

TRANSCRIPT OF PROCEEDINGS  
RELATING TO  
\$375,000 CITY OF FLORENCE, TEXAS  
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION,  
SERIES 2019

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<u>Document Number</u>	<u>Description of Document</u>
1	Resolution Approving and Authorizing Publication of Notice of Intention to Issue Certificates of Obligation
2	Affidavit of Publication
3	Ordinance Authorizing the issuance of the Certificates of Obligation
4	Paying Agent/Registrar Agreement
5	Signed Bid and Certificate of Purchaser, and Private Placement Letter
6	General Certificate
7	Signature Identification and No-Litigation Certificate
8	Attorney General's Opinion
9	Comptroller's Registration Certificate
10	No Arbitrage and Tax Certificate
11	IRS Form 8038-G
12	Opinion of Bond Counsel
13	Certificate Form T-1
14	Appropriation Certificate
15	Filing with Texas Bond Review Board
16	Update letter
17	Closing Certificate
18	Post Issuance Compliance Policy
19	Funding Memo



SIGNED as of the 21<sup>st</sup> day of August, 2019.

Amy h Crane  
City Secretary  
City of Florence, Texas

Mary Gordon  
Mayor  
City of Florence, Texas

(SEAL)



STATE OF TEXAS                   §  
COUNTY OF WILLIAMSON       §

Section 6. The City hereby declares its official intent to reimburse up to a maximum amount of \$375,000 in expenditures to be paid from general funds of the City for the project described in the attached notice from the proceeds of tax exempt obligations.

The City further expects to provide for the issuance of such tax exempt obligations not later than 18 months after the later of (1) the date the original expenditure is paid, or (2) the date the Project is placed in service, but in no event more than three years after the original expenditure is paid.

This Ordinance is intended to be an official intent of the City within the meaning of Section 1.150-2 of the Regulations to the Internal Revenue Code of 1986, as amended.

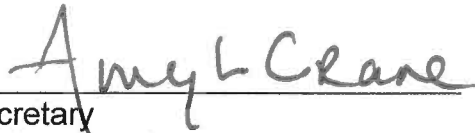
Section 7. That it is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

PASSED AND APPROVED this 21<sup>st</sup> day of August, 2019.



Mayor  
City of Florence, Texas

ATTEST:



City Secretary  
City of Florence, Texas

Exhibit "A"

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Florence, Texas (the "City"), will meet in the Florence City Hall, 106 South Patterson, Florence, Texas 76527 at 6:00 p.m. on the 1<sup>st</sup> day of October, 2019, to adopt an Ordinance and take such other action as may be deemed necessary to authorize the issuance of the City of Florence, Texas Certificates of Obligation, payable from City ad valorem taxes and surplus net revenues of the waterworks and sewer system of the City, in the maximum aggregate principal amount of \$375,000, bearing interest at any rate or rates, not to exceed the maximum interest rate now or hereafter authorized by law, as shall be determined within the discretion of the City Council, and maturing over a period of years not to exceed forty (40) years from the date thereof, for the purpose of evidencing the indebtedness of the City for all or any part of the cost of repainting the inside and outside of the City's water tower and the purchase of an electronic (radio read) water meter system (to include the water meters and a system to read the same); and the cost of professional services incurred in connection therewith.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY OF FLORENCE, TEXAS, this 21<sup>st</sup> day of AUGUST, 2019.

Mary Condon  
Mayor  
City of Florence, Texas

## WAIVER OF NOTICE AND CONSENT TO CALLED MEETING

That, in relation to a called meeting of the City Council of the CITY OF FLORENCE, TEXAS, held on the 21<sup>st</sup> day of August, 2019, THE UNDERSIGNED MEMBER(S) OF THE CITY COUNCIL, who was (or were) absent therefrom, CERTIFY, REPRESENT, AND ACKNOWLEDGE that due notice of said meeting and the business to be transacted was received in advance thereof and the undersigned HEREBY WAIVE any objection to the holding of said called meeting and the transaction of all business at said meeting incident and related to:

ORDINANCE AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CITY OF FLORENCE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019 AND PROVIDING FOR REIMBURSEMENT OF CERTAIN EXPENSES

EXECUTED AND DATED, the 23 day of October, 2019.

  
Amanda Vance

**AFFIDAVIT OF PUBLICATION**

STATE OF TEXAS  
COUNTY OF WILLIAMSON

§  
§

BEFORE ME, the undersigned authority, on this day personally appeared Matthew Brake, Representative/Production <sup>Mgr.</sup> of the Williamson County Sun, a newspaper published in Williamson County, Texas, who, being by me duly sworn, upon oath deposes and says:

That said newspaper is of general circulation in the City of Florence, Texas, and that the attached "NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION," hereto attached, was published in said newspaper in its issues of

August 25, 2019; and

September 1, 2019;

and said newspaper devotes not less than twenty-five percent (25%) of its total column lineage to items of general interest, is published not less frequently than once each week, is entered as second-class postal matter in the county where it is published, has been published regularly and continuously for not less than twelve (12) months prior to the date of the publication, and has omitted not more than two issues in the same 12 month period.

WILLIAMSON COUNTY SUN

By: Matthew Brake

Title: Production Manager

**NOTARY'S ACKNOWLEDGMENT**

SWORN TO AND SUBSCRIBED BEFORE ME this the 25<sup>th</sup> day of Sept., 2019.



Dawn Steele  
Notary Public in and for the State of Texas

My Commission Expires: 8-26-20

of Lots 5 and 8, Block 38, of Georgetown and a on W 6th St a 60-foot roadway from the Residential Single-Family (RS) lot to the Mixed Use downtown (MU-DT) district, orally located at 601 S 1st Street (2019-13-REZ) — please Mrby, Senior Planner \*\*\*\*\*

a member of the general public you are invited to be present at such meeting if desire to discuss the proposed change or advisability of any other change. A copy of the planning report related to these items will be available at the Planning Department located at 406 W. Street, no later than the day prior to the meeting described above. For further information, call the Planning Department office at 512-357-3575.

**NOTICE TO ALL PERSONS HAVING CLAIMS AGAINST THE ESTATE OF LAZARO CHAPA HERRERA**

August 27, 2019, letters testamentary for the Estate are issued to Estella Herrera by County Court at Law No. 4 of Williamson County, Texas, in Cause Number 19-13-CP4 pending upon the obate Docket of said Court. All persons having claims against the Estate, which is currently being administered, should present those claims within the time prescribed by law to:

Stephen Saunders  
Attorney for Estella Herrera,  
dependent Executor  
330 Exposition Blvd., Suite 333  
Austin, Texas 78703-1763

**PUBLIC NOTICE**  
The Round Rock ISD will be accepting sealed bids for: Inspection and Repair Services: Bleachers, Basketball backstops, and Gym Divider. Bids: Bid# 20-041 Opens 1:00 pm September 12, 2019. Bids: Bid# 20-047 Opens

for future bid opportunities

**NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION**

NOTICE IS HEREBY GIVEN that the City Council of the City of Florence, Texas (the "City"), will meet in the Florence City Hall, 106 South Patterson, Florence, Texas 76527 at 6:00 p.m. on the 1st day of October, 2019, to adopt an Ordinance and take such other action as may be deemed necessary to authorize the issuance of the City of Florence, Texas Certificates of Obligation, payable from City ad valorem taxes and surplus net revenues of the waterworks and sewer system of the City, in the maximum aggregate principal amount of \$375,000, bearing interest at any rate or rates, not to exceed the maximum interest rate now or hereafter authorized by law, as shall be determined within the discretion of the City Council, and maturing over a period of years not to exceed forty (40) years from the date thereof, for the purpose of evidencing the indebtedness of the City for all or any part of the cost of repainting the inside and outside of the City's water tower and the purchase of an electronic (radio read) water meter system (to include the water meters and a system to read the same); and the cost of professional services incurred in connection therewith.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY OF FLORENCE, TEXAS, this 21st day of AUGUST, 2019.  
Mary Condon  
Mayor  
City of Florence, Texas

**CITATION BY PUBLICATION THE STATE OF TEXAS COUNTY OF WILLIAMSON**

TO ALL PERSONS INTERESTED IN THE ESTATE OF JERRY PAUL WINTERS,

deceased in such estate.

Said application may be heard at 10:00 o'clock a.m. on or after the first Monday next after the expiration of ten days from the date of publication of this citation, at the Williamson County Justice Center in Georgetown, Williamson County, Texas. All persons interested in said estate are hereby cited to appear before said Honorable Court on or before above mentioned time and place by filing a written answer contesting such application should they desire to do so. If this citation is not served within 90 days after the date of its issuance, it shall be returned unserved.

Issued and given under my hand and seal of office at Georgetown, Texas, this the 28th day of August, 2019.  
Nancy E. Rister  
Williamson County Clerk 405 MLK Street, Box 14 Georgetown, Texas 78626  
By: S/C. Dawson, Deputy Applicant's Attorney: Jamie Leann Bryant Etzkorn 925 Loop 392  
Liberty Hill, TX 78642

**An application has been made for a Wine and Beer Retailer's Off Premise Permit for 7-Eleven Beverage Company Inc./Punjabstores LLC, Texas Corporations, d/b/a 7-Eleven Convenience Store #36599B, located at 11613 FM 620 North, Austin, Williamson County, TX. 78750.**

Said application

**Director/VP/Secretary**  
**David Seltzer - VP/Treasurer**  
**Robert Schuerin - Director/VP**  
**Scott Hintz - Director**  
**Karen Cram - VP**  
**Alicia Howell - VP/Controller**  
**Brian Smith - VP**  
**Kyle Johnson - VP**  
**Punjabstores LLC officers:**  
**Jagpreet Singh - LLC Manager**

**Notice of Public Sale**  
Pursuant to Chapter 59 of the Texas Property Code, TJO 10 X 10 Management, Ltd. Managing properties listed below will hold a public auction of property being sold to satisfy a landlord's lien. The sale will begin on or about the time indicated at [www.selfstorageauction.com](http://www.selfstorageauction.com). Property will be sold to highest bidder for cash. Deposit for removal and cleanup may be temporarily required. Seller reserves the right to reject any bid and to withdraw property from sale. Property may be sold by the space. Property being sold includes contents in spaces of following tenants, with brief description of contents in each space.  
Tuesday, September 10, 2019  
12:00 pm Liberty Hill Storage @ 14774 West Hwy 29, Liberty Hill, TX 78642  
[www.SelfStorageAuction.com](http://www.SelfStorageAuction.com)  
Karrie Chestnut: misc. Items.  
Carmelita Gonzales: misc. Items.  
William Grant: misc. Items.  
James Holman: misc. Items.

