c) the making and performance by the Issuer of the Issuer Documents and the Notes have been duly authorized by all necessary action of the Issuer and the Issuer Documents constitute, and the Notes when duly issued, authenticated and delivered as provided in the Issuing and Paying Agent Agreement will constitute, legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as enforceability may be limited by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) or by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally;
- (d) The Issuer will take all such action as the Dealer may reasonably request to ensure that each offer and each sale of the Notes will comply with any applicable state Blue Sky laws;
- (e) no approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or person not already obtained (other than any approvals that may be required under the "blue sky" laws of any jurisdiction) is required with respect to the Issuer in connection with the issuance and sale of the Notes or the execution and delivery by the Issuer of, or in the performance by the Issuer of its obligations under, the Issuer Documents or the Notes and the consummation of the transactions contemplated by the Issuer Documents;
- (f) the Issuer is not now and has not ever been in breach of or in default under any applicable law or administrative regulation of the State of Texas or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or is otherwise subject, the

consequence of which or the correction of any of which materially and adversely affects the operations of the Issuer as of [____]. 2021 ;

- (g) the adoption by the Issuer of the Ordinance and the making and performance by the Issuer of the other Issuer Documents and the Notes do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any resolution, indenture, deed of trust, mortgage commitment, agreement or other instrument to which the Issuer is a party or by which the Issuer is bound, or any constitutional provision, existing law, administrative regulation, court order or consent decree to which the Issuer or its property is subject;
- (h) except as otherwise described in the Offering Memorandum (as defined in the Ordinance), there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of the knowledge of the undersigned, threatened against or affecting the Issuer and, to the best of the knowledge of the undersigned, there is no basis therefor, (i) which in any way questions the powers of the Issuer or the validity of the Issuer Documents or the Notes, (ii) wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated by the Issuer Documents or the Notes, or would in any way affect adversely the validity or enforceability of the Issuer Documents or the Notes, or (iii) would in any way affect adversely the validity or enforceability of the Issuer Documents or the Notes;
- (i) any information relating to the Issuer and the Notes furnished by the Issuer pursuant to this Agreement, including but not limited to the Offering Memorandum, does not and will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (j) except as previously disclosed, the Issuer has not failed during the previous five years to comply with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12;
- (k) Any certificate authorized by the Issuer, signed by any authorized official or officials of the Issuer and delivered to the Dealer shall be deemed a representation by the Issuer to the Dealer as to the statements made therein;
- (l) The Issuer will take all actions within its control necessary to maintain the exclusion of interest on the Notes from the gross income of the holders thereof for Federal income tax purposes;

- (m) The Issuer will not permit to become effective any amendment to or modification of the Ordinance or the Issuer Documents which could reasonably be expected to adversely affect the interest of the holder of any Notes then outstanding. The Issuer will give the Dealer notice of any proposed amendment to or modification of the Ordinance or the Issuer Documents prior to the effective date thereof;
- (n) The Issuer will not be in default of any of its obligations hereunder, under the Notes or under the Issuing and Paying Agency Agreement, at any time that any of the Notes are outstanding. The Issuer will immediately notify the Dealer, either by writing mailed in accordance with Section 10 or by email communication, telecopier or by another electronic, facsimile or telecommunications means for receiving notices approved in advance by the Dealer (“Electronic Means”), of the occurrence of any event affecting the power of the Issuer to issue Notes, the due authorization and execution of the Notes, the corporate existence of the Issuer, or the financial condition and affairs of the Issuer or which would otherwise render untrue or misleading in any material respect any material fact in any document pertaining to the Issuer and its affairs which was provided by the Issuer to the Dealer in connection with the issuance, purchase and sale of the Notes;
- (o) The Issuer will provide the Dealer by Electronic Means with copies of any amendments of or extensions to any credit or liquidity facility supporting the Notes and copies of any substitute credit or liquidity facility, in any such case within one (1) day of the execution of any such documentation.
- (p) Each (a) delivery of a Note to the Dealer or to a person whose purchase of such Note was arranged by the Dealer or (b) amendment or supplement of the Offering Memorandum shall constitute a representation and warranty by the Issuer, as of the date hereof, that both before and after giving effect to such issuance, and after giving effect to such amendment or supplement, the representations of the Issuer in Section 4 are true and correct on and as of such date with the same effect as if made on and as of such date; and
- (q) the Issuer will cooperate with the Dealer in arranging for the qualification of the Notes for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Dealer may designate and will use its best efforts to continue such qualifications in effect so long as the Notes are being offered by the Dealer; provided, however, that the Issuer will not be required to execute a special or general consent to service of process or qualify to do business in connection with action taken under this subsection.

Each delivery of a Note to the Dealer or to a person whose purchase of such Note was arranged by the Dealer shall constitute a representation and warranty by the Issuer, as of the date thereof, that (i) the representations and warranties of the Issuer in this Section 4 are true and correct on and as of such date with the same effect as if made on and as of such date, (ii) the Notes issued on such date have been duly and validly issued and delivered in accordance with the Issuing and Paying Agent Agreement, (iii) the Issuer has complied or will comply, as the case may be, with all covenants contained in this Agreement, (iv) the Issuer is not in default of any of its obligations hereunder, under the Notes, the LOC, the Reimbursement Agreement or the Issuing and Paying Agent Agreement and (v) since the date of the Offering Memorandum, there has been no material adverse change in the condition (financial or otherwise), operations or business prospects of the Issuer which has not been disclosed to the Dealer in writing. The Issuer shall not cause to be issued any Note unless such representations and warranties are true and correct.

6. Conditions To Dealer's Obligations. The obligations of the Dealer under this Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the respective representations, warranties, covenants and agreements of the Issuer contained herein, in each case on and as of the date of delivery of this Agreement and on and as of each date on which Notes are to be issued. The obligations of the Dealer hereunder with respect to each date on which Notes are to be issued are also subject, in the discretion of the Dealer, to the following further conditions precedent:

(a) The Issuer Documents shall be in full force and effect and the Notes to be issued on such date shall have the full benefits of all of the foregoing, and there shall be in full force and effect such additional resolutions, agreements, instruments and certificates (including such certificates as may be required by Norton Rose Fulbright L.L.P., Bond Counsel, regarding the exclusion from gross income of interest on the Notes from federal income tax) and such opinions of counsel, which resolutions, agreements, certificates and opinions of counsel shall be satisfactory in form and substance to Norton Rose Fulbright L.L.P., Bond Counsel, and there shall have been taken in connection therewith and in connection with the issuance of the Notes all such action as shall, in the opinion of the aforesaid Bond Counsel, be necessary in connection with the transactions contemplated hereby.

(b) There shall have been no material adverse change in the properties, business, condition (financial or other) or results of operations of the Issuer or the Bank since the date of the Offering Memorandum; and no Event of Default (as such term is defined in the Ordinance, the LOC or the Reimbursement Agreement) shall have occurred and be continuing and no event shall have occurred and be continuing which with the passage of time or giving of notice or both, would constitute such an Event of Default.

(c) On or prior to the first date on which Notes are to be sold pursuant to the terms of the Ordinance and this Agreement, the Dealer shall have received:

(i) executed copies of the Reimbursement Agreement and the Issuing and Paying Agent Agreement; a transcript of all proceedings relating to the authorization of the Notes will be provided for federal income tax purposes following the issuance of the Notes, satisfactory in form and substance to the Dealer;

(ii) Prior to the issuance of any book-entry Notes represented by a Master Note registered in the name of DTC or its nominee, a copy of the executed Letter of Representations among the Issuer, the Issuing and Paying Agent and DTC and of the executed Master Note;

(iii) opinions dated such date of (a) Norton Rose Fulbright LLP, Bond Counsel, (b) McDermott Will & Emory LLP, United States counsel to the Bank, and (c) foreign counsel to the Bank (each such opinion to be in form and substance as previously agreed to by each such counsel and the Dealer);

(iv) Confirmation of the then current rating assigned to the Notes by each nationally recognized statistical rating organization then rating the Note;

(v) a certificate of the Issuer, executed by any duly authorized official of the Issuer, dated such date, as to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained in the Ordinance on and as of such date, which certificate may state that the certifications therein set forth are to the best knowledge and belief of such official;

(vi) a certificate of the Issuer, executed by any duly authorized official of the Issuer, dated such date, as to the accuracy of and compliance with the representations, warranties, covenants and agreements of the Issuer contained in the LOC and the Reimbursement Agreement on and as of such date, which certificate may state that the certifications therein set forth are to the best knowledge and belief of such official;

(vii) a certificate of the Bank, executed by a duly authorized representative of the Bank, dated such date, as to the correctness of information concerning the Bank which is contained in the Offering Memorandum;

(viii) a certificate of the Issuer executed by any duly authorized official of the Issuer, dated on or prior to such date, as to the correctness of

information concerning the Issuer which is contained in the Offering Memorandum;

(ix) copies of all documents required by, and delivered pursuant to, [Section 4.01] of the Reimbursement Agreement; and

(x) copies of such other documents, certificates and opinions as the Dealer shall have reasonably requested.

7. Term and Termination of this Agreement. (a) This Agreement shall become effective upon execution by the Dealer and the Issuer and may be canceled by the Dealer or the Issuer (with notification to the Bank) at any time on written notice. To be effective, such written notice must be given no less than 30 days prior to such cancellation date with a copy to the Paying Agent and the Bank; provided, however, that upon the mutual agreement of the Dealer, the Bank, and the Issuer, such written notice may be given fewer than 30 days prior to such cancellation date. The Issuer will use its best efforts to notify S&P Global Ratings, Moody's Investors Service, Inc. and Fitch, Inc. (in the manner prescribed by Section 10(e) hereof) of the termination of this Agreement and any change in the dealer for the Notes.