*Continued on 6B*

No Job Too Small



• Office Cleaning  
• Residential



## Legal Notices

### NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Florence, Texas (the "City"), will meet in the Florence City Hall, 106 South Patterson, Florence, Texas 76527 at 6:00 p.m. on the 1st day of October, 2019, to adopt an Ordinance and take such other action as may be deemed necessary to authorize the issuance of the City of Florence, Texas Certificates of Obligation, payable from City ad valorem taxes and surplus net revenues of the waterworks and sewer system of the City, in the maximum aggregate principal amount of \$375,000, bearing interest at any rate or rates, not to exceed the maximum interest rate now or hereafter authorized by law, as shall be determined within the discretion of the City Council, and maturing over a period of years not to exceed forty (40) years from the date thereof, for the purpose of evidencing the indebtedness of the City for all or any part of the cost of repainting the inside and outside of the City's water tower and the purchase of an electronic (radio read) water meter system (to include the water meters and a system to read the same); and the cost of professional services incurred in connection therewith.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY OF FLORENCE, TEXAS, this 21st day of AUGUST, 2019.

Mary Condon  
Mayor

City of Florence, Texas

### NOTICE OF PUBLIC HEARING 384 2019/2020 WILLIAMSON COUNTY BUDGET

Pursuant to Local Government Code, Section 118.025 a Public Hearing will be held Tuesday, September 24th, 2019, at 10:00 a.m. before the Commissioner's Court of Williamson County, Texas, the place of such hearing being 710 Main St, Commissioner's courtroom located on the second floor of the courthouse, Georgetown, TX to consider a plan for funding the preservation and restoration of the County Clerk's archived records. For information regarding the budget please contact Ashlie Koenig at 512-943-1551

This is to give notice that the Williamson County Clerk's Office is open and read

(512)930-1202

All persons having claims against this Estate which is currently being administered are required to present them within the time and in the manner prescribed by law.

DATE: 8/22/2019  
PETERSON & PETERSON ASSOCIATES, P.C.  
1205 S. Austin Avenue  
Georgetown, Texas 78626  
By: /s/ Christina Peterson  
Christina Peterson  
State Bar No. 00792757  
T. Layne Peterson  
State Bar No. 00797241  
Attorneys for the Representative

### NOTICE OF NON-DISCRIMINATORY POLICY

The Learning Tree PreSchool admits students of any race, color, national and ethnic origin to all the rights, privileges, programs, and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national or ethnic origin in administration of its educational policies, admission policies, and other school-administered programs.

### NOTICE TO CREDITORS

Notice is given that original Letters Testamentary for the Estate of JERALD BOYD WEIDE were issued on July 25, 2019, in docket number 19-0678-CP4, pending in the County Court at Law Number 4 of Williamson County, Texas, to KIMBERLY D. GARRETT aka Kimberly Garrett. All persons having claims against the estate, which is presently being independently administered, are required to submit them, within the time and manner prescribed by law, and before the estate is closed, addressed as follows:

KIMBERLY D. GARRETT  
16917 Copperhead Drive  
Round Rock, Texas 78664  
SIGNED ON this 20th day of August, 2019.

/s/ Lee Norton Bain  
LEE NORTON BAIN

Attorney for KIMBERLY D. GARRETT, Independent Executor of the Estate of JERALD BOYD WEIDE

### PUBLIC NOTICE WILLIAMSON COUNTY NOTICE OF SOLICITATION

The Williamson County Commissioners Court invites the submission of sealed responses for:

1978 RFP Custodian and Sanitation Supplies and Services

Sealed responses will be publicly opened and read aloud in the Williamson County Purchasing Office located at 100 Wilco Way,

APPLICATION AND PRELIMINARY DECISION. City of Georgetown, 300 Industrial Avenue, No. 1, Georgetown, Texas 78626, has applied to the Texas Commission on Environmental Quality (TCEQ) for a renewal of Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0010489003, which authorizes the discharge of treated domestic wastewater at an annual average flow not to exceed 2,500,000 gallons per day. TCEQ received this application on June 4, 2018.

The facility is located at 400 Rock Dove Lane, in the City of Georgetown, Williamson County, Texas 78626. The treated effluent is discharged to an unnamed tributary of Mankins Branch, thence to Mankins Branch, thence to San Gabriel/North Fork San Gabriel in Segment No. 1248 of the Brazos River Basin. The unclassified receiving water uses are intermediate aquatic life use for the unnamed tributary and high aquatic life use for Mankins Branch. The designated uses for Segment No. 1248 are primary contact recreation, public water supply, aquifer protection, and high aquatic life use. This link to an electronic map of the site or facility's general location is provided as a public courtesy and is not part of the application or notice. For the exact location, refer to the application.

<http://tceq.texas.gov/assets/public/hb610/index.html?lat=30.630277&lng=97.629722&zoom=13&type=r>

The TCEQ Executive Director has completed the technical review of the application and prepared a draft permit. The draft permit, if approved, would establish the conditions under which the facility must operate. The Executive Director has made a preliminary decision that this permit, if issued, meets all statutory and regulatory requirements. The permit application, Executive Director's preliminary decision, and draft permit are available for viewing and copying at the Georgetown Municipal Building, Utility Services, 300 Industrial Avenue, Georgetown, Texas.

**PUBLIC COMMENT / PUBLIC MEETING. You may submit public comments or request a public meeting about this application.** The purpose of a public meeting is to provide the opportunity to submit comments or to ask questions about the application. TCEQ holds a public meeting if the Executive Director determines that there

member would be affected; and explain how the interests the group seeks to protect are relevant to the group's purpose. Following the close of all applicable comment and request periods, the Executive Director will forward the application and any requests for reconsideration or for a contested case hearing to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. The Commission may only grant a request for a contested case hearing on issues the requestor submitted in their timely comments that were not subsequently withdrawn. If a hearing is granted, the subject of a hearing will be limited to disputed issues of fact or mixed questions of fact and law relating to relevant and material water quality concerns submitted during the comment period. TCEQ may act on an application to renew a permit for discharge of wastewater without providing an opportunity for a contested case hearing if certain criteria are met.

**EXECUTIVE DIRECTOR ACTION.** The Executive Director may issue final approval of the application unless a timely contested case hearing request or request for reconsideration is filed. If a timely hearing request or request for reconsideration is filed, the Executive Director will not issue final approval of the permit and will forward the application and request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

**MAILING LIST.** If you submit public comments, a request for a contested case hearing or a reconsideration of the Executive Director's decision, you will be added to the mailing list for this specific application to receive future public notices mailed by the Office of the Chief Clerk. In addition you may request to be placed on: (1) the permanent mailing list for a specific applicant name and permit number and/or (2) the mailing list for a specific county. If you wish to be placed on the permanent and/or the county mailing list clearly specify which list(s) and send your request to TCEQ Office of the Chief Clerk at the address below.

All written public comments and public meeting requests must be submitted to the Office of the Chief Clerk, MC 105, Texas

member would be affected; and explain how the interests the group seeks to protect are relevant to the group's purpose.

Following the close of all applicable comment and request periods, the Executive Director will forward the application and any requests for reconsideration or for a contested case hearing to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

The Commission may only grant a request for a contested case hearing on issues the requestor submitted in their timely comments that were not subsequently withdrawn. If a hearing is granted, the subject of a hearing will be limited to disputed issues of fact or mixed questions of fact and law relating to relevant and material water quality concerns submitted during the comment period. TCEQ may act on an application to renew a permit for discharge of wastewater without providing an opportunity for a contested case hearing if certain criteria are met.

**EXECUTIVE DIRECTOR ACTION.** The Executive Director may issue final approval of the application unless a timely contested case hearing request or request for reconsideration is filed. If a timely hearing request or request for reconsideration is filed, the Executive Director will not issue final approval of the permit and will forward the application and request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting.

**MAILING LIST.** If you submit public comments, a request for a contested case hearing or a reconsideration of the Executive Director's decision, you will be added to the mailing list for this specific application to receive future public notices mailed by the Office of the Chief Clerk. In addition you may request to be placed on: (1) the permanent mailing list for a specific applicant name and permit number and/or (2) the mailing list for a specific county. If you wish to be placed on the permanent and/or the county mailing list clearly specify which list(s) and send your request to TCEQ Office of the Chief Clerk at the address below.

All written public comments and public meeting requests must be submitted to the Office of the Chief Clerk, MC 105, Texas

CITATION BY

AT THE HAMMERBURN



2. A true, full and correct copy of the Ordinance passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the Ordinance has been duly recorded in the City Council's minutes of the Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; that each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and that the Meeting was open to the public and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, *Texas Government Code*.

3. The Mayor of the City has approved and hereby approves the Ordinance; that the Mayor and the City Secretary of the City have duly signed the Ordinance; and that the Mayor and the City Secretary of the City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of the Ordinance for all purposes.

SIGNED AND SEALED as of the 1<sup>st</sup> day of October, 2019.

Amy H. Crane  
City Secretary  
City of Florence, Texas

Mary London  
Mayor  
City of Florence, Texas

(SEAL)



ORDINANCE NO. 10-01 2019-01

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF FLORENCE, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019, IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$375,000; LEVYING A TAX AND PLEDGING WATER AND SEWER REVENUES IN PAYMENT THEREOF; AWARDING THE SALE OF THE CERTIFICATES TO A DESIGNATED PURCHASER; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND ENACTING OTHER PROVISIONS RELATING THERETO

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

WHEREAS, the City Council of the City of Florence, Texas (the "City"), has authorized the publication of a Notice of Intent to Issue Certificates of Obligation to the effect that the City Council would meet on October 1, 2019, to adopt an Ordinance and to take such other actions which may be necessary to authorize the issuance of such Certificates of Obligation, payable from the surplus net revenues of the City's water and sewer system, and from City ad valorem taxes, for the purpose of evidencing the indebtedness of the City for all or any part of the cost of repainting the inside and outside of the City's water tower and the purchase of an electronic (radio read) water meter system (to include the water meters and a system to read the same), and the cost of professional services incurred in connection therewith, all being referred to as the "Project".