(b) In addition, Barclays Capital Inc. may terminate its obligations under this Agreement or, at its option, may temporarily suspend its obligations hereunder at any time by notifying the Issuer and the Bank in writing or by telegram, telex or other electronic communication of its election to do so if:

(i) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the United States or be introduced by committee by amendment or otherwise in, or be enacted by, the House of Representatives or the Senate or be recommended by the President of the United States to the Congress of the United States for passage by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service or any other governmental entity having jurisdiction over the subject matter shall be made or proposed, having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon interest received on the Notes;

(ii) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the United States, or shall be introduced by committee by amendment or otherwise, or be introduced by the House of Representatives or the Senate or shall be recommended by the President of the United States to the Congress of the United States for passage by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the United States Securities and Exchange Commission or other

governmental agency having jurisdiction of the subject matter should be made or proposed, to the effect that the offering or sale of obligations of the character of the Notes, as contemplated hereby, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect (the “Securities Act”), or the Securities Act of 1934 as amended and as then in effect, or that the Ordinance shall be required to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the offering for sale of obligations of the character of the Notes, or the Notes as contemplated hereby, without registration under the Securities Act or qualification of the Ordinance under the Trust Indenture Act of 1939, as amended;

(iii) Any information shall have become known which, in the Dealer’s reasonable opinion, makes untrue any statement of a material fact contained in the Offering Memorandum prepared as provided in Section 3 hereof, or causes the Offering Memorandum prepared as provided in Section 3 hereof, as supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made therein, in the light of the circumstance under which they were made, not misleading;

(iv) Except as provided in paragraphs (a) and (b) of this section, any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency of the United States or of the State of Texas, or a decision by any court of competent jurisdiction within the United States or the State of Texas shall be rendered, which, in the Dealer’s reasonable opinion, materially adversely affects the marketability of the Notes;

(v) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities similar to the Notes by any governmental authority or by any national securities exchange which, in the Dealer’s reasonable opinion, materially adversely affect the marketability of the Notes;

(vi) Any governmental authority shall impose, as to the Notes, or obligations of the character of the Notes, any material restrictions not now in force, or increase materially those now in force which, in the Dealer’s reasonable opinion, materially adversely affect the marketability of the Notes;

(vii) A banking moratorium shall have been established by United States federal, or New York State authorities;

(viii) The rating of the Notes shall have been downgraded to a rating below “A-1” by S&P Global Ratings, , or below “F1” by Fitch, Inc., or any such rating agency shall withdraw any ratings it may have in effect with respect to the Notes;

(ix) A war involving the United States shall have been declared, or any existing conflict involving the armed forces of the United States shall have escalated, or any other

national or international emergency relating to the effective operation of government of the financial community shall have occurred (or any existing national or international emergency shall have escalated), which, in the Dealer's reasonable opinion, materially adversely affects the marketability of the Notes;

(x) Any event, including, without limitation, the bankruptcy or default of any issuer of, or obligor on tax-exempt securities, shall have occurred which, in the Dealer's reasonable opinion, makes the marketing of the securities of the character of the Notes impossible over an extended period of time;

(xi) The Ordinance, the Issuing and Paying Agent Agreement, the LOC or the Reimbursement Agreement shall cease to be in full force and effect or shall have been amended, modified or supplemented except as agreed to by the Dealer;

(xii) An Event of Default under the Ordinance, the Issuing and Paying Agent Agreement, the LOC or the Reimbursement Agreement shall have occurred and be continuing;

(xiii) A Non-Issuance Instruction shall have been given and remain in effect under the [Reimbursement Agreement];

(xiv) A general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or the establishment of minimum or maximum prices on any such national securities exchange shall have occurred;

(xv) A material disruption in securities settlement, commercial banking, payment or clearance services applicable to the Notes shall have occurred which, in the Dealer's reasonable opinion, materially adversely affects the ability to effect the settlement, payment or clearance of the Notes;

(xvi) There shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Offering Memorandum discloses are expected to occur;

(xvii) Any one or more of the Issuer's representations and warranties under Section 4 is not true and correct; or

(xviii) The Issuer has breached one or more of its covenants, agreements, or obligations under Section 4 hereof

8. Payment of Fees and Expenses. (a) In consideration of the services to be performed by the Dealer under this Agreement, the Issuer agrees to pay to the Dealer

a fee in the amount of the product of (i) 0.04% divided by 365 or 366, as appropriate, and (ii) the sum of the principal amounts of the Notes outstanding on each day during the billing period (to which reference is made in the next succeeding sentence). It is understood and agreed that (i) payment of such fee shall be made by the Issuer quarterly upon receipt of an invoice therefor from the Dealer, and (ii) the obligation of the Issuer to pay such fee shall survive the termination or cancellation of this Agreement to the extent that such obligation related to Notes outstanding prior to such termination or cancellation.

(b) All reasonable expenses and costs of the Dealer in effecting the authorization, preparation, issuance, offering, delivery and sale of the Notes (including, without limitation, the expenses and costs of the preparation, printing, photocopying, execution and delivery of the Notes, the Offering Memorandum, any Supplement thereto, the LOC, Reimbursement Agreement, the Issuing and Paying Agent Agreement, this Agreement and all other agreements and documents contemplated hereby and thereby, including amendments, modifications and supplements to any such agreements and documents at any time during the term of this Agreement) shall be paid or reimbursed by the Issuer, unless and to the extent that such expenses and costs are paid out of or reimbursed from the proceeds of the Notes.

9. Indemnity. To the extent permitted by law, the Issuer shall indemnify and hold harmless the Dealer and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls the Dealer (each herein called a “**Controlling Person**”) within the meaning of Section 15 of the Securities Act (any such person being herein sometimes called an “**Indemnified Party**”), against any and all losses, claims, damages or liabilities, joint or several, (including, without limitation, fees and disbursements of counsel) or judgments of whatever kind or nature (or actions in respect thereof) (each “a Claim”), (i) to which any such Indemnified Party may become subject, under statute or regulation, at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in the Offering Memorandum or any amendment or supplement thereto or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements made therein not misleading in any material respect, in light of the circumstances under which they were made and considering (1) the purpose for which such information was supplied in the offering of the Notes to qualifying investors (which term is defined in the Offering Memorandum) pursuant to the disclosure documents (which includes the Offering Memorandum and any amendments and supplements thereto and replacements thereof), and (2) the presence of the LOC and the Reimbursement Agreement, but the Issuer will not be liable in any such case to the extent that any such loss, claim, damage or liability (including legal counsel fees and expenses) arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made or incorporated in the disclosure documents (x) in reliance upon and in conformity with written information furnished to the Issuer by the Dealer specifically for use in the disclosure documents or (y) any information contained in

the disclosure documents relating to the Bank, the LOC or the Reimbursement Agreement, and (ii) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Issuer (which consent shall not be unreasonably withheld). The Issuer will not be liable to the Dealer in any case to the extent that any loss, claim, damage or liability (including legal counsel fees and expenses) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission which is made to investors by the Dealer but is not contained, made or incorporated in the disclosure documents.

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Issuer, notify the Issuer in writing of the commencement thereof. Failure of the Indemnified Party to give such notice shall reduce the liability of the Issuer by the amount of damages attributable to the failure of the Indemnified Party to give such notice to the Issuer, but the omission to notify the Issuer of any such action shall not relieve the Issuer from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Issuer of the commencement thereof, the Issuer may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Party and the Issuer (it being understood that, except as hereinafter provided, the Issuer shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from the Issuer to such Indemnified Party of an election so as to assume the defense thereof, the Issuer shall not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Issuer assumes the defense of any such action at the request of such Indemnified Party, the Indemnified Party shall have the right to participate at its own expense in the defense of any such action. If the Issuer shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Issuer (in which case the Issuer shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, legal and other expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Issuer.

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 9 is held to be unavailable or insufficient to hold harmless the Dealer for any Claim, although applicable in accordance with the terms of this Section, the Issuer shall contribute to the aggregate costs incurred by the Dealer in connection with any Claim in the proportion of the respective economic interests

of the Issuer and the Dealer; provided, however, that such contribution by the Issuer shall be in an amount such that the aggregate costs incurred by the Dealer do not exceed the aggregate of the commissions and fees earned by the Dealer hereunder with respect to the issue or issues of Notes to which such Claim relates. The respective economic interests shall be calculated by reference to the aggregate proceeds to the Issuer of the Notes issued hereunder and the aggregate commissions and fees earned by the Dealer hereunder for the applicable calendar year.

10. Miscellaneous. (a) All notices, demands and formal actions under this Agreement shall be in writing and mailed, telecopied or delivered to:

The Dealer:

Barclays Capital Inc.
745 Seventh Avenue, 2nd Floor
New York, New York 10019
Attention: Short-Term Municipal Products-Manager
Telephone: (212) 528-1011
Facsimile Transmission Number: (646) 758-1870

With a copy to:

Barclays Capital Inc.
745 Seventh Avenue, 19th Floor
New York, New York 10019
Attention: Public Finance – Short Term Products
Telephone: (212) 526-2093
Facsimile Transmission Number: (646) 758-1905

The Issuer:

City of Garland
200 North Fifth
Garland, Texas 75040
Attention: Director of Financial Services
Telephone: (972) 205 2355
Facsimile Transmission Number: (972) 205 2810

The Bank:

Barclays Bank PLC
[]

With copies to:

[]

And:

[]

provided, however, that all notices pursuant to, or contemplated by, the provisions of Section 1 of this Agreement shall be given by telephonic communication between or among authorized representatives of the parties to this Agreement and shall be confirmed in writing and mailed, telecopied or delivered to such parties on the later of the Business Day following the settlement, if any, of the respective transactions to which such notices relate or the Business Day following the telephonic communication. The Dealer and the Issuer may, by notice given under this Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed;

(b) Any certificate authorized by the Issuer, signed by any authorized official or officials of the Issuer and delivered to the Dealer, shall be deemed a representation by the Issuer to the Dealer as to the statements made therein;

(c) This Agreement will inure to the benefit of and be binding upon the Issuer and the Dealer and their respective successors and assigns, and will not confer any rights upon any other person, partnership, association or corporation other than the Indemnified Parties and the Bank. The term “successors” and “assigns” shall not include any purchaser of any of the Notes merely because of such purchase;

(d) All of the representations, warranties and covenants of the Issuer and the Dealer in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer or (ii) delivery of any payment for any Notes hereunder;

(e) The Dealer shall use its commercially reasonable efforts to notify S&P Global Ratings, Moody’s Investors Service, Inc. and Fitch, Inc., of any modification of or amendment to this Agreement. Notice shall be sent by first class mail, postage prepaid;

(f) Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement;

(g) If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, because it conflicts with any provisions of any constitution, statute, or rule of public policy, or for any other reason, such

circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever;

(h) This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which constitute one and the same document. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page;(i) This Agreement shall be governed by and construed in accordance with the law of the State of Texas. EACH OF THE DEALER AND THE ISSUER WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY; and

(j) This Agreement is not assignable by either party hereto without the written consent of the other party; provided, however, that the Dealer may assign its rights and obligations under this Agreement to any affiliate of the Dealer so long as such affiliate is otherwise permitted to perform such obligations under all applicable federal and state banking and securities laws, rules and regulations.

Execution Page

BARCLAYS CAPITAL INC.

By: _____

CITY OF GARLAND, TEXAS

By: _____
Mayor

By: _____
City Secretary



GARLAND POLICY REPORT

City Council Work Session Agenda

3. e.

Meeting Date: April 5, 2021

Item Title: 2021-2022 CDBG, HOME and ESG Federal Grant Assistance

Submitted By: Mona Woodard, Neighborhood Services Administrator

Strategic Focus Areas: Enhanced Quality of Life through Amenities, Arts, and Events
Vibrant Neighborhoods and Commercial Centers

ISSUE

Information provided for Council review regarding the allocation of Community Development Block Grant (CDBG) funding, HOME Infill Partnership Grant (HOME) funding and the Emergency Solutions Grant (ESG) funding.

OPTIONS

A public hearing will be held on April 6, 2021, during the regular City Council meeting on this item. This item will be brought back before the Council at the April 19, 2021 Work Session for discussion of CDBG, HOME, and ESG grant proposals. The final discussion on this item is scheduled for May 3, 2021.

BACKGROUND

The City expects to receive the following funding from the Department of Housing and Urban Development for 2021-2022:

CDBG: \$2,187,595

HOME: \$701,303

ESG: \$193,644

The proposed budget for fiscal year 2021/2022 must be submitted to the Department of Housing and Urban Development by August 13, 2021, for all federal grant allocations. To this point, there have been several input meetings to solicit feedback on the proposed use of funding.

CONSIDERATION

Staff received CDBG applications requesting a total of \$578,157 for CDBG public services, \$1,693,072 for CDBG City sponsored projects, and \$437,519 for CDBG administrative use for next fiscal year. There is an estimated total of \$271,135 available in CDBG funding for reprogramming to other projects.

HUD regulations limit CDBG monies used for public services applications to a maximum of 15%

of entitlement funding available; grant planning and administration is limited to no more than 20% of the entitlement funding available. As a result, funds available in the public service category for FY21/22 total \$328,139, grant administration totals \$437,519, and City-sponsored projects total \$1,693,072.

HOME entitlement funding available totals \$701,303, and requests equal that amount. HUD regulations allow up to 10% of HOME funding to be used for administration, and 15% of HOME funding must be used by Community Housing Development Organizations (CHDO's).

The total funds available for the ESG program is \$193,644. Housing and Community Services Department will use \$23,024 in ESG funding for administration and data collection. Other categories include Shelter Operations and Street Outreach in the amount of \$112,919 and Rapid Re-housing in the amount of \$57,701. The City received a total of \$179,529.

Attachments

Federal Grants Summary FY21/22

Available Funding

2021-2022 Projected Federal Grant Funding

Community Development Block Grant (CDBG)	\$	2,187,595
HOME Partnership Grant - (HOME)	\$	701,303
Emergency Solutions Grant - (ESG)	\$	<u>193,644</u>
TOTAL	\$	3,082,542
Carryover/Reprogrammed Funding	\$	271,135

Maximum Category Expenditures Per Grant Program

FY-2020-21 - Entitlement Grant Funding

Community Development Block Grant

Entitlement	\$2,187,595
CDBG Carryover	\$271,135
TOTAL	\$2,458,730

Maximum Expenditures Available Per Category

Maximum CDBG Administration Available	\$437,519
Maximum CDBG Public Services Available	\$328,139
Maximum CDBG Citywide Initiatives Available	\$1,693,071
TOTAL	\$2,458,730

HOME Investment Partnership

Entitlement	\$701,303
HOME Carryover	
TOTAL	\$701,303

Maximum Expenditures Available Per Category

Maximum HOME Administration Available	\$73,671
Minimum CHDO Set Aside Required	\$105,195
Down Payment Assistance	\$60,000
Maximum City Sponsored Projects	\$462,437
TOTAL	\$701,303

Emergency Solutions Grant

Entitlement	\$193,644
TOTAL	\$193,644

Maximum Expenditures Available Per Category

Maximum ESG Administration Available	\$14,523
Required ESG Shelter Operations/Street Outreach	\$112,919
Required ESG Rapid Rehousing	\$57,701
Required ESG Homelessness Prevention	\$0
Required ESG HMIS Data Base	\$8,500
Total	\$193,644

GRAND TOTAL	\$3,353,677
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GARLAND

CDBG Carryover Funding

Program		Annual Carryover Amount	Cummulative Carryover Balance
FY16/17			
1440	GREAT HOMES	\$	64,766.93
FY 18/19			
1506	Single Family Rehab	\$	59,591.05
1507	Blighted Structure	\$	97,143.00
FY19/20			
1536	Achievement Center	\$	24,874.10
1538	Elderly Yard Care	\$	443.00
1540	Police Boxing	\$	15.00
1541	Hope Clinic	\$	0.04
1543	HD New Beginning	\$	1,810.24
1545	Garland Ombudsman	\$	1,095.19
1547	CDBG Administration	\$	21,396.16
		\$	271,135

Requests for Funding



CDBG 2021-2022 Federal Grant Allocations

Reviewed Applications - Public Services

Application Title	Organization Name	Category	Requested Amount	RFP Score (Max 100)	Previous Year Allocation	RFP Remaining Budget	Council Averaged Allocated Amount	RFP Remaining Budget
Public Service Applications			Maximum Available			\$ 328,139		
Citywide Initiatives								
Garland Police Boxing Program	City of Garland Police Department	Youth Services	\$ 29,100	88.33	28,663	\$ 299,039		\$ 328,139
S.T.A.R.S. Summer Day Camp	City of Garland Parks Department	Youth Services	\$ 80,000	87.33	30,603	\$ 219,039		\$ 328,139
Lawn Care Assistance Program	City of Garland Code Enforcement	Elderly Services	\$ 22,957	73.33	22,957	\$ 196,082		\$ 328,139
Non-Profit Public Services								
Value Added Health Care	Hope Clinic	Medical Services	\$ 100,000	97.33	82,313	\$ (100,000)		\$ 328,139
Family Violence Survivor Services Program	Hopes Door/New Beginning	Homeless Services	\$ 60,000	97.00	37,722	\$ (160,000)		\$ 328,139
Emergency Rental Assistance	Salvation Army	Homeless Services	\$ 62,500	97.00	32,625	\$ (222,500)		\$ 328,139
Long Term Care Ombudsman Program - Garland	Senior Citizens of Greater Dallas	Elderly Services	\$ 18,000	97.00	17,761	\$ (240,500)		\$ 328,139
At Risk Family Therapy Program	Counseling Institute of Texas (CIT)	Counseling Services	\$ 60,000	96.00	18,514	\$ (300,500)		\$ 328,139
Meals on Wheels	Visiting Nurse Association	Elderly Services	\$ 13,600	95.00	10,305	\$ (314,100)		\$ 328,139
Special Needs Care and Training	Achievement Center of Texas	Special Needs	\$ 60,000	89.00	58,128	\$ (300,500)		\$ 328,139
Summer Youth Camp Program - New Project	Restoration Church	Youth Services	\$ 60,000	58.67	0	\$ (360,500)		\$ 328,139
Emergency Motel Voucher Program - New Project	Restoration Church	Homeless Services	\$ 12,000	56.67	0	\$ (372,500)		\$ 328,139
			\$ 578,157			\$		-

Citywide Initiatives - Applications

0

TOTAL Available

\$ 1,693,071

City Core Services Projects		Remaining Balance	Staff Recommend
Code Enforcement - Officers	\$ 250,000	\$ 1,443,071	\$ 250,000
Minor Home Repair Grant - Elderly/Disabled	\$ 200,000	\$ 1,243,071	\$ 200,000
Single Family Rehabilitation Program	\$ 393,071	\$ 850,000	\$ 393,071
		\$ 850,000	\$ 843,071
Existing Total		Remaining Balance	Recommended Total
\$ 843,071		\$ 850,000	\$ 843,071

New Submitted Projects	Request	Remaining Balance	Staff Recommend
Garland Central Library Kiosk Project	\$ 400,000	\$ 450,000	\$400,000
Garland Lon Wynne Park Library Kiosk Project	\$ 450,000	\$ -	\$450,000
Habitat for Humanity - Home Repair Program	\$ 250,000	\$ (250,000)	\$0
	\$ -	\$ -	\$0
	\$ 1,100,000	\$ (250,000)	\$850,000

Infrastructure - Street Projects		Remaining Balance	Staff Recommend
<i>None Submitted</i>			\$0
Project Applications Total		Remaining Balance	
\$ 1,943,071		\$ -	\$1,693,071

Housing and Community Services Administration Funding

Purpose	Organization Name	Category	RFP Maximum Budget	Requested Amount		Funding Available?	RFP Remaining Budget	Staff Recommend
Grant Operations/Training/ Salaries	City of Garland	Housing/Community Services	\$ 437,519	\$ 437,519		yes	\$ -	\$ 437,519



HOME Program 2021-2022 Federal Grant Allocations

Reviewed Applications - HOME Infill City Sponsored Projects

Application Title	Organization Name	Administering Department		Requested Amount		New/Existing Project	RFP Remaining Budget	Staff Recommend
							\$ 701,303	
HOME Infill - New Single Family Home Construction	City of Garland	Housing/Community Services		\$ 462,437		Existing	\$ 238,866	\$ 462,437
HOME Infill - Down Payment Assistance Program	City of Garland	Housing/Community Services		\$ 60,000		Existing	\$ 178,866	\$ 60,000
CHDO Infill - New Single Family Home Construction	Habitat for Humanity	Housing/Community Services		\$ 105,195		Existing	\$ 73,671	\$ 105,195
HOME Program Administration	City of Garland	Housing/Community Services		\$ 73,671		Existing	\$ (0)	\$ 73,671
TOTAL								\$ 701,303
								TOTAL Available
TOTAL FY21-22 New Entitlement Funding							\$ -	\$ 701,303

Reviewed Applications - Emergency Solutions Grant - Projects

Total Available \$ **193,644.00**

Application Title	Organization Name	Maximum Available per Category		Requested Amount	Reconciled Difference	Existing/New Project	RFP Remaining Budget	Staff Recommended
ESG Shelter Operations/Street Outreach		\$ 112,919						
Shelter Operations	Hope's Door/New Beginning			\$ 112,919		Existing		
Street Outreach	Metro Releif			\$ -		Existing		
							\$ 80,725	\$ 112,919
Rapid Re-Housing - Short Term Rent Assistance-Domestic Violence Victims	Hope's Door/New Beginning Ctr	\$ 57,701		\$ 57,701		Existing		
							\$ 23,024	\$ 57,701
Data Collection - Metro Dallas Homeless Alliance	City of Garland Housing and Community Services	\$ 8,909		\$ 8,909		Existing	\$ 14,115	\$ 8,909
ESG Program Administration/Operations	City of Garland Housing and Community Services	\$ 14,115		\$ 14,115		Existing	\$ -	\$ 14,115
								Total Available
				\$ 193,644				\$ 193,644

Public Service Applicants

Public Service Applicants

Counseling Services Summary Sheets

Applicants	Requested Amount		Application Score
Counseling Institute of Texas	\$60,000		96.00
	.		
TOTAL Funding Requested		\$60,000	

2021-22 CDBG Application Summary: Public Services

Category: Counseling Services

Applicant Agency: The Counseling Institute of Texas Inc.
3200 Southern Drive Ste 100
Garland TX 75043

Contact Person: Susan Hennum **Title** Director

Email/Phone shennum@citexas.org 972-271-4300

Project Name: Counseling Assistance Fund

Amount Requested: \$60,000

Unit of Service: 1 person receiving assistance

Number of Persons Served: 75 families

Application Score
96.00

Project Description:

CDBG Funding is requested to assist low income families within the City of Garland by providing counseling services. It is difficult to say the number of clients as the families range in size and the length of treatment which all effects the number of clients served, but the goal is to service 75 families or individuals by providing each individual or family with 10 – 12 sessions. All funds received are used to pay for the cost of the counseling session and costs related to the session; no administrative position is funded through CDBG. Families are asked to pay a small co-pay ranging from \$0 to \$15 however, scholarships are also available for these.