WHEREAS, notice that such Certificates of Obligation would be approved at the meeting of October 1, 2019, has been published in the manner required by law.

WHEREAS, no petition or other requests have been filed or presented to any official of the City requesting that any of the proceedings authorizing such Certificates of Obligation be submitted to referendum or other election;

WHEREAS this City has the authority to issue Certificates of Obligation pursuant to Chapter 271 Subchapter C of the *Texas Local Government Code*, and has the authority to pledge revenues derived from the City's water and sewer system, as provided in Chapter 1502 of the *Texas Government Code*, to the payment of City obligations, all as presently codified;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE, TEXAS:

**Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES.** The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this section. The Certificates of Obligation of the City of Florence, Texas (the "City"), are hereby authorized to be issued and delivered in the aggregate principal amount of \$375,000, for the purpose of providing funds to pay the

costs of acquisition and construction of the Project and the costs of professional services in connection therewith.

## **Section 2. DEFINITIONS.**

(a) The term "Additional Certificates" shall mean revenue bonds, certificates of obligation, or other evidences of indebtedness hereafter issued under and pursuant to the laws of the State of Texas and payable from and secured by a parity lien on and pledge of the Net Revenues of the City of equal rank and dignity with the lien and pledge securing the payment of the Certificates.

(b) The term "Certificates" means the City of Florence, Texas, Tax and Revenue Certificates of Obligation, Series 2019 authorized to be issued hereunder, and includes any certificates of obligation issued in exchange or replacement therefor.

The term "Certificates" as used in this Ordinance shall mean and include collectively the Certificates initially issued and delivered pursuant to this Ordinance and all substitute Certificates exchanged therefor, as well as all other substitute Certificates and replacement Certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

(c) The term "Gross Revenues" for any period means all revenue during such period in respect or on account of the operation or ownership of the System, excluding refundable meter deposits, restricted gifts, and grants in aid of construction, but including earnings and income derived from the investment or deposit of money in any special fund or account created and established from Gross Revenues.

(d) The term "Net Revenues" means the Gross Revenues of the System less the expenses of operation and maintenance as said expenses are defined in Chapter 1502, *Texas Government Code*, as amended.

(e) The term "Prior Lien Bonds" means any and all bonds or other obligations of the City presently outstanding or that may be hereafter issued, payable from and secured by a lien on and pledge of the Net Revenues superior to the lien on and pledge of the Surplus Net Revenues made for the Certificates.

(f) The term "Project" shall mean the cost of repainting the inside and outside of the City's water tower and the purchase of an electronic (radio read) water meter system (to include the water meters and a system to read the same); and the cost of professional services incurred in connection therewith.

(g) The term "Series 2014 Certificates" means the City's Combination Tax and Revenue Certificates of Obligation, Series 2014.

(h) The term "Surplus Net Revenues" means the Net Revenues of the System remaining after payment of all other obligations of the City, whether now or hereafter outstanding; it being the City's intention that Net Revenues may, at the option of the City; first be used to pay all other obligations of the City, whether now or hereafter issued, payable from Net Revenues.

(i) The term "System" as used in this Ordinance means the City's combined waterworks and sewer system, including all present and future additions, extensions, replacements, and improvements thereto.

**Section 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF CERTIFICATES, REDEMPTION.** Each Certificate issued pursuant to this Ordinance shall be designated: "CITY OF FLORENCE, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019" and initially there shall be issued, sold, and delivered hereunder fully registered certificates, without interest coupons, dated October 15, 2019, in the respective denominations and principal amounts hereinafter stated, numbered consecutively from R-1 upward (except the initial Certificate submitted to the Attorney General of the State of Texas which will be numbered T-1), payable to the respective initial registered owners thereof (as designated in Section 14 hereof), or to the registered assignee or assignees of the Certificates or any portion or portions thereof (in each case, the "Registered Owner"), and the Certificates shall mature and be payable serially on April 15 in each of the years in the principal amounts, and bearing interest, respectively, as set forth in the following schedule:

Due		Interest
<u>April 15</u>	<u>Principal</u>	<u>Rate</u>
2021	\$35,000	2.390%
2022	\$35,000	2.390%
2023	\$35,000	2.390%
2024	\$35,000	2.390%
2025	\$35,000	2.390%
2026	\$40,000	2.390%
2027	\$40,000	2.390%
2028	\$40,000	2.390%
2029	\$40,000	2.390%
2030	\$40,000	2.390%

The Certificates maturing on and after April 15, 2026 are subject to redemption, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the option of the City, at the par value thereof plus accrued interest to the date of redemption, on April 15, 2025 or on any date thereafter. If less than all of the Certificates are to be redeemed, the Paying Agent/Registrar shall select by lot the series and maturities of Certificates to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

Notice of redemption shall be given as provided in the FORM OF CERTIFICATE.

**Section 4. INTEREST.** The Certificates shall bear interest from their delivery date to their respective dates of maturity or redemption prior to maturity at the respective rates of interest set forth in Section 3 above. Interest shall be payable in the manner provided and on the dates stated in the FORM OF CERTIFICATE set forth in this Ordinance.

Interest shall be calculated on the basis of a 360 day year consisting of twelve 30-day months.

## **Section 5. CHARACTERISTICS OF THE CERTIFICATES.**

(a) Registration, Transfer, Conversion and Exchange; Authentication. The City shall keep or cause to be kept at TIB The Independent Bankers Bank, N.A., Farmers Branch, Texas (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided and to the extent possible within three business days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates, but there shall be no fee to the Registered Owner except for any tax or other governmental charge required to be paid with respect to such transaction. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. Any tax or governmental charges required to be paid with respect to any registration, exchange, or transfer of Certificates shall be paid by the Registered Owner requesting such transaction.

New Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificates being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Certificates to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one series and maturity and for a like aggregate principal amount as the Certificates surrendered for exchange or transfer.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign the Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for

conversion and exchange. No additional ordinances, resolutions or other action need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein. Pursuant to Section 1203.021 of the *Texas Government Code*, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

Neither the City nor the Paying Agent/Registrar is required to issue, transfer or exchange any Certificate during the period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding interest payment date or to transfer or exchange any Certificate selected for redemption, in whole or in part, beginning 15 calendar days prior to the date of the first mailing of any notice of redemption and ending at the close of business on the date of such mailing, or to transfer or exchange any Certificate called for redemption during the thirty (30) day period prior to the date fixed for redemption of such Certificate.

(b) Payment of Certificates and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. The record date ("Record Date") for the interest payable on the Certificates on any interest payment date means the close of business on the fifteenth business day of the month next preceding such interest payment date occurs. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

The City, the Paying Agent/Registrar and any agent of either may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of receiving payment of the principal and the interest thereon, and for all other purposes, whether or not such Certificate is overdue. Neither the City, the Paying Agent/Registrar nor any agent of either shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the owner of any Certificate in accordance with the Certificate Ordinance shall be valid and effective and shall discharge the liability of the City and the Paying Agent/Registrar for such Certificate to the extent of the sums paid.

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 45 days prior to any such redemption date (which such notice may be waived by the Paying Agent) as set forth in the form of Certificate hereof), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. Certificate No. T-1 initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

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

**Section 6. FORM OF CERTIFICATES.** The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, and the form of Assignment to be attached to the Certificates issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance including any reproduction of an

opinion of counsel and information regarding the issuance of any Certificate insurance policy.

FORM OF CERTIFICATE

NO. R-

UNITED STATES OF AMERICA  
STATE OF TEXAS

PRINCIPAL  
AMOUNT  
\$ \_\_\_\_\_

CITY OF FLORENCE, TEXAS,  
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2019

DATE OF  
CERTIFICATES  
October 15, 2019

INTEREST RATE  
2.390%

MATURITY DATE  
April 15, \_\_\_\_\_

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

**ON THE MATURITY DATE** specified above, the **CITY OF FLORENCE, TEXAS**, (the "City"), being a municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest hereon from the date of delivery semiannually on each October 15, and April 15, commencing April 15, 2020, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above calculated on the basis of a 360-day year consisting of twelve 30-day months.

**THE PRINCIPAL OF AND INTEREST ON** this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity or upon the date fixed for its redemption prior to maturity, at TIB The Independent Bankers Bank, N.A. (the "Paying Agent/Registrar"), at their office for payment in Farmers Branch, Texas (the "Designated Payment/Transfer Office"). The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the Ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the close of business on the fifteenth day of the month next preceding such interest payment date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner.

**IN THE EVENT** of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

**ANY ACCRUED INTEREST** due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

**IF THE DATE** for the payment of the principal (or redemption price) or interest on this Certificate shall be a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium), for banking institutions in the City of Austin, Texas, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

**THIS CERTIFICATE IS ONE OF A SERIES OF CERTIFICATES DATED OCTOBER 15, 2019, AUTHORIZED IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS IN THE PRINCIPAL AMOUNT OF \$375,000 FOR THE PURPOSE OF ALL OR ANY PART OF THE COST OF REPAINTING THE INSIDE AND OUTSIDE OF THE CITY'S WATER TOWER AND THE PURCHASE OF AN ELECTRONIC (RADIO READ) WATER METER SYSTEM (TO INCLUDE THE WATER METERS AND A SYSTEM TO READ THE SAME), AND THE COST OF PROFESSIONAL SERVICES INCURRED IN CONNECTION THEREWITH.**

The City reserves the right, at its option, to redeem Certificates having stated maturities on and after April 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all the Certificates are to be redeemed, the Paying Agent/Registrar shall select by lot those Certificates to be redeemed.

With respect to any optional redemption of the Certificates, unless the prerequisites to such redemption required by the Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the City, be

conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the City will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

**NO LESS THAN** 30 days prior to the date fixed for any such optional redemption, the City shall cause the Paying Agent/Registrar to send notice by United States mail, first-class postage prepaid to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the Registration Books of the Paying Agent/Registrar at the close of business on the business day next preceding the mailing of such notice. NOTICE HAVING BEEN SO GIVEN, AND PROVIDED FUNDS FOR THE PAYMENT OF THE REDEMPTION PRICE AND ACCRUED INTEREST THEREON ARE HELD BY THE PAYING AGENT/REGISTRAR ON THE REDEMPTION DATE, THE CERTIFICATES CALLED FOR REDEMPTION WILL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH CERTIFICATES OR PORTION THEREOF WILL CEASE TO ACCRUE. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Certificates or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Certificate Ordinance.

**ALL CERTIFICATES OF THIS SERIES** are issuable solely as fully registered Certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Certificate, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof

in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing on the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance of the Certificate.

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

**IT IS HEREBY** certified, recited, and covenanted that this Certificate has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate have been performed, existed, and been done in accordance with law; that this Certificate is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest and principal come due, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the Surplus Net Revenues of the City's System as defined in the Ordinance authorizing issuance of this Certificate.

**THE CITY** has reserved the right to issue additional obligations payable and secured by Net Revenues of the City's water and sewer system, either on a parity with, subordinate to, or having a priority lien over, the pledge of such Net Revenues securing the Certificates. **AS TO THE PLEDGE OF SUCH NET REVENUES, THE PLEDGE SECURING THIS CERTIFICATE IS ON A PARITY WITH THE PLEDGE SECURING THE CITY'S COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2014.**

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

**IN WITNESS WHEREOF**, the City has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Certificate.

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Mayor

[CITY SEAL]

## **FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE**

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

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

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

\_\_\_\_\_  
Paying Agent/Registrar

Dated: \_\_\_\_\_

BY: \_\_\_\_\_  
Authorized Representative

## **FORM OF ASSIGNMENT**

### **ASSIGNMENT**

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

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

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

Dated: \_\_\_\_\_

Signature Guaranteed:

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

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

The form of initial Certificate No. T-1, to be submitted to the Attorney General of Texas, is attached as Exhibit "A" hereto.

**Section 7. PLEDGE OF AD VALOREM TAXES AND SURPLUS NET REVENUES.** (a) In order to secure and provide a source of payment for the Certificates, the City hereby pledges and grants to the Owners of all Certificates an irrevocable lien on (i) ad valorem taxes levied and collected by the City to pay the Certificates (the "Pledged Taxes"), and (ii) the Surplus Net Revenues of the System.

The City hereby covenants and agrees that all Pledged Taxes and Surplus Net Revenues shall be deposited and paid into the special funds hereinafter established, and shall be applied in the manner hereinafter set forth, in order to provide for the payment of the principal and interest on the Certificates and all expenses of paying same. The Certificates shall constitute obligations of the City that shall be payable from and shall be equally and ratably secured by an irrevocable lien on the Pledged Taxes and Surplus Net Revenues, which Pledged Taxes and Surplus Net Revenues shall, in the manner herein provided, be set aside for and pledged to the payment of the Certificates in the Interest and Sinking Fund as hereinafter provided, and the Certificates shall be in all respects on a parity with and of equal dignity with one another.

(b) So long as any Certificates remain outstanding, the City shall fix, charge and collect rates and charges for the use and services of the System, taking into account available information and experience, and with due regard for contingencies, which will provide revenues sufficient each year to:

- (1) Pay for all current Maintenance and Operation Expenses, depreciation, and replacement or repair or improvement costs of the System.
- (2) Provide for payment of principal and interest, as the same become due, of the City's Series 2014 Certificates and the Certificates.
- (3) Provide for payment of any principal and interest on any subordinate lien indebtedness.

Reference is made to Section 10 regarding the possibility of issuing additional certificates of obligation or other indebtedness secured by the Net Revenues of the System.

The City will not grant or permit any free service from the System. The City will require all persons residing within the City limits to purchase water and sewer services from the City.

(c) For each year the Certificates are outstanding, and prior to the time taxes are to be levied for such year, the City shall establish, adopt, and maintain an annual budget that provides for either the monthly deposit of sufficient Surplus Net Revenues and/or taxes, or a combination thereof, into the Interest and Sinking Fund established for the repayment of the Certificates.

A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Certificates, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates. The City shall transfer and deposit into the Interest and Sinking Fund each month an amount of not less than one twelfth ( $1/12^{\text{th}}$ ) of the annual debt service due in such year on the Certificates until the amount on deposit in such fund equals the amount required for that same year's debt service payments.

All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates or interest thereon are outstanding and unpaid, the governing body of the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates as such principal matures (but never less than two percent (2%) of the original principal amount of the Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Certificates or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged as Pledged Taxes for such payment, within the limit prescribed by law.

(d) In addition to being secured by taxes, the Certificates are additionally secured by the Surplus Net Revenues of the System. The City shall deposit Surplus Net Revenues to the credit of the Interest and Sinking Fund created pursuant to Section 7(c), to the extent determined by the City. Notwithstanding the requirements of Section 7(c), if Surplus Net Revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to Section 7(c) may be reduced to the extent and by the amount of the Surplus Net Revenues then on deposit in the Interest and Sinking Fund.

For so long as any Certificates remain outstanding, there shall be transferred into the Interest and Sinking Fund from Surplus Net Revenues, or to the extent Surplus Net

Revenues are insufficient, from ad valorem taxes collected by the City, such amounts as will be sufficient to pay (a) the interest scheduled to become due on the Certificates on the immediately next following semiannual interest payment date, and (b) the principal scheduled to become due on the Certificates on the immediately next following annual principal payment date.

(e) That the Mayor and the City Secretary are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest.

(f) Money in the Interest and Sinking Fund may, at the option of the City, be invested as provided in the Texas Public Funds Investment Act, including investments in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of the United States of America or any of its agencies or in any other obligations permitted by law; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Any obligation in which money is so invested shall be kept and held by the official depository bank of the City at which the Fund is maintained from which the investment was made. All such investments shall be promptly sold when necessary to prevent any default in connection with the Certificates.

All interest and income derived from such deposits and investments shall be and remain a part of the Fund which was originally so invested.

(g) So long as any Certificates remain outstanding, all uninvested moneys on deposit in, or credited to, any fund established hereunder, shall be secured by the pledge of security, as provided by law in the State of Texas (including the Texas Public Funds Collateral Act), in a principal amount not less than the amount of such uninvested funds.

(h) Chapter 1208 of the *Government Code* applies to the issuance of the Certificates and the pledge of taxes and Surplus Net Revenues granted by the City under Section 7 of this Ordinance, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the taxes and revenues granted by the City under Section 7 of this Ordinance is to be subject to the filing requirements of Chapter 9 of the *Texas Business and Commerce Code*, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 of the *Texas Business and Commerce Code* and enable a filing to perfect the security interest in said pledge to occur.

**Section 8. DEPOSITS TO INTEREST AND SINKING FUND.** The deposits to the Interest and Sinking Fund, as hereinabove provided, shall be made until such time as such Fund contains an amount equal to pay the principal of and interest on the Certificates to maturity or redemption, as the case may be. Earnings received from investments held for the account of the Interest and Sinking Fund may be taken into consideration and reduce the amount of the deposits otherwise required to be deposited in the Interest and Sinking Fund from the Surplus Revenues of the System or from Pledged Taxes. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes as part of the Construction Fund shall be deposited in the Interest and Sinking Fund, and such

amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund.

**Section 9. SECURITY OF FUNDS.** All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

**Section 10. ISSUANCE OF ADDITIONAL INDEBTEDNESS.** The City hereby expressly reserves the right in its sole discretion to hereafter issue additional indebtedness, including Prior Lien Bonds, secured by a pledge on the Surplus Net Revenues or the Net Revenues of the System superior to, on a parity with, or subordinate to, the pledge securing payment of the Certificates. There shall be no coverage requirement or other test to grant any such lien on the Surplus Net Revenues or Net Revenues of the System.

**Section 11. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.**

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

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

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

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the

fact that any Certificate is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1201.061(a)(2), *Texas Government Code*, as amended and presently codified, this Section 11 of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 5(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

**Section 12. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION.** The City Manager of the City is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel may, at the option of the City, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance or other credit enhancement is obtained, the Certificates may bear an appropriate legend.

**Section 13. COVENANTS TO MAINTAIN TAX-EXEMPT STATUS.**

(a) Definitions. When used in this Section 13, the following terms have the following meanings:

"Closing Date" means the date on which the Certificates 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 Certificates.

"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 Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

"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 Certificates. 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 Certificates 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 Certificate 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 Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Activity Bond. The proceeds of the Certificates, and the facilities financed with the proceeds of the Certificates (including the Project), will not be used in a manner that would cause the Certificates to be private activity bonds. In particular, 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 Certificates:

(1) exclusively own, operate and possess all property (i.e., the "Project") acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, 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 Certificates 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 Certificates 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) City 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. The City shall comply with the provisions of Section 148 of the Code, including the requirements thereof regarding rebate, and take no action that would cause the Certificates to be arbitrage Certificates. In particular, 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 Certificates 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 Certificates.

(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 Certificates 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. The City agrees and covenants that it will maintain complete records regarding the investments of the proceeds of sale of the Certificates and rebate any "arbitrage profits" to the United States as required by Section 148(f) of the Code.

(i) Elections. The City hereby directs and authorizes the City Manager or City Secretary 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 Certificates, in the Certificate as to Tax Exemption or similar or other appropriate Certificate, form or document.

(j) Qualified Tax Exempt Obligations. The City hereby designates the Certificates as "qualified tax exempt obligations" under Section 265(b)(3) of the Code. The

City reasonably anticipates, and hereby agrees, that it and any subordinate entities created by the City or acting or acting on behalf of the city shall not issue tax exempt obligations during calendar year 2019 in an amount in excess of \$10,000,000 (not including private activity bonds which are not 501(c)(3) bonds).

The City intends by these covenants to assure that it will take no action which would cause the interest on the obligations to be includable in gross income for federal income tax purposes.

It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

**Section 14. SALE OF CERTIFICATES.** The Certificates authorized by this Ordinance are hereby sold by the City to TIB The Independent Bankers Bank, N.A. (herein referred to as the "Purchaser") in accordance with the Purchaser's bid, dated September 26, 2019, and incorporated herein by reference as a part of this Ordinance for all purposes. The City Council hereby finds that such bid was the lowest and best bid reasonably available. The Mayor is hereby authorized and directed to execute all documents relating to the issuance of the Certificates, for and on behalf of the City and as the act and deed of this City Council and the City, and the City Secretary is authorized to attest all documents relating to the issuance of the Certificates. The City Council hereby finds, determines and declares that the representations, warranties and agreements of the City contained in such documents are true and correct in all material respects and shall be honored and performed by the City. No Purchase Agreement shall be required if a signed bid form is provided by the Purchaser.