DUNS Number: 867405706

Scoring Category	Application Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>14.00</u>	15	
<u>Organizational Capacity</u>	<u>15.00</u>	15	
<u>Budget</u>	<u>19.33</u>	20	
<u>Project Benefits</u>	<u>14.33</u>	13	
<u>Project Specifics</u>	<u>33.33</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>96.00</u>	100	

Public Service Applicants

Disabled/Special Needs Summary Sheets

Applicants	Requested Amount		Application Score
Achievement Center of Texas	\$60,000		89.00
TOTAL Funding Requested		\$60,000	

2021-2022 CDBG Application Summary: Public Services

Category: Special Needs Programs

Applicant Agency: Achievement Center of Texas
2950 N. Shiloh Road
Garland, TX 75044

Contact Person: Andrew Malik **Title:** Executive Director

Email/Phone: amalik@act.com 972-414-7700

Project Name: Daycare and Training for Persons with Special Needs

Amount Requested: \$60,000

Unit of Service: 1 person receiving day habilitation services

Number of Persons Served: 20

Application Score
89.00

Project Description:

In order for many of our students to attend our center require tuition assistance to utilize our services. The tuition assistance provided by the City of Garland, through Community Development Block Grant funding, helps ensure our students from low-income areas can also benefit from the programs and services we offer. The block grant has helped hundreds of students maximize their potential by opening up the opportunity to students to attend our programs. Each year we are able to help around 20 families with tuition assistance for the entire year. Our families rely on us to provide their loved one with a safe and caring environment to teach their loved ones skills, while also having fun. Many people who do not have a child or loved one with disabilities truly understand the cost involved in raising someone their entire life. Many families struggle to make ends meet to care for their loved one without the assistance of a medicaid waiver program or CDBG funds.

DUNS Number: 122567691

Scoring Category	Application Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>12.33</u>	15	
<u>Organizational Capacity</u>	<u>14.67</u>	15	
<u>Budget</u>	<u>16.67</u>	20	
<u>Project Benefits</u>	<u>14.00</u>	13	
<u>Project Specifics</u>	<u>31.33</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>89.00</u>	100	

Public Service Applicants

Elderly Services Summary Sheets

Applicants	Requested Amount		Application Score
VNA - Meals on Wheels	\$13,600		95.00
Senior Citizens of Greater Dallas	\$18,000		97.00
Elderly Yard Care Program - Code Department	\$22,957		73.33
TOTAL Funding Requested	\$54.557		

2021-2022 CDBG Application Summary: Public Services

Category: Elderly Services

Applicant Agency: The Visiting Nurse Association (VNA)
1600 Viceroy Dr Ste 400
Dallas TX

Contact Person: Cheryl Jones, LMSW **Title:** Manager

Email/Phone: jonesc@vnatexas.org 214-689-2682

Project Name: Meals on Wheels Program

Amount Requested: **\$13,600**

Unit of Service: 1 person

Number of Persons Served: 8

Application Score

95.00

Project Description:

VNA Meals on Wheels provides nutritious, hot, home-delivered meals to those who due to illness, advanced age or disability are unable to provide or prepare meals for themselves. The purpose of Meals on Wheels is to nourish the whole person by providing nutritious home-delivered meals and social contact for seniors and disabled adults. With funding from the City of Garland CDBG, eight clients will receive hot, nutritious meals delivered by friendly volunteers for an entire year (2,080 meals total).

DUNS Number: 75119057

Scoring Category	Application Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>14.00</u>	15	
<u>Organizational Capacity</u>	<u>13.33</u>	15	
<u>Budget</u>	<u>19.67</u>	20	
<u>Project Benefits</u>	<u>15.00</u>	13	
<u>Project Specifics</u>	<u>33.00</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>95.00</u>	100	

2021-2022 CDBG Application Summary: Public Services

Category: Elderly Services

Applicant Agency: Senior Citizens of Greater Dallas, Inc.
 3910 Harry Hines Blvd.
 Dallas TX 75219

Contact Person: Suzanna Sulfstede, LMSW **Title** Director

Email/Phone ssulfstede@TheSeniorSource.org 214-823-5700

Project Name: Long Term Care Ombudsman Program - Garland

Amount Requested: \$18,000

Unit of Service: 1 person receiving assistance

Number of Persons Served:

Application Score

97.00

Project Description:

The Long-Term Care Ombudsman Program, federally mandated by the Older Americans Act, has the mission to improve the quality of life and care for frail, vulnerable elderly and disabled individuals residing in long-term care facilities, and to protect their health, safety, welfare and rights. CDBG funds will be used to continue partially funding salary and fringes (\$17,500), as well as mileage (\$500) for a staff ombudsman serving all Garland nursing home residents. The Garland Ombudsman monitors care provided in the facilities and works to resolve complaints to the satisfaction of the resident. Activities will include visitation and direct advocacy for 850 unduplicated elderly and disabled residents, as well as one-on-one consultation on long-term care issues for residents, families and facility staff.

74860933

Scoring Category	Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>15.00</u>	15	
<u>Organizational Capacity</u>	<u>14.67</u>	15	
<u>Budget</u>	<u>19.33</u>	20	
<u>Project Benefits</u>	<u>14.67</u>	13	
<u>Project Specifics</u>	<u>33.33</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>97.00</u>	100	

2021-2022 CDBG Application Summary: Public Services

Category: Elderly Services

Applicant Agency: Garland Code Compliance Department
210 Carver
Garland TX 75040

Contact Person: Rick Barker **Title** Administrator

Email/Phone rbarker@garlandtx.gov 972-485-6424

Project Name: Lawn Care Assistance Program (Elderly Lawn Care)

Amount Requested: \$22,957

Unit of Service: 1 person receiving assistance

Number of Persons Served: 63

Application Score
73.33

Project Description:

This program assists the elderly and/or disabled to maintain their property by mowing their lawns. The program has been able to provide this service to approximately 63 residents. We do request maximum funds allowed for staff administration of the program.

Scoring Category	Application Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>13.67</u>	15	
<u>Organizational Capacity</u>	<u>11.00</u>	15	
<u>Budget</u>	<u>12.33</u>	20	
<u>Project Benefits</u>	<u>11.00</u>	13	
<u>Project Specifics</u>	<u>25.33</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>73.33</u>	100	

Public Service Applicants

Homeless Services Summary Sheets

Applicants	Requested Amount		Application Score
Salvation Army - Rental Assistance	\$62,500		97.00
Motel Voucher Program	\$12,000		56.67
Hopes Door/New Beginning - Case Mgmt. Domestic Violence	\$60,000		99.67
TOTAL Funding Requested		\$134,500	

2021-2022 CDBG Application Summary: Public Services

Category: Homeless Services

Applicant Agency: Salvation Army
451 West Avenue D
Garland TX 75040

Contact Person: Shelly Hood **Title** Captain

Email/Phone shelley.hood@uss.salvationarmy.org 972-272-4531

Project Name: Emergency Rental Assistance Program

Amount Requested: \$62,500

Unit of Service: 1 person receiving assistance

Number of Persons Served: 25 households - 75 people

Application Score
97.00

Project Description:

The Salvation Army Garland Corps requests \$62,500.00 for our homeless prevention program. The CDBG funding will allow The Salvation Army to serve 25 low-income households who are at risk of homelessness by providing up to six months of targeted intervention services that prevent eviction, promote financial independence and wellbeing, and housing security. The program will provide CDBG funded emergency rental assistance coupled with longer-term case management and housing stabilization services, including food pantry access, home visits, and monthly budgeting. At the end of six months, clients will have participated in case management activities focused on financial stability, developed a balanced budget, and followed the budget to demonstrate the household is living within its means. These program service provide at-risk households with the foundation to make informed decisions necessary to achieve financial stability.

DUNS Number: 32781127

Scoring Category	Application Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>14.67</u>	15	
<u>Organizational Capacity</u>	<u>14.33</u>	15	
<u>Budget</u>	<u>19.00</u>	20	
<u>Project Benefits</u>	<u>14.67</u>	13	
<u>Project Specifics</u>	<u>34.33</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>97.00</u>	100	

2021-2022 CDBG Application Summary: Public Services

Category: Homeless Services

Applicant Agency: New Beginning Center/Hopes Door
860 Avenue F, Ste 100
Plano TX 75074

Contact Person: Christina Coultas **Title** Director of Programs

Email/Phone ccoultas@hdnbc.org 469-969-7124

Project Name: Family Violence Treatment Program

Amount Requested: \$60,000

Unit of Service: 1 person receiving assistance

Number of Persons Served: 125

Application Score
99.67

Project Description:

Hope's Door New Beginning Center (HDNBC) serves victims of family and domestic violence as well their families, who are also affected by the violence. The purpose of the requested funding is to provide group and individual counseling and case management services to (125) unduplicated Garland Resident clients at our emergency shelters and in our Victims Outreach Program. The grant will fund (1 FTE counselor salary plus benefits)

Duns Number 557412079

Scoring Category	Application Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>15.00</u>	15	
<u>Organizational Capacity</u>	<u>15.00</u>	15	
<u>Budget</u>	<u>20.00</u>	20	
<u>Project Benefits</u>	<u>15.00</u>	13	
<u>Project Specifics</u>	<u>34.67</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>99.67</u>	100	

2021-2022 CDBG Application Summary: Public Services

Category: Homeless Services

Applicant Agency: Restoration Community Fellowship Church
414 Castle Drive
Garland TX 75040

Contact Person: Robert Shepherd **Title** Pastor

Email/Phone restorationcfc@hotmail.com 214-802-9102

Project Name: Emergency Motel Vouchers

Amount Requested: \$12,000

Unit of Service: 1 person receiving assistance

Number of Persons Served: 20

Application Score
56.67

Project Description:

This program will serve the homeless and nearly homeless in the Garland area. We will assist families and individuals who are without housing. The homeless population in Garland is made up of many families who may couch surf somewhere each night, sleep in their vehicles or be without shelter. Some of these individuals are persons with disabilities and/or who are veterans. Providing a safe night of rest for these families and individuals will assist in decrease the potential of crime in the Garland area.