**Section 15. PROCEEDS OF SALE.** The proceeds of sale of the Certificates, including the premium, if any, received from the Purchasers, shall be used to pay costs of issuance and to fund the Project Construction Fund.

The "Project Construction Fund" shall be maintained at an official depository of the City. Moneys may be withdrawn from the Construction Fund solely to pay for acquisition and construction of the Project and payment of costs of issuance for the Certificates. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested authorized investments in accordance with the Public Funds Investment Act (V.T.C.A., *Government Code*, Chapter 2256), and any investment earnings

realized may be expended for such authorized projects and purposes. All surplus proceeds of sale of the Certificates, including investment earnings, remaining after the accomplishment of all authorized projects and purposes shall promptly be deposited to the credit of the Interest and Sinking Fund. Any amounts on deposit in the Construction Fund in excess of the amounts insured by the Federal Deposit Insurance Corporation shall be collateralized as provided by the Public Funds Collateral Act (V.T.C.A. *Government Code* Chapter 2257).

**Section 16. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT.** The Paying Agent/Registrar Agreement submitted to this City Council is hereby approved. The Mayor is hereby authorized to amend, complete or modify such agreement as necessary and is further authorized to execute such agreement and the City Secretary is hereby authorized to attest such agreement.

**Section 17. RECORDS AND ACCOUNTS - ANNUAL AUDIT.** The City further covenants and agrees that so long as any of the Certificates remain Outstanding, it will keep and maintain accurate and complete records and accounts pertaining to the financial affairs of the City in which complete and correct entries shall be made of all transactions relating thereto. The Owners of the Certificates or any duly authorized agent or agents of such Owners shall have the right to inspect the Project and all properties comprising the same. The City further agrees that following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants, with a copy of the audit to be delivered to the Purchaser promptly after the audit is concluded.

**Section 18. ORDINANCE A CONTRACT - AMENDMENTS - OUTSTANDING CERTIFICATES.** This Ordinance shall constitute a contract with the Owners from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Owners holding a majority in aggregate principal amount of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of Outstanding Certificates, as the case may be, affected, no such amendment, addition, or rescission may (1) extend the time or times of payment of the principal of, premium, if any, and interest (or accrual of interest) on the Certificates, or reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, (3) reduce the aggregate principal amount of Certificates required for consent to any amendment, addition, or waiver, or (4) extend any waiver of default to subsequent defaults.

The term "Outstanding" when used in this Ordinance with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

(1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those mutilated, destroyed, lost, or stolen Certificates which have been replaced with Certificates registered and delivered in lieu thereof.

**SECTION 19. NOTICES TO OWNERS - WAIVER.** Wherever this Ordinance provides for notice to Owners of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Owner appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

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

**SECTION 20. CANCELLATION.** All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/ Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be returned to the City.

**SECTION 21. BOND COUNSEL OPINION.** The obligation of the Purchasers to accept delivery of the Certificates is subject to being furnished a final opinion of Naman, Howell, Smith & Lee, PLLC, Attorneys, Waco, Texas, approving such Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Certificates.

**SECTION 22. BENEFITS OF ORDINANCE.** Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Owners, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Owners.

**SECTION 23. INCONSISTENT PROVISIONS.** All Ordinances or Ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

**SECTION 24. GOVERNING LAW.** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 25. EFFECT OF HEADINGS.** The Section headings herein are for convenience only and shall not affect the construction hereof.

**SECTION 26. CONSTRUCTION OF TERMS.** If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

**SECTION 27. SEVERABILITY.** If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

**SECTION 28. INCORPORATION OF FINDINGS AND DETERMINATIONS.** The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

**SECTION 29. EVENTS OF DEFAULT.** The following shall constitute an Event of Default hereunder:

(a) The failure by the City to make payment of principal, interest or redemption price on the Certificates or the failure by the City to make payment into any fund or funds established hereunder as the same become due.

(b) Default by the City in the observance or performance of any of the other covenants, conditions or obligations of the City hereunder, the failure to perform which materially, adversely affects the rights of the Registered Owner, including but not limited to, their prospect or ability to be repaid as provided herein, and the continuation thereof for a period of 60 days after notice of such default is given by a Registered Holder to the City.

Upon and following any event of default, any Registered Owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring that the City comply with its obligations under this Ordinance. The rights of the Registered Owners hereunder do not include the right to compel acceleration of the maturity of the Certificates.

The City acknowledges that its obligation to pay the amounts due on the Certificates is a ministerial act.

**SECTION 30. 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 V.T.C.A., *Government Code*, Chapter 551, as amended.

**SECTION 31. POST ISSUANCE COMPLIANCE POLICY.** The City Council hereby approves and adopts a Post Issuance Compliance policy regarding taking steps (i) to monitor use of the proceeds of the Certificates in accordance with the requirements of the Code (including Section 148 thereof), and (ii) to take remedial action according to the requirements of the Code.

**SECTION 32. EFFECTIVE DATE.** This Ordinance shall be in force and effect from and after its passage on the date shown below, pursuant to V.T.C.A., *Government Code*, Section 1201.028.

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Mary Condon

Mayor  
City of Florence, Texas

ATTEST:

Amy L. Crane

City Secretary  
City of Florence, Texas

Exhibit "A"

FORM OF INITIAL CERTIFICATE

NO. T-1

UNITED STATES OF AMERICA  
STATE OF TEXAS

PRINCIPAL  
AMOUNT  
\$375,000

CITY OF FLORENCE, TEXAS,  
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION  
SERIES 2019

DATED DATE: October 15, 2019

Due		Interest
<u>April 15</u>	<u>Principal</u>	<u>Rate</u>
2021	\$35,000	2.390%
2022	\$35,000	2.390%
2023	\$35,000	2.390%
2024	\$35,000	2.390%
2025	\$35,000	2.390%
2026	\$40,000	2.390%
2027	\$40,000	2.390%
2028	\$40,000	2.390%
2029	\$40,000	2.390%
2030	\$40,000	2.390%

REGISTERED OWNER: TIB THE INDEPENDENT BANKERSBANK, N.A.

PRINCIPAL AMOUNT: THREE HUNDRED SEVENTY FIVE THOUSAND AND  
NO/100 DOLLARS

**ON THE MATURITY DATE** specified above, the **CITY OF FLORENCE, TEXAS**, (the "City"), being a municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest hereon from the date of delivery semiannually, on each April 15 and October 15, commencing April 15, 2020, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above calculated on the basis of a 360-day year consisting of twelve 30-day months.

**THE PRINCIPAL OF AND INTEREST ON** this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity or upon the date fixed for its redemption prior to maturity, at TIB The Independent BankersBank, N.A. (the "Paying Agent/Registrar"), at their office for payment in Farmers Branch, Texas (the "Designated Payment/Transfer Office"). The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and

payable solely from, funds of the City required by the Ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the close of business on the fifteenth day of the month next preceding such interest payment date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner.

**IN THE EVENT** of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

**ANY ACCRUED INTEREST** due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

**IF THE DATE** for the payment of the principal (or redemption price) or interest on this Certificate shall be a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium), for banking institutions in the City of Austin, Texas, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

**THIS CERTIFICATE IS ONE OF A SERIES OF CERTIFICATES DATED OCTOBER 15, 2019, AUTHORIZED IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS IN THE PRINCIPAL AMOUNT OF \$375,000 FOR THE PURPOSE OF ALL OR ANY PART OF THE COST OF REPAINTING THE INSIDE AND OUTSIDE OF THE CITY'S WATER TOWER AND THE PURCHASE OF AN ELECTRONIC (RADIO READ) WATER METER SYSTEM (TO INCLUDE THE WATER METERS AND A SYSTEM TO READ THE SAME), AND THE COST OF PROFESSIONAL SERVICES INCURRED IN CONNECTION THEREWITH.**

The City reserves the right, at its option, to redeem Certificates having stated maturities on and after April 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all the Certificates are to be redeemed, the Paying Agent/Registrar shall select by lot those Certificates to be redeemed.

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

**NO LESS THAN** 30 days prior to the date fixed for any such redemption, the City shall cause the Paying Agent/Registrar to send notice by United States mail, first-class postage prepaid to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the Registration Books of the Paying Agent/Registrar at the close of business on the business day next preceding the mailing of such notice. NOTICE HAVING BEEN SO GIVEN, AND PROVIDED FUNDS FOR THE PAYMENT OF THE REDEMPTION PRICE AND ACCRUED INTEREST THEREON ARE HELD BY THE PAYING AGENT/REGISTRAR ON THE REDEMPTION DATE, THE OBLIGATIONS CALLED FOR REDEMPTION WILL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF WILL CEASE TO ACCRUE. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Certificates or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

**ALL CERTIFICATES OF THIS SERIES** are issuable solely as fully registered Certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Certificate, or any unredeemed portion hereof,

may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing on the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance of the Certificate.

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

**IT IS HEREBY** certified, recited, and covenanted that this Certificate has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate have been performed, existed, and been done in accordance with law; that this Certificate is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest and principal come due, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the Surplus Net Revenues of the City's System as defined in the Ordinance authorizing issuance of this Certificate.

**THE CITY** has reserved the right to issue additional obligations payable and secured by Net Revenues of the City's water and sewer system, either on a parity with, subordinate

to, or having a priority lien over, the pledge of such Net Revenues securing the Certificates. AS TO THE PLEDGE OF SUCH NET REVENUES, THE PLEDGE SECURING THIS CERTIFICATE IS ON A PARITY WITH THE PLEDGE SECURING THE CITY'S COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2014.

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

**IN WITNESS WHEREOF**, the City has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Certificate.

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Mayor

[CITY SEAL]

## FORM OF ASSIGNMENT

### ASSIGNMENT

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

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

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

Dated: \_\_\_\_\_

Signature Guaranteed:

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

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

**COMPTROLLER'S REGISTRATION CERTIFICATE:**  
**REGISTER NO. \_\_\_\_\_**

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

Witness my signature and seal this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[COMPTROLLER'S SEAL]

## **PAYING AGENT/REGISTRAR AGREEMENT**

THIS PAYING AGENT/REGISTRAR AGREEMENT dated as of October 31, 2019 (together with any amendments or supplements hereto, the "Agreement") is entered into by and between the CITY OF FLORENCE, TEXAS (the "Issuer"), and TIB THE INDEPENDENT BANKERSBANK, N.A., as paying agent/registrar (together with any successor in such capacity, the "Bank").

### **WITNESSETH:**

WHEREAS, the Issuer has duly authorized and provided for the issuance of its City of Florence, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019 (the "Certificates") in the aggregate principal amount of \$375,000 to be issued as fully registered Certificates;

WHEREAS, all things necessary to make the Certificates the valid obligations of the Issuer, in accordance with their terms, will be done upon the issuance and delivery thereof;

WHEREAS, the Issuer and the Bank wish to provide the terms under which the Bank will act as Paying Agent to pay the principal of, redemption premium, if any, and interest on the Certificates, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Certificates; and

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

NOW, THEREFORE, it is mutually agreed as follows:

### **ARTICLE ONE**

#### **APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR**

##### **Section 1.01. Appointment.**

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Certificates, to pay to the Registered Owners of the Certificates, in accordance with the terms and provisions of this Agreement and the Ordinance authorizing the issuance of the Certificates (the "Ordinance"), the principal of, redemption premium, if any, and interest on all or any of the Certificates.

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

The Bank hereby accepts its appointment, and agrees to act as Paying Agent and Registrar with respect to the Certificates.

Section 1.02. Compensation.

In consideration of the deposits of funds required to be made with the Bank by the Issuer pursuant to the provisions of the Ordinance, the Bank shall be paid the fees set forth in the Bank's fee schedule attached as Exhibit A hereto and agrees to abide by and accept the terms hereof and of the Ordinance relating to the duties of the Paying Agent/Registrar.

**ARTICLE TWO**

**DEFINITIONS**

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Bank" means TIB The Independent BankersBank, N.A., or its duly authorized successors.

"Certificate" or "Certificates" means any one or all of the "City of Florence, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019" authorized by the Ordinance.

"Issuer" means the City of Florence, Texas.

"Ordinance" means the Ordinance of the Issuer approved by its City Council on October 1, 2019 pursuant to which the Certificates are issued.

"Paying Agent" means the Bank when it is performing the function of paying agent.

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

"Registrar" means the Bank when it is performing the function of registrar.

"Registered Owner" means the Person in whose name any Certificate is registered in the books of registration maintained by the Bank under this Agreement.

All other capitalized terms shall have the meanings assigned to them in the Ordinance.

## ARTICLE THREE

### DUTIES OF THE BANK

#### Section 3.01. Initial Delivery of the Certificates.

The Certificates will be initially registered and delivered by the Bank to the purchaser designated by the Issuer as set forth in the Ordinance. If such purchaser delivers a written request to the Bank not later than five business days prior to the date of initial delivery, the Bank will, on the date of initial delivery, exchange the Certificates initially delivered for Certificates of authorized denominations, registered in accordance with the instructions in such request and the Ordinance.

#### Section 3.02. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate funds have been provided to it for such purpose by or on behalf of the Issuer, timely pay on behalf of the Issuer the principal of and interest on each Certificate in accordance with the provisions of the Ordinance.

#### Section 3.03. Duties of Registrar.

The Bank shall provide for the proper registration of the Certificates and the timely exchange, replacement and registration of transfer of the Certificates in accordance with the provisions of the Ordinance. Any changes to Registered Owners for such exchange, replacement and registration shall be made by the Bank only in accordance with the Ordinance. The Bank will maintain the books of registration in accordance with the Bank's general practices and procedures in effect from time to time.

#### Section 3.04. Unauthenticated Certificates.

When requested by the Bank, the Issuer shall provide an adequate inventory of unauthenticated Certificates to facilitate transfers. The Bank covenants that it will maintain such unauthenticated Certificates in safekeeping until delivered and will use reasonable care in maintaining such Certificates in safekeeping, which shall be not less than the care it maintains for debt securities of other government entities or corporations for which it serves as registrar, or which it maintains for its own obligations or Certificate.

#### Section 3.05. Reports.

Upon request of the Issuer, the Bank will provide the Issuer reports which will describe in reasonable detail all transactions pertaining to the Certificates and the books of registration for the period of time specified by the Issuer. The Issuer may also inspect and make copies of the information in the books of registration and such other documents related to the Certificates and in the Bank's possession at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the content of the books of registration to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena, court order or as otherwise required by law. Upon receipt of a subpoena, court order or other lawful request, the Bank will notify the Issuer immediately so that the Issuer may contest the subpoena, court order or other request if it so chooses.

Section 3.06. Canceled Certificates.

All Certificates surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Bank, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already canceled, shall be promptly canceled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Certificates previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Bank. All canceled Certificates held by the Bank shall be destroyed and evidence of such destruction shall be furnished to the Issuer.

Section 3.07. Reliance on Documents, Etc.

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

(b) The Bank shall not be liable to the Issuer for actions taken under this Agreement as long as it acts in good faith and exercises due diligence, reasonableness and care, as prescribed by law, with regard to its duties hereunder.

(c) This Agreement is not intended to require the Bank to expend its own funds for performance of any of its duties hereunder.

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

Section 3.08. Money Held by Bank.

Money held by the Bank hereunder (if any) shall be held in trust for the benefit of the Registered Owners of the Certificates and shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for fiduciary accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

The Bank shall be under no obligation to pay interest on any money received by it hereunder.

All money deposited with the Bank hereunder and held by the Bank for the benefit of Registered Owners other than the Bank shall be secured in the manner and to the fullest extent required by law for the security of funds of the Issuer.

Any money deposited with the Bank for the payment of the principal of or interest on any Certificates and remaining unclaimed by the Registered Owner after the expiration of three years from the date such funds have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Texas law including, to the extent applicable, Title 6 of the *Texas Property Code*, as amended. To the extent such provisions of the Property Code do not apply to the funds, such funds shall be paid by the Bank to the Issuer upon receipt of a written request therefor from the Issuer. The Bank shall have no liability to the Registered Owners of the Certificates by virtue of actions taken in compliance with the foregoing provision.

## **ARTICLE FOUR**

### **MISCELLANEOUS PROVISIONS**

#### **Section 4.01. May Own Certificates.**

The Bank, in its individual or any other capacity, may become the owner or pledgee of the Certificates with the same rights it would have if it were not the Paying Agent and Registrar for the Certificates.

#### **Section 4.02. Amendment.**

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

#### **Section 4.03. Assignment.**

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

#### **Section 4.04. Notices.**

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown below as may have been given by one party to the other by 3 days' written notice.

**FOR THE ISSUER:**

City of Florence, Texas  
106 S. Patterson  
Florence, Texas 76527

FOR THE BANK:

TIB The Independent BankersBank, N.A.  
11701 Luna Road  
Farmers Branch, Texas 75234

Notice may also be delivery by fax or email to an address acceptable to the recipient.

Section 4.05. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 4.06. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not. This Agreement shall not be assigned by the Bank without the prior written consent of the Issuer.

Section 4.07. Severability.

If any provision of this Agreement shall be invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

Section 4.08. Benefits of Agreement.

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

Section 4.09. Ordinance Governs Conflicts.

This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern. The Bank agrees to be bound by the terms of the Ordinance with respect to the Certificates.

Section 4.10. Term and Termination.

This Agreement shall be effective from and after its date and may be terminated for any reason by the Issuer or the Bank at any time upon 60 days' written notice; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder. In the event of early termination, regardless of circumstances, the Bank shall deliver to the Issuer or its designee all funds, Certificates and all books and records pertaining to the Bank's role as Paying Agent and Registrar with respect to the Certificates, including, but not limited to, the books of registration.

Notwithstanding the foregoing, so long as the Bank is the sole holder of the Certificates, the Issuer agrees that the Bank shall serve as Paying Agent/Registrar.

Section 4.11. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 4.12. Governing Law.

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

Section 4.13. No Boycott or Dealing with Terrorist States.

The Bank represents and warrants, for purposes of Chapter 2270 of the *Texas Government Code*, that at the time of execution and delivery of this Certificate, none of the Bank, or any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank, boycotts Israel. The Bank agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Bank, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Bank, will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this subsection (a) has the meaning assigned to the term "boycott Israel" in Section 808.001 of the *Texas Government Code*.

The Bank represents and warrants, for purposes of Subchapter F of Chapter 2252 of the *Texas Government Code*, that at the time of execution and delivery of this Certificate neither the Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the *Texas Government Code*, or Subchapter F of Chapter 2252 of the *Texas Government Code*, or (ii) is a company listed by the Texas Comptroller under Sections 806.051, 807.051 or 2252.153 of the *Texas Government Code*. The term "foreign terrorist organization" as used in this subsection (b) has the meaning assigned to such term in Section 2252.151 of the *Texas Government Code*.

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

**CITY OF FLORENCE, TEXAS**

By: Mary Condon  
Name: Mary Condon  
Title: Mayor

**TIB THE INDEPENDENT BANKERSBANK,  
N.A.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

**CITY OF FLORENCE, TEXAS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TIB THE INDEPENDENT BANKERSBANK,  
N.A.**

By: Barry Renfro  
Name: Barry Renfro  
Title: SVP

**EXHIBIT A**

Fee Schedule

\$0.00

## PRIVATE PLACEMENT LETTER

October 1, 2019

City of Florence  
106 S. Patterson  
Florence, Texas 76527

Re: *City of Florence, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019 (the "Certificates")*

Ladies and Gentlemen:

We have agreed to purchase, and the City of Florence, Texas (the "City") has agreed to sell to us, the captioned Certificates at the purchase price of \$375,000, and no accrued interest. Such Certificates will bear the terms, redemption provisions, if any, and be secured as described in the City's ordinance authorizing the same adopted October 1, 2019, all subject to receipt by you and by us of such opinions, certificates, and other documents as you or we may reasonably require to establish the validity and legality of the Certificates.