DUNS Number: 79872747

Scoring Category	Application Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>10.67</u>	15	
<u>Organizational Capacity</u>	<u>6.00</u>	15	
<u>Budget</u>	<u>8.67</u>	20	
<u>Project Benefits</u>	<u>12.33</u>	13	
<u>Project Specifics</u>	<u>19.00</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>56.67</u>	100	

Public Service Applicants

Medical Services Summary Sheets

Applicants	Requested Amount		Application Score
Hope Clinic	\$100,000		97.33
TOTAL Funding Requested		\$100,000	

2021-2022 CDBG Application Summary: Public Services

Category: Health Care Services

Applicant Agency: Hope Clinic
800 S Sixth Street Ste 100
Garland TX 75040

Contact Person: Alice Mae Britt **Title** Executive Director

Email/Phone alice.britt@bswhealth.org 469-800-2521

Project Name: Medical Clinic for Uninsured and Underserved

Amount Requested: \$100,000

Unit of Service: 1 person receiving assistance

Number of Persons Served: 1200

Application Score

97.33

Project Description:

Hope Clinic of Garland, Inc. will provide comprehensive, primary healthcare services and urgent care services to 1,200 individuals, resulting in 7,500 patient encounters during 2021-2022. CDBG funds are needed to provide primary care, urgent care, chronic health management, medication assistance, specialist referrals, spiritual counseling, and access to basic needs and resources. Our purpose is to improve the overall quality of health, decrease hospitalization and minimize emergency department visits. Led by Hope Clinic's medical director, a medical team of day and night physicians, medical assistants, nurses, and other clinical support, the ultimate outcome will be the delivery of a holistic approach to patient care, provided free-of-charge to Garland residents.

DUNS Number: 805698052

Scoring Category	Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>15.00</u>	15	
<u>Organizational Capacity</u>	<u>14.67</u>	15	
<u>Budget</u>	<u>19.33</u>	20	
<u>Project Benefits</u>	<u>14.67</u>	13	
<u>Project Specifics</u>	<u>33.67</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>97.33</u>	100	

Public Service Applicants

Youth Services Summary Sheet

Applicants	Requested Amount		Application Score
Restoration Church Summer Youth Program	\$60,000		58.67
Garland Police Boxing	\$29,100		88.33
Garland Parks - STARS Program	\$80,000		87.33
TOTAL Funding Requested		\$109,100	

2021-2022 CDBG Application Summary: Public Services

Category: Youth Services

Applicant Agency: Garland Police Department
101 S Ninth Street
Garland TX 75040

Contact Person: Lt. David Swavey **Title** Director

Email/Phone dswavey@garlandtx.gov 972-205-2039

Project Name: Youth Police Boxing Program

Amount Requested: \$29,100

Unit of Service: 0

Number of Persons Served: 130

Application Score
88.33

Project Description:

We are an after school at-risk youth program that involves Garland Police Officers, a City Municipal Judge and a master's level Educator that promotes academic excellence and mentoring. Providing youth an opportunity to develop discipline, self-esteem, self-confidence, and address obesity through the sport of boxing and or karate. The program is geared for approximately 130 children annually and funds are used to support staff positions, of the twelve positions that are in the program CDBG supports three from a head coach at \$12,600 annually one assistant coach at \$9,000, and one administrative assistant at \$7,500, for a total of \$29,100.00 annually

Scoring Category	Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>15.00</u>	15	
<u>Organizational Capacity</u>	<u>14.67</u>	15	
<u>Budget</u>	<u>14.00</u>	20	
<u>Project Benefits</u>	<u>13.00</u>	13	
<u>Project Specifics</u>	<u>31.67</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>88.33</u>	100	

2021-2022 CDBG Application Summary: Public Services

Category: Youth Services

Applicant Agency: Garland Parks and Recreation Department
1701 Dairy Road
Garland TX 75040

Contact Person: Eric Anderson **Title** Rec Coordinator

Email/Phone eanderson@garlandtx.gov 972-205-3090

Project Name: S.T.A.R.S Summer Camp Program

Amount Requested: \$80,000

Unit of Service: 1 person receiving assistance

Number of Persons Served: 150

Application Score
87.33

Project Description:

S.T.A.R.S stand for "Standing Tall and Reaching for Success" and we strive to show every camper ways to achieve success. S.T.A.R.S. Camp is a traditional summer camp for low income families at a reduced fee. Campers will experience small and large group games and activities, possibly field trips, along with special guest to speak towards the mission of S.T.A.R.S. Camp. Campers and counselors will each take home memories of a fun filled summer. Parents will be rest assured there campers will be well taking care of and having fun at affordable price.

Scoring Category	Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>13.67</u>	15	
<u>Organizational Capacity</u>	<u>13.67</u>	15	
<u>Budget</u>	<u>15.00</u>	20	
<u>Project Benefits</u>	<u>14.00</u>	13	
<u>Project Specifics</u>	<u>31.00</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>87.33</u>	100	

2021-2022 CDBG Application Summary: Public Services

Category: Youth Services

Applicant Agency: Restoration Community Fellowship Church
414 Castle Drive
Garland TX 75040

Contact Person: Robert Shepherd **Title** Pastor

Email/Phone restorationcfc@hotmail.com 214-802-9102

Project Name: After School Summer Program

Amount Requested: \$60,000

Unit of Service: 1 person receiving assistance

Number of Persons Served: 20

Application Score

58.67

Project Description:

Restoration Community Fellowship Church envisions being able to provide no cost after school and summer camp opportunities to at least 20 under serviced and low income families in our Garland Communities. This Christian based program will be an opportunity whereby children will be able to be supervised in a safe, loving, and caring environment without having to self supervise themselves. It will allow low income families to not have to make the decision to leave their children at home unsupervised due to not being able to pay for childcare. It is our hope that through this CDBG we will be able to provide nutritious meals, teach life skills through arts; science; and educational curriculums that will aide in the educational advancement of those who attend our program.

Scoring Category	Average Score	Maximum Score	Comments
<u>Project Characteristics</u>	<u>10.00</u>	15	
<u>Organizational Capacity</u>	<u>6.33</u>	15	
<u>Budget</u>	<u>7.33</u>	20	
<u>Project Benefits</u>	<u>10.33</u>	13	
<u>Project Specifics</u>	<u>24.67</u>	37	
<u>Performance Indicators</u>		-5	
<u>TOTALS</u>	<u>58.67</u>	100	

City Department Summary Sheets

City Department Summary Sheets

Applicants	Requested Amount
Code Enforcement Officers	\$250,000
Housing Community Services - Minor Home Repair	\$200,000
Housing Community Services - Single Family Rehabilitation	\$393,071
Garland Library Kiosk	\$450,000
Garland Downtown Library	\$400,000
Habitat for Humanity	\$250,000
TOTAL Funding Requested	\$1,943,071

2021-2022 CDBG Application Summary

Category: City Projects

Applicant Agency:

City of Garland - Code Enforcement

210 Carver

Garland TX 75040

Contact Person:

Rick Barker

Title: Administrator

Email/Phone

rbarker@garlandtx.gov

972-485-6400

Project Name:

Code Enforcement Officers

Amount Requested:

\$250,000

Number of Persons Served:

Project Description:

The one year program will specifically target CDBG areas and will provide over 20,000 property inspections and nuisance abatements on a proactive and reactive basis beginning October 1, 2019 through September 30, 2020. The funding will provide salaries for 3 code enforcement officers.

DUNS Number:

137709606

**Code
Enforcement
Department**

2021-2022 CDBG Application Summary

Category: City Projects

Applicant Agency:	City of Garland -Housing and Community Services	
	800 Main Street	
	Garland TX 75040	
Contact Person:	Mona Woodard	Title: Grant Manager
Email/Phone	mwoodard@garlandtx.gov	972-205-2141
Project Name:	Minor Emergency Repair Program	
Amount Requested FY:	\$200,000	
Number of Persons Served:	20	

**Housing and
Community
Services
Department**

Project Description:

The Program serves low income elderly or disabled homeowners with emergency repairs up to \$5,000. Assistance provided is in the form of a grant. Repairs will be predominately limited to health and safety emergency repairs only such as HVAC system repairs/replacements, plumbing or electrical repairs, handicapped accessibility repairs. Clients receiving assistance will be required to stay in the property for a term of 5 years.

DUNS Number: 137709606

2021-2022 CDBG Application Summary

Category: City Projects

Applicant Agency:	City of Garland -Housing and Community Services	
	800 Main Street	
	Garland TX 75040	
Contact Person:	Mona Woodard	Title: Grant Manager
Email/Phone	mwoodard@garlandtx.gov	972-205-2141
Project Name:	Single Family Rehabilitation Program	
Amount Requested:	\$393,071	
Number of Persons Served:	6	

**Housing and
Community
Services
Department**

Project Description:

The program serves low income homeowners with major renovations and repairs up to \$40,000. Assistance provided may be provided in the form of a grant, a partially forgivable loan or a repayment loan. A lien will be placed on the property for the project costs unless the project balance is below \$5,000. Clients with incomes below 50% of the area median income will have a fully deferred forgivable loan for a term of 7 years. Eligible clients with incomes above 51% of the area median income will be responsible for partial repayment of project costs and will be provided a monthly repayment loan for a term up to 7 years. Repayment of loan proceeds will be placed back into the Single Family Rehabilitation program for same use projects.

DUNS Number: 137709606

2021-2022 CDBG Application Summary

Category: City Projects

Applicant Agency:

City of Garland Library - Kiosk Project

Garland TX 75040

Contact Person:

Karen Archibald

Title: Director

Email/Phone

Project Name:

Garland Lon Wynne Park Library Project

Amount Requested:

\$450,000

Number of Units Completed:

1 Kiosk Project

Project Description:

This program will provide for the acquisition, procurement, and installation of a 24-hour Library materials kiosk in Lon Wynne Park. The kiosk will provide physical library materials in a variety of formats that meet the information, education, and skill set needs of the defined service area, which is an underserved area of Garland. The defined service area is a two-mile radius of Lon Wynne Park and includes over 69,600 residents of Garland. The area is outside of current physical library locations. The Library will also supplement by providing in-person programming at the kiosk/park site, allowing residents the ability to learn how to use the kiosk with one-on-one instruction, participate in children's and family programming that supports literacy and educational initiatives, and build relationships with residents in area of Garland who do not have easy access to library services.

DUNS Number:

137709606

**New Project*

**Housing and
Community
Services
Department**

2021-2022 CDBG Application Summary

Category: City Projects

Applicant Agency:

City of Garland Library - Kiosk Project

**Housing and
Community
Services
Department**

Garland TX 75040

Contact Person:

Karen Archibald

Title: Director

Email/Phone

Project Name:

Garland Central Library Materials Kiosk Project

Amount Requested:

\$400,000

Number of Units Completed:

1 Kiosk Project

Project Description:

This program will provide for the acquisition, procurement, and installation of a 24-hour Library materials kiosk at the Central Library. The Central Library provides access to critical resources and services that meet needs in the downtown community and is free and open to all persons. The Central Library sees between 250,000-300,000 visitors annually. While Central Library is closed to the public for comprehensive renovations, the 24-hour Library kiosk will provide physical library materials in a variety of formats that meet the information, education, and skill set needs of the defined service area. The program also provides for a library laptop kiosk to provide the downtown area access to computers, Internet, printing, software, educational, and workforce support

DUNS Number:

137709606

**New Project*

2021-2022 CDBG Application Summary

Category: City Projects

Applicant Agency:	Habitat for Humanity of Greater Garland	
	2909 Broadway Blvd	
	Garland TX 75041	
Contact Person:	Richard Buquet	Title: Executive Director
Email/Phone	mwoodard@garlandtx.gov	972-414-6894
Project Name:	Single Family Rehabilitation Program	
Amount Requested:	\$250,000	
Number of Persons Served:	10-15 Single Family Homes	

**Habitat for
Humanity of
Garland**

Project Description:

Habitat's Home Repair Program aims to serve 10-15 households in a low-moderate income bracket (below 80% of AMI-Area Median Income). The majority of our 45 projects over the past 2 years have been completed using grant funding that is specifically designated for seniors, veterans, and people with disabilities. With proper funding we are able to complete any type of critical home repair or accessibility modification (excluding foundation repairs), including roof replacement, window/door replacement, HVAC, electrical, plumbing, and ADA issues such as flooring, bathrooms, doorways and ramps. Through this program we aim to alleviate some of the financial burden many Garland homeowners face as they and their home age. Understanding the financial and social benefits of owning a home, we hope to give homeowners and their families the ability to 'age in place', and remain safely in their homes as long as possible.

DUNS Number: 963594122

**New Project*

City Department Summary Sheets

Applicant	2020-2021 Amount
Housing and Community Services	\$701,303
<i>Administration Funding</i>	\$73,671
<i>Community Housing Development Organization - CHDO</i>	\$105,195
<i>City New Home Infill Construction Program</i>	\$462,437
<i>HOME Down Payment Assistance</i>	\$60,000
TOTAL 2020-2021 Funding Requested	\$701,303

2021-2022 HOME Partnership Program Category: City Project

2021-2022 HOME Partnership Program Category: City Project

Applicant Agency: City of Garland - Housing and Community Services

800 Main Street

Garland TX 75040

Contact Person:	<u>Mona Woodard</u>	<u>Grants Administrator</u>
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Contact Person:	<u>Mona Woodard</u>	<u>Grants Administrator</u>
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Email/Phone	mwoodard@garlandtx.gov	972-205-2141
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Email/Phone	mwoodard@garlandtx.gov	972-205-2141
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Project Name: HOME Partnership Program

Amount Requested: **\$701,303**

Number of Units: 8

Project Description:

The HOME Program provides funding to develop low income housing. HOME regulations require that 15% (\$105,195) of funding benefit a Community Development Housing Organization (CHDO) to produce low income Housing. The City of Garland Housing and Community Services Department will utilize program income and prior years remaining entitlement funding to develop new infill single family homes and to acquire, renovate and resell existing single family property and provide loans and down payment assistance to low income homebuyers.

	Grant Entitlement Funding			Balance
New Funding Requested	\$701,303.00			\$701,303.00
	TOTAL			\$701,303

DUNS Number: 137709606

City Department Summary Sheets

\$193,644

Applicants	Recommended
Shelter Services and Street Outreach Funding - \$112,919 Maximum Available	
<i>Hopes Door-New Beginning Center</i>	\$112,919
<i>Maximum Available under Regulation is 60% of Grant Allocation</i>	
Homeless Prevention Funding -	\$0
Rapid Re-housing - Rental Assistance - \$57,701. Maximum Available	
<i>Hopes Door New Beginning</i>	\$57,701
Data Collection	\$8,909
Administration	\$14,115
TOTAL Funding Requested	\$193,644
TOTAL Funding Available	\$193,644
Balance to Reconcile	\$0

**Housing and Community Services Department receives the Administration and Data Collection Funding*

\$23,024

2021-2022 Emergency Solutions Grant

Category: Emergency Shelter/Rapid Rehousing

Applicant Agency:	Hope's Door - New Beginning Center		ESG Emergency Shelter and Rapid Rehousing
	860 Avenue F, Ste 100		
	Plano TX 75074		
Contact Person:	Christina Coultas	Title: CEO	
Email/Phone	ccoultas@hdnbc.org	469-969-7124	
Project Name:	Domestic Violence Shelter Services and Rapid Rehousing Services		
Amount Requested Shelter Services FY 21/22:	\$112,919	330 Clients Served	
Amount Requested Rapid Rehousing FY 21/22:	\$57,701	23 Clients Served	
Number of Persons Served	353		
Project Description:			

Victims who flee domestic violence face numerous obstacles that prevent them from being safe from abuse and ultimately self-sufficient. Hope's Door New Beginning Center (HDNBC) provides Emergency Shelter and a Rapid Rehousing Program which will enable approximately 330 clients (170 households) victims to lead a life free from violence while remaining independent and self-sufficient. The Project Goal is to provide domestic violence victims and their children the opportunity to immediately flee an abusive, potentially life-threatening situation. While in the shelter, victims and their children will gain education and services needed to prevent and/or reduce their exposure to further forms of domestic violence. Without this assistance, victims would lack shelter and valuable resources that could possibly prevent continued life-threatening violence and/or homelessness. Residents may stay in our shelter up to 90 days where they work on setting and obtaining goals, including obtaining housing.

The purpose and priority for clients entering our Rapid Re-housing Program is to provide medium-term (more than 3 months, but not more than 12 months) of rental assistance necessary to assist approximately 23 victims. The program will serve 1-3 households consisting of adult heads of household and their children who are at risk from becoming homeless or prevent homeless due to domestic violence. Services would include: 1) Financial assistance costs which includes the following: Rent and Security Deposits, Application Fees, Childcare, Utility Deposits, Moving Cost Assistance. Housing Relocation and Stabilization Services which include the following: Case Management, Counseling, Outreach and Engagement, Housing Search and Placement, Legal Advocacy, and Credit Repair. Funds requested will cover 2FTE (1 Bilingual Case Manager and 1 Bilingual Advocate) and Rental Assistance for the Rapid re-housing program.

DUNS Number: The purpose a 557412079



GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda

3. f.

Meeting Date: April 5, 2021

Item Title: Request from Farmers Electric Cooperative for Utility Easement at 2900 Elm Grove Road

Submitted By: John Baker, Assistant City Manager

Summary of Request/Problem

In November of 2020, Council authorized the conditional sale of a 3.0 acre tract to Rayburn Electric Cooperative. The tract is located near the intersection of Elm Grove and Vinson Road, which is in the vicinity of the entrance to the Charles M. Hinton Landfill. Rayburn's intention is to construct an electric substation at the property. With the conditions of the sale being met (namely, approval of zoning changes and issuance of an SUP), the transaction was recently settled.

The area already has substantial electric facilities in the area. In order to efficiently connect to an existing transmission line, Farmers Electric Cooperative (FEC) has requested an additional easement through remaining City of Garland property. The shape and alignment of the requested 27,904 SF easement has been developed in coordination with existing and proposed GP&L facilities in the area.

The appraisal of the property just sold to FEC valued land in the area at \$2.30 per square foot. It is common to use a 50% reduction in value in determining easement values for property.

Using this analysis, the value of the requested easement is \$32,090.00. FEC has been notified and is willing to provide that amount.

Recommendation/Action Requested and Justification

Convey the easement tract as requested to FEC. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the April 20, 2021 Regular Meeting.