We hereby represent and warrant that:

(1) we are (i) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, (ii) a "qualified institutional buyer" (as defined under Rule 144A under the Securities Act), or (iii) a state or national bank organized under the laws of the United States, and we have sufficient knowledge and experience in financial and business matters, including purchase and ownership of both taxable and tax-exempt municipal obligations, to be able to evaluate the economic risks and merits of the purchase of the Certificates;

(2) we have made our own inquiry and analysis with respect to the Certificates and the security therefor, and other material factors affecting the security and payment of the Certificates, and we have not relied upon any statement by you, your officers, directors, or employees, or your financial consultants or legal advisors in connection with such inquiry or analysis or in connection with the offer and sale of the Certificates;

(3) we have either been furnished with or have had access to all necessary information that we desire in order to enable us to make an informed decision concerning the purchase of the Certificates, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the purpose for which the proceeds of the Certificates will be utilized, and the security therefor, so that we have been able to make an informed decision to purchase the Certificates;

(4) we are purchasing the Certificates for our own account, as evidence of a loan to the City, and not with a view to, and with no present intention of, selling, pledging, transferring, conveying, hypothecating, mortgaging, disposing, reoffering, distributing, or reselling the Certificates, or any part or interest thereof, except to persons who are able to and do confirm in writing to us and to you the representations contained in paragraphs (1) through (3) of this letter and this paragraph to the same extent as if such paragraphs referred to such person; and

(5) we further acknowledge that we are responsible for consulting with our advisors concerning any obligations, including, but not limited to any obligations pursuant to federal and state securities and income tax laws we may have with respect to subsequent purchasers of the Certificates if and when any such future disposition of the Certificates may occur.

(6) we represent and warrant, for purposes of Chapter 2270 of the *Texas Government Code*, that at the time of execution and delivery of this Agreement, none of TIB The Independent Bankers Bank, N.A. (the "Bank"), or any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank, boycotts Israel. The Bank agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Bank, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Bank, will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this subsection (a) has the meaning assigned to the term "boycott Israel" in Section 808.001 of the *Texas Government Code*.

(7) The Bank represents and warrants, for purposes of Subchapter F of Chapter 2252 of the *Texas Government Code*, that at the time of execution and delivery of this Certificate neither the Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the *Texas Government Code*, or Subchapter F of Chapter 2252 of the *Texas Government Code*, or (ii) is a company listed by the Texas Comptroller under Sections 806.051, 807.051 or 2252.153 of the *Texas Government Code*. The term "foreign terrorist organization" as used in this subsection (b) has the meaning assigned to such term in Section 2252.151 of the *Texas Government Code*.

Very truly yours,

TIB THE INDEPENDENT BANKERSBANK, N.A.

By: Barry Renfro  
Name: Barry Renfro  
Title: SVP

Accepted:

CITY OF FLORENCE, TEXAS

By: \_\_\_\_\_  
Date: \_\_\_\_\_

SIGNATURE PAGE TO THE PRIVATE PLACEMENT LETTER

Very truly yours,

TIB THE INDEPENDENT BANKERSBANK, N.A.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted:

CITY OF FLORENCE, TEXAS

By: Mary Condon  
Date: October 1, 2019

SIGNATURE PAGE TO THE PRIVATE PLACEMENT LETTER

**BID FORM**  
**City of Florence, Texas**  
**Combination Tax & Revenue Certificates of Obligation, Series 2019**

**Receiving Bids Until 10:00am CDT, Thursday, September 26, 2019 (the "Sale Date")**

Bidders may submit bids for the purchase of the Certificates either by (i) electronic submission or (ii) telephone. No bids submitted by facsimile will be allowed.

**ELECTRONIC BIDS:** Electronic bids should be submitted to Julie Petersen, USCA Municipal Advisors, LLC ("USCA" or the "Financial Advisor"), Financial Advisor to the City, brosenberg@uscacalc.com and jpetersen@uscacalc.com until 10:00 am CDT, Thursday, September 26, 2019. No bids received after the above-referenced deadlines will be accepted.

**TELEPHONE BIDS:** Bids may be submitted via telephone provided prior arrangements have been made with USCA to transcribe the telephone bids. Bidders who wish assistance in processing their bids via telephone should telephone Julie Petersen at (713) 366-0590 prior to 10:00 a.m. (CDT) on Thursday, September 26, 2019. No bids received after the above-referenced deadlines will be accepted.

**AWARD OF THE CERTIFICATES:** The City Council of the City of Florence, Texas (the "Council"), the governing body of the City, will consider awarding the Certificates and adopting the ordinance authorizing the issuance of the Certificates (the "Ordinance") at the City Council meeting scheduled for Tuesday, October 1, 2019 at 6:00 p.m. (Central Time). The City reserves the right to reject any and all bids and to waive any irregularities, except time of filing.

**SERIAL CERTIFICATES OR SERIAL CERTIFICATES AND TERM CERTIFICATES:** Bidders may provide that all the Certificates be issued as serial certificates maturing in accordance with the maturity schedule shown or may provide that any two or more consecutive annual principal amounts be combined into one or more term certificates (the "Term Certificates") or structure the Certificates as a single Term Certificate. Term Certificates will be subject to mandatory sinking fund redemption by the City prior to their scheduled maturities on April 15 in the years and in the amounts set forth in the maturity schedule below.

**BASIS FOR AWARD:** If awarded, the sale of the Certificates will be awarded to the bidder making a bid which produces the lowest true interest cost (the "TIC") rate to the City. The true interest cost rate is that annual rate which, when used to compute the total present value as of the Delivery Date of all debt service payments on the Certificates on the basis of semi-annual compounding, using a 360-day year composed of twelve consecutive 30-day months, produces an amount equal to the sum of the par value of the Certificates plus any additional expenses of the bidder. In the event of the bidder's error in interest cost calculations, the interest rates and any additional expenses of the bidder, if any, will be considered as the intended bid. The Certificates will be awarded based upon the true interest cost of the bids received as calculated prior to any post-bid adjustments to the principal amount and maturity schedule, as authorized by the provisions herein.

**ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE CERTIFICATES:** After final computation of the bids, the City reserves the right in its sole discretion either to decrease or increase the principal amount of any maturity of the Certificates. The aggregate principal amount of the Certificates may be adjusted by no more than 10% of the proposed par amount. Such adjustment(s), if any, shall be made within 6 hours of the bid time (10:00am) of the Certificates. The price at which such adjusted principal amount of Certificates will be sold will be the same price per \$1,000 of Certificates as the price per \$1,000 for the original par amount of Certificates bid.

**DESCRIPTION:** The Certificates will be dated October 1, 2019 for purposes of approval by the Attorney General. However, interest will accrue from the date of delivery ("Delivery Date") and is payable initially on April 15, 2020, and on each October 15 and April 15 thereafter, until the earlier of redemption or maturity, and will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Certificates will not be subject to registration, transfer and payment through the book-entry system of The Depository Trust Company.

### MATURITY SCHEDULE \*

Maturity	Principal Amount	Rate	Amount Awarded
4/15/2021	\$ 35,000	2.39 %	\$
4/15/2022	35,000	%	\$
4/15/2023	35,000	%	\$
4/15/2024	35,000	%	\$
4/15/2025	35,000	%	\$
4/15/2026	40,000	%	\$
4/15/2027	40,000	%	\$
4/15/2028	40,000	%	\$
4/15/2029	40,000	%	\$
4/15/2030	40,000	%	\$

- (a) The City reserves the right, at its option, to redeem Certificates having the stated maturities on and after April 15, 2026, in whole or from time to time, in part in principal amounts of \$1,000 or any integral multiple thereof, on April 15, 2025, or any date thereafter at par plus accrued interest to the date of redemption. See "Optional Redemption" herein for additional information.

\* Preliminary, subject to change. See "ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE CERTIFICATES" herein.

Paying Agent/Registrar: (please indicate if bank will will not serve as paying agent and the fee)

No Fee

Additional Fees: (please list the fees)

Bank Legal Fees: N/A

Texas Municipal Advisory Council Assessment Fee ("MAC Fee"): \$ 0

Other: N/A

The undersigned acknowledges that the City may not accept this bid until it has received from the bidder either (1) the Certificate of Interested Parties Form 1295 (the "Disclosure Form") and Certification of Filing that is generated by the Texas Ethics Commission's (the "TEC") electronic portal in accordance with Section 2252.908 of the Texas Government Code, and the TEC's rules promulgated thereunder or (2) a written representation that it is exempt from the TEC Form 1295 filing requirements pursuant to Section 2252.908(c)(4). The undersigned understands that the City will not accept the enclosed bid unless the Disclosure Form and Certification of Filing or written representation described above is received by 1:00 p.m., Central Time, on the Sale Date.

In *Amawi v. Pflugerville Independent School District* (1:18-cv-01091), the United States District Court for the Western District of Texas issued a preliminary injunction preventing the defendant school districts from enforcement of Texas House Bill 89, codified at Texas Government Code § 2270.001 et. seq, or any "No Boycott of Israel" clause (collectively, "Anti-Israel Boycotts") in any state contract while litigation proceeds. The following verification is being voluntarily made for the purpose of compliance with current state statute pending a final decision on the merits determining the validity of Anti-Israel Boycotts.

The undersigned 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 the bid form is a contract for goods or services, will not boycott Israel during the term of the agreement set forth in the bid form. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in

the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The bidder understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

The undersigned further 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 bidder 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 bidder understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

At the request of the City, the undersigned agrees to execute further written certifications as may be necessary or convenient for the City to establish compliance with these laws.

**Bidder Information:**

Name of Bidder: TIB  
Contact: Barry Renfroe  
Phone: 210.697.0502  
Date: 9.26.19

## GENERAL CERTIFICATE

**STATE OF TEXAS                                 §**  
**COUNTY OF WILLIAMSON                   §**  
**CITY OF FLORENCE                         §**

We, the undersigned, Mayor and City Secretary of City of Florence, Texas (the "City"), do hereby execute and deliver this certificate for the benefit of all other persons interested in the \$375,000 City of Florence, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2019 (the "Certificates"), now in the process of issuance. We certify as follows:

1. The City is duly in existence as a Texas Type A General Law City and a municipal corporation and a political subdivision of the State of Texas and is now operating and existing under the general laws of the State of Texas, and has adopted all powers set forth by statute with regard to Texas cities, including those set forth in Chapter 271 of the *Texas Local Government Code*.