Attachments

Easement Description

Easement Price Commitment

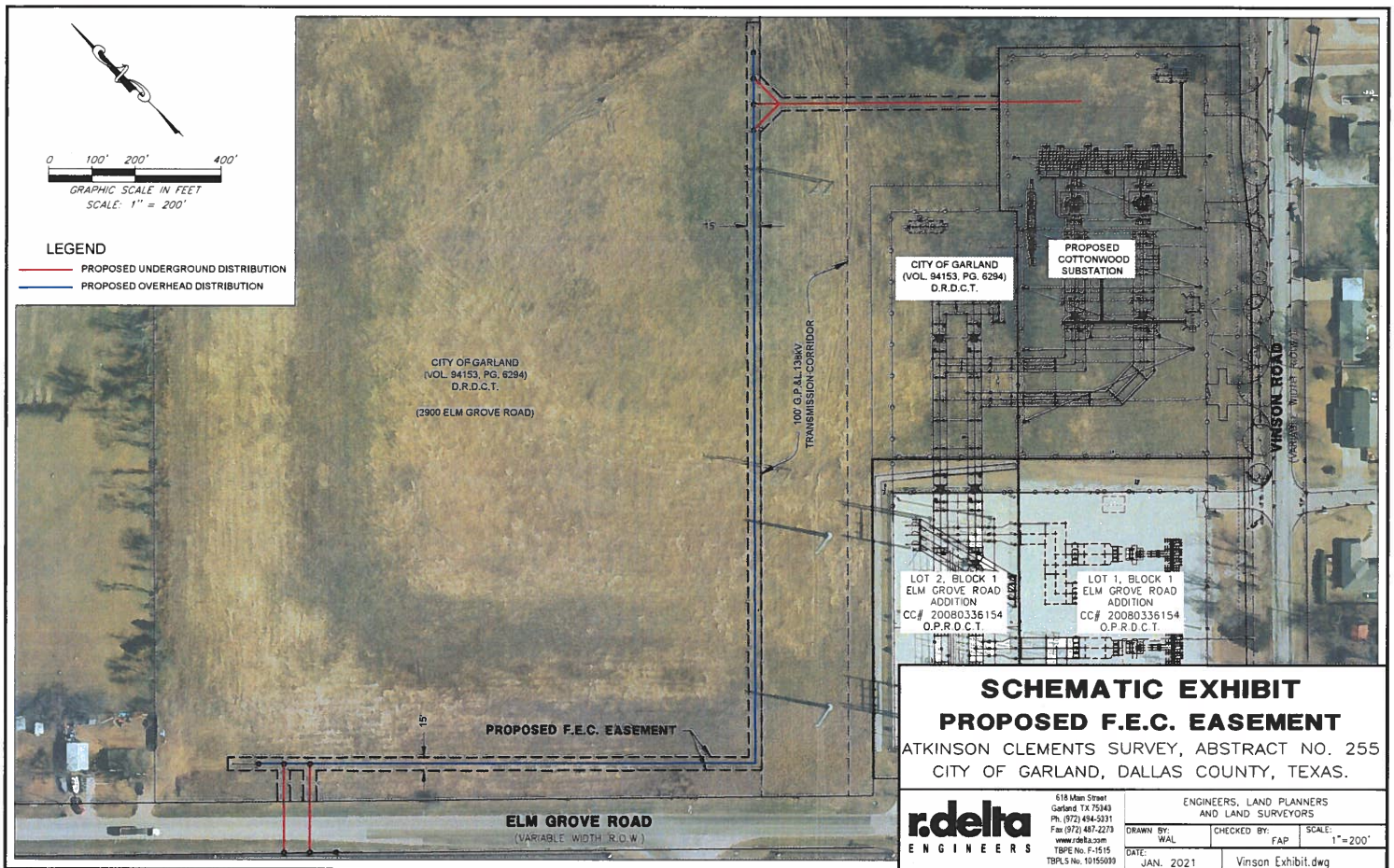


EXHIBIT A
0.641-ACRE TRACT OF LAND
A. CLEMENTS SURVEY, ABST. No. 255
CITY OF GARLAND, DALLAS COUNTY, TEXAS

BEING a 0.641-acre tract of land in the City of Garland, in the Atkinson Clements Survey, Abstract No. 255, Dallas County, Texas, and being part of a 30.533-acre tract of land designated as "TRACT H" in the deed dated August 4, 1994, from Rowlett Princeton Park, L.P. to the City of Garland, Texas, and recorded in Volume 94153, Page 6294 of the Deed Records of Dallas County, Texas (DRDCT), said 0.641-acre tract being more particularly described as follows:

BEGINNING at a point in the northwest line of a 3.00-acre tract of land described in deed from the City of Garland to Rayburn Country Electric Cooperative, Inc., recorded as [Instrument No. _____] in the Official Public Records of Dallas County, Texas, from which a 5/8-inch steel rod with a pink plastic cap stamped "R-DELTA | FIRM10155000" (hereinafter RDR) recovered at the north corner of said 3.00-acre tract bears N 44°31'22" E, a distance of 55.95 feet, said Point of Beginning having coordinates on the Texas Coordinate System of 1983, North Central Zone (4202) of:

X = 2,572,261.75 feet,
Y = 7,039,187.58 feet;

THENCE S 44°31'22" W with the northwest line of said 3.00-acre tract, a distance of 15.00 feet to a point from which a RDR recovered at a west corner of said 3.00-acre tract bears S 44°31'22" W with said northwest line, a distance of 118.05 feet;

THENCE over and across said Tract H the following five (5) courses and distances:

N 45°30'00" W, a distance of 250.31 feet;
West, a distance of 35.93 feet;

S 44°44'15" W, a distance of 737.53 feet;

N 45°06'56" W, a distance of 516.12 feet;

S 44°53'04" W, a distance of 35.90 feet to a point in the northeast right-of-way line of Elm Grove Road as described in the right-of-way deed from Carrie B. Pelton et al to Dallas County, dated July 14, 1938, recorded in Volume 2083, Page 144 of the DRDCT;

THENCE N 45°38' 38" W with the northeast right-of-way line of Elm Grove Road, a distance of 15.00 feet;

THENCE over and across said Tract H the following three (3) courses and distances:

N 44°53'04" E, a distance of 36.03 feet;

N 45°06'56" W, a distance of 15.00 feet;

S 44°53'04" W, a distance of 36.17 feet to a point in the northeast right-of-way line of Elm Grove Road;

THENCE N 45°38'38" W with the northeast right-of-way line of Elm Grove Road, a distance of 15.00 feet;

THENCE over and across said Tract H the following nine (9) courses and distances:

N 44°53'04" E, a distance of 36.31 feet;

N 45°06'56" W, a distance of 57.50 feet;

N 44°53'04" E, a distance of 15.00 feet;

S 45°06'56" E, a distance of 603.59 feet;

N 44°44'15" E, a distance of 850.15 feet;

S 45°15'45" E, a distance of 15.00 feet;

S 44°44'15" W, a distance of 61.60 feet;

South, a distance of 36.28 feet;

S 45°30'00" E, a distance of 250.24 feet to the Point of Beginning and containing 27,904 square feet, or 0.641 acres of land.

FOR REVIEW

BLAKE SUDDUTH, RPLS# 6631

Preliminary, this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document. November 19, 2020

Notes:

1. The coordinates and bearings shown hereon are based on the the Texas Coordinate System of 1983, North Central Zone (4202). All distances are in U.S. Survey Feet and reported at the surface by applying a scale factor of 1.000149242.

2. A graphical exhibit of even date accompanies this description.

NOVEMBER 2020

2782-19

Sheet 1 of 3

rdelta
ENGINEERS

618 Main Street
Garland, TX 75040
Ph. (972) 494-5031
Fax (972) 487-2270
www.rdelta.com
TBPE No. F-1515
TBPLS No. 10155000

EXHIBIT A

0.641-ACRE TRACT OF LAND

A. CLEMENTS SURVEY, ABST. No. 255

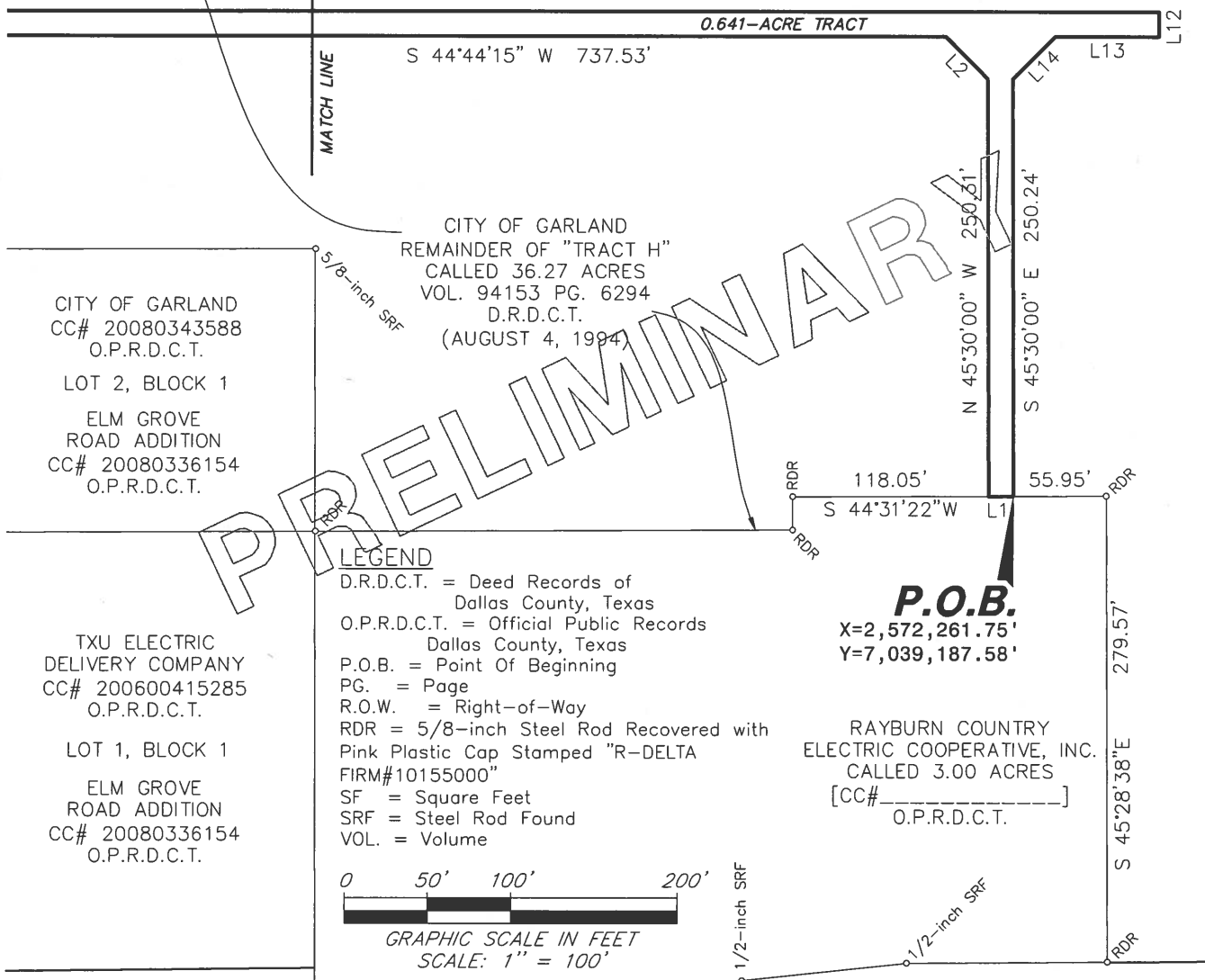
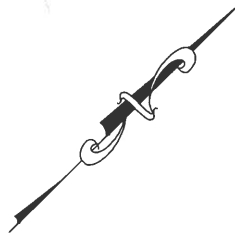
CITY OF GARLAND, DALLAS COUNTY, TEXAS

FOR REVIEW

BLAKE SUDDUTH, RPLS# 6631

Preliminary, this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document. November 19, 2020

LINE	BEARING	DISTANCE
L1	S 44°31'22" W	15.00'
L2	WEST	35.93'
L12	S 45°15'45" E	15.00'
L13	S 44°44'15" W	61.60'
L14	SOUTH	36.28'



Notes:

- The coordinates and bearings shown hereon are based on the the Texas Coordinate System of 1983, North Central Zone (4202). All distances are in U.S. Survey Feet and reported at the surface by applying a scale factor of 1.000149242.
- Field notes of even date accompany this graphical exhibit.

NOVEMBER 2020 2782-19 Sheet 2 of 3

rdelta
ENGINEERS

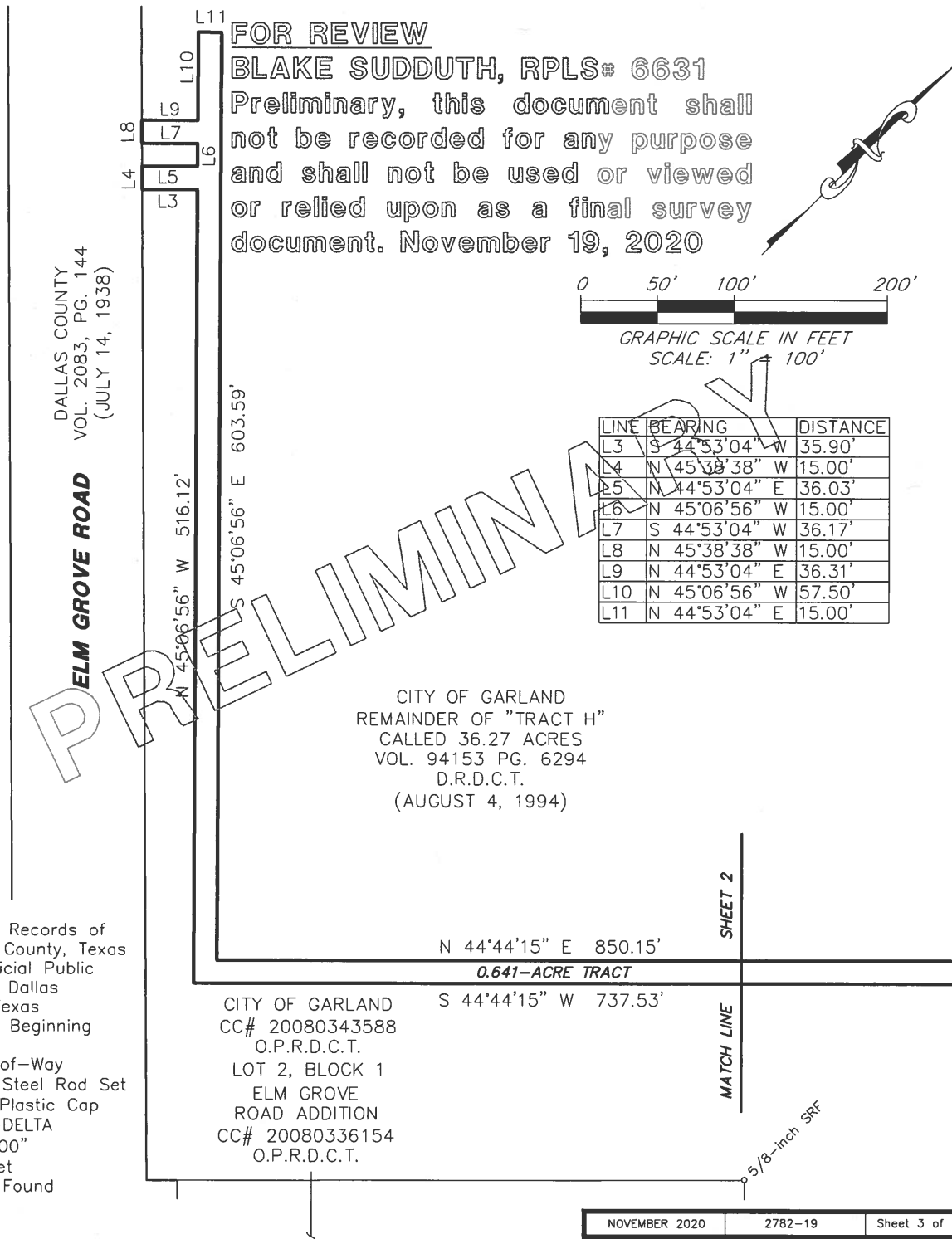
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EXHIBIT A

0.641-ACRE TRACT OF LAND

A. CLEMENTS SURVEY, ABST. No. 255

CITY OF GARLAND, DALLAS COUNTY, TEXAS



LEGEND

D.R.D.C.T. = Deed Records of
Dallas County, Texas
O.P.R.D.C.T. = Official Public
Records Dallas
County, Texas
P.O.B. = Point Of Beginning
PG. = Page
R.O.W. = Right-of-Way
RDR = 5/8-inch Steel Rod Set
with Orange Plastic Cap
Stamped "R-DELTA
FIRM#10155000"
SF = Square Feet
SRF = Steel Rod Found
VOL. = Volume

Notes:

- The coordinates and bearings shown hereon are based on the the Texas Coordinate System of 1983, North Central Zone (4202). All distances are in U.S. Survey Feet and reported at the surface by applying a scale factor of 1.000149242.
- Field notes of even date accompany this graphical exhibit.

NOVEMBER 2020

2782-19

Sheet 3 of 3

rdelta
ENGINEERS

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TBPE No. F-1515
TBPLS No. 10155000



March 2, 2021

City of Garland, Texas
PO Box 469002
Garland, TX 75042

ATTENTION: **Mr. John E. Baker, P.E.**
 Assistant City Manager

SUBJECT: **Request for Exclusive Right-of-Way, Access,**
 and Utility Easement for Power Distribution Facilities
 2900 Elm Grove Road – Garland, Texas (Rev 1)

Dear Mr. Baker,

Farmers Electric Cooperative, Inc. (FEC) proposes to construct electrical power distribution facilities in conjunction with development of the Cottonwood Creek Substation. As you are aware, a 3.000-acre site out of the subject property is currently under contract of sale from the City of Garland to Rayburn Country Electric Cooperative (REC). The closing of that sale is contingent upon approval of a Specific Use Provision (SUP) for development of electrical substation facilities and the SUP request is currently being reviewed by City staff. FEC, a member cooperative of REC, proposes to construct power transformers and associated distribution facilities at the substation site.

In order to interconnect the FEC substation facilities with their overhead distribution facilities in Elm Grove Road, FEC requests an easement across the City's property located at 2900 Elm Grove Road. The easement will be utilized for the construction and maintenance of electrical distribution facilities. The distribution facilities will be constructed underground where they cross existing GP&L 138kV transmission lines located on the property. The remainder of the electrical distribution facilities are proposed to be overhead construction.

We are submitting the following documents for your review and consideration:

- Schematic Exhibit illustrating proposed easement route and associated distribution facilities
- Draft FEC Easement Dedication Form
- Exhibit "A" – Survey of the proposed 0.641-acre Easement (marked "Preliminary")

We have been authorized by FEC to offer the sum of **thirty-two thousand and ninety dollars (\$32,090.00)** for purchase of the proposed easement. This equates to fifty percent of the City's \$100,000 per acre appraised valuation of the property.

Please review the attached documents and feel free to contact me with any questions or comments you may have. I may be reached via telephone at (972) 494-5031 or via email at fapolma@rdelta.com. I look forward to your response.

Best Regards,

R-DELTA ENGINEERS, INC.
TBPE Firm No. F-001515

Frank A. Polma, P.E.
President

Encl: Schematic Exhibit
Easement Dedication Form
Exhibit "A" - Easement Survey (Preliminary)

Cc: Mr. Shaun Chronister – FEC
Mr. Steve Martin, P.E. – GP&L
Mr. Steve Foster – GP&L
Mr. Brian England – City of Garland Attorney's Office



GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda

3. g.

Meeting Date: April 5, 2021

Item Title: Fencing at Former Marina Site

Submitted By: Andy Hesser, Managing Director

Summary of Request/Problem

A Budget Amendment to the 2021 Capital Improvement Program will be brought to City Council for consideration at a future date to appropriate \$27,000 to the fencing along Rowlett Road to restrict access to the former marina site.

Recommendation/Action Requested and Justification

Various City departments have continued to work with the residents at the corner of Roan Rd. and Rowlett Rd. adjacent to the old Marina del Rey property to address their ongoing concerns related to the Dallas takeline area and the marina parking lot. The current owner of the marina has agreed to allow the City to install a fence adjacent to his property line along the Rowlett Rd. right-of-way, across the City's access driveway and to the lake edge.

The fence will be constructed of 8' tall chain link with black vinyl coating. This fence is intended to prohibit public access to the parking lot and the takeline area and better blend in with the existing black decorative fencing along the neighborhood perimeter. A locked drive through gate will also be installed across the City's access driveway. Access will be provided to the private property owner as well as an entrance for City maintenance staff and emergency personnel. Funds have been identified to cover the cost for the fence which is approximately \$27,000.

Unless otherwise directed by Council, staff will begin the procurement process and the installation as soon possible.

Attachments

Rowlett Fencing

Rowlett Rd. Fencing Project





GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda

4. a.

Meeting Date: April 5, 2021

Item Title: COVID-19 Response Update and Further Actions

Summary of Request/Problem

Staff will provide an update to Council and ask for Council direction, if needed, on various matters related to COVID-19 and actions being taken by the City.

- Special Events
- City Facilities
- Aquatics

Recommendation/Action Requested and Justification

Council discussion.



GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda

4. b.

Meeting Date: April 5, 2021

Item Title: Audit Committee Report

Submitted By: Jed Johnson, Internal Auditor

Summary of Request/Problem

Rich Aubin, Chair of the Internal Audit Committee, will provide a committee report on the following items:

- External Audit Result - FY2020
- Economic Development Incentive Program Audit

Recommendation/Action Requested and Justification

Council discussion.



GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda

4. c.

Meeting Date: April 5, 2021

Item Title: Update on Temporary Property Tax Exemption Related to Damages Caused by the Winter Storm

Submitted By: Matt Watson, Finance Director

Summary of Request/Problem

Texas Property Tax Code Section 11.35 allows for a temporary exemption of a portion of qualified property's appraised value (improvements, not land) that was physically impacted by the disaster. Staff will provide an update on who may qualify and how to apply for this exemption with the Dallas County Appraisal District (DCAD).

Recommendation/Action Requested and Justification

Council discussion.