2. The following persons were the duly selected, or appointed, qualified and acting members of the City Council as of August 21, 2019 (when the City Council approved notice of publication regarding the Certificates), and as of October 1, 2019 (the date the City Council approved issuance of the Certificates):

Mary Condon	Mayor
Debra Bartos Cahill	Mayor Pro Tem
Lesa Ragsdale	Councilmember
Amanda Vance	Councilmember
Richard Moon	Councilmember
Candy Kyle	Councilmember

3. The Certificates are being issued for the purpose of all or any part of the cost of repainting the inside and outside of the City's water tower and the purchase of an electronic (radio read) water meter system (to include the water meters and a system to read the same), and the cost of professional services incurred in connection therewith, all being referred to as the "Project".

4. The City is not in default under any of the ordinances authorizing the issuance of the Certificates, or in regard to any other indebtedness or obligations of the City.

5. The City will levy and collect ad valorem taxes so long as the Certificates are outstanding in an amount sufficient to pay for all principal and interest payments due on the Certificates, and on all other debt of the City payable from taxes, as the same become due.

6. The Certificates are payable from, and secured by, a pledge of City ad valorem taxes, and a pledge of the Surplus Net Revenues derived from the City's water and sewer system. The current (2019) City tax rate is .0893 per \$100 valuation for debt, and .6158 per \$100 valuation for operations (for a total of .7050) cents per \$100 valuation. The current taxable value of all property located within the City limits and subject to

taxation by the City is \$44,431,456 for the calendar year 2019, being the latest final assessment.

7. There is no litigation currently pending or threatened affecting the validity of the outstanding indebtedness of the City.

8. No litigation of any nature has ever been filed pertaining to, affecting, questioning, or contesting: (a) the Ordinance which authorized the Certificates referred to in the preamble to this Certificate; (b) the issuance, execution, delivery, payment, security or validity of said proposed Certificates; (c) the authority of the City Council and the officers of said City to issue, execute, and deliver said Certificates; (d) the validity of the legal existence of said City; (e) the current boundaries of said City; (f) the levy of taxes by the City; and/or (g) the collection of revenues from the City's water and sewer system.

9. The "Net Revenues" of the City's water and sewer system are unencumbered except with regard to the Certificates and the City's Combination Tax and Revenue Certificates of Obligation, Series 2014.

10. A list showing the debt service requirements of the Certificates and all other tax supported debt of the City is attached hereto as Exhibit "A."

11. Attached hereto as Exhibit "B" is a Notice of Intention to issue the Certificates duly published in the *Williamson County Sun*, the official newspaper of the City, on August 25, 2019 and September 1, 2019. No petition for referendum signed by more than five percent of the qualified voters of the City was filed after publication of such notice.

12. Attached hereto as Exhibit "C" is a table showing the "Net Revenues" from the City's combined water and sewer systems for the fiscal years ending September 30, 2016, 2017, and 2018.

13. Attached hereto as Exhibit "D" is the current water and sewer rate ordinance of the City.

WITNESS OUR HANDS AND THE OFFICIAL SEAL OF CITY OF FLORENCE,  
TEXAS, this 31<sup>st</sup> day of October, 2019.  
as of

Mary Cordon

Mayor  
City of Florence, Texas



Amy h. Cline

City Secretary  
City of Florence, Texas

- Exhibit "A" – Debt Service Requirements
- Exhibit "B" – Notice of Intention to Issue the Certificates
- Exhibit "C" – Net Revenues
- Exhibit "D" – Water and Sewer Rate Ordinances

Exhibit "A"

Debt Service Requirements  
City of Florence, Texas

<u>Fiscal Year</u> (September 30)	<u>Outstanding</u> <u>Debt</u>	<u>Series 2019</u> <u>Certificates</u>	<u>Total</u> <u>Debt Service</u>
2020	\$61,400.00	\$4,107.81	\$65,507.81
2021	\$59,924.00	\$43,962.50	\$103,886.50
2022	\$58,448.00	\$43,126.00	\$101,574.00
2023	\$56,972.00	\$42,289.50	\$99,261.50
2024	\$60,496.00	\$41,453.00	\$101,949.00
2025	\$58,856.00	\$40,616.50	\$99,472.50
2026	\$57,216.00	\$44,780.00	\$101,996.00
2027	\$60,576.00	\$43,824.00	\$104,400.00
2028	\$58,772.00	\$42,868.00	\$101,640.00
2029	\$61,968.00	\$41,912.00	\$103,880.00
2030		\$40,956.00	\$40,956.00

Exhibit "B"

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Florence, Texas (the "City"), will meet in the Florence City Hall, 106 South Patterson, Florence, Texas 76527 at 6:00 p.m. on the 1<sup>st</sup> day of October, 2019, to adopt an Ordinance and take such other action as may be deemed necessary to authorize the issuance of the City of Florence, Texas Certificates of Obligation, payable from City ad valorem taxes and surplus net revenues of the waterworks and sewer system of the City, in the maximum aggregate principal amount of \$375,000, bearing interest at any rate or rates, not to exceed the maximum interest rate now or hereafter authorized by law, as shall be determined within the discretion of the City Council, and maturing over a period of years not to exceed forty (40) years from the date thereof, for the purpose of evidencing the indebtedness of the City for all or any part of the cost of repainting the inside and outside of the City's water tower and the purchase of an electronic (radio read) water meter system (to include the water meters and a system to read the same); and the cost of professional services incurred in connection therewith.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY OF FLORENCE, TEXAS, this 21<sup>st</sup> day of AUGUST, 2019.

Mary Condon  
Mayor  
City of Florence, Texas

Exhibit "C"

Net Revenues

Fiscal Year (September 30)

	<u>2016</u>	<u>2017</u>	<u>2018(a)</u>
Revenues	655,680	761,292	801,335
Expenses	661,014	700,710	571,509
Net Revenues	(5,334)	60,582	229,826

Expenses do not include amortization or depreciation.

(a) Unaudited; prepared from City records

Exhibit "D"

Water and Sewer Rate Ordinances

**ORDINANCE NO. 06292018-01**

**AN ORDINANCE AMENDING ORD NO.7-7-98 (ORD NO. 09-04-01, ORD NO. 03-05-02, ORD NO. 05-11-04, ORD NO. 110607-01, ORD NO. 04072009-01, ORD NO. 10252011-02, ORD NO. 08122013-05, AND ORD NO. 09062016-01) PROVIDING FOR THE CODIFICATION OF INCREASED WATER AND SEWER UTILITY RATES FOR CUSTOMERS IN AND OUTSIDE CITY LIMITS, ALSO PROVIDING FOR THE BASIC CHARGES FOR WATER AND SEWER RATES BASED UPON SIZE OF METERS AND CHARGE TO CUSTOMER; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR PUBLICATION; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the City Council of the City of Florence ("City Council") finds that there exists a necessity for increasing the water and sewer rates for the utility customers of the City, including customers inside and outside the City limits; and

WHEREAS, the City "Utility Ordinance" also known as ORD No. 7-7-98, as amended by (ORD NO. 09-04-01, ORD NO. 03-05-02, ORD NO. 05-11-04, ORD NO. 110607-01, ORD NO. 04072009-01, ORD NO.10252011-02, ORD NO. 8122013-05, AND ORD NO. 09062016-01), provides for the collection of fees for water and wastewater service; and

WHEREAS, the City finds that the adoption of increased water and sewer rates are in the best interest of the City; and

WHEREAS, the City Council further finds that due to the difference in size in meters existing and to be installed in the city utility system, that the establishment of basic charges by the City based upon the size of meters is also in the best interest of the City:

NOW, THEREFORE, BE ORDAINED BY THE CITY COUNCIL OF THE CITY OF FLORENCE, WILLIAMSON COUNTY, TEXAS:

I. ADOPTION OF PREAMBLE

That the matters set forth in the preamble to this ordinance are adopted herein verbatim.

II. AMENDMENT TO UTILITY ORDINANCE

RESOLVED, that ORD NO. 7-7-98, as previously amended by, (ORD NO. 09-04-01, ORD NO. 03-05-02, ORD NO. 05-11-04, ORD NO. 110607-01, ORD NO. 04072009-01, ORD NO. 10252011-02, ORD NO. 08122013-05, AND ORD NO.09062016-01), shall be further amended to provide for the increase in the rates for water and wastewater service, as well as to provide for the charges for meter installation, (the "Utility Ordinance"), which shall include the following:

SECTION I: UTILITY RATES FOR WATER AND SEWER

0.00 FACTUAL FINDINGS

The City Council of the City of Florence, Texas, hereby finds the recitals set forth in the preamble to ORD No. 7-7-98 to be true and correct and are hereby incorporated by reference herein and expressly made a part hereof as if copied verbatim.

1.00 WATER RATES

1.01 RATES AND CHARGES ESTABLISHED. The monthly rates and charges for the sales made of services rendered by the water system of the City are established, levied, fixed and

prescribed as set forth 1.02 below.

1.02 RATES AND CHARGES-WATER-SCHEDULED. Rates and charges for water service are as follows:

1.03 CODE DEFINITIONS-

RS- Residential Single

MF- Multi-Family

COM-Commercial

L/CW- Laundry/Carwash.

F/S- Food Service

A. Inside City Limits

1. Basic service per month for 0 - 2,000 gallons based upon size of (1) meter and code:

RS-1

5/8" meters:	\$ 39.96
1" meters:	\$ 45.53
1.5" meters:	\$ 59.44
2" meters:	\$ 73.36

MF-1

1" meters:	\$ 46.92
2" meters:	\$ 84.49

COM-1

5/8" meters :	\$ 41.35
1" meters:	\$ 46.92
1.5" meters:	\$ 60.83
2" meters:	\$ 85.88
3" meters:	\$ 258.42
4" meters:	\$ 522.81

6" meters: \$ 536.72

L/CW-1

5/8" meters: \$ 41.35

1" meters: \$ 46.92

2" meters: \$ 85.88

F/S-1

5/8" meters: \$ 41.35

1" meters: \$ 46.92

1.5" meters: \$ 60.83

2" meters: \$ 86.13

For Additional service per month (over 2,000 gallons), add:

2. From 2,001 - 4,000 gallons \$4.25 per 1,000 gallons\*per month
3. From 4,001 - 6,000 gallons \$4.31 per 1,000 gallons\*per month
4. From 6,001 - 8,000 gallons \$4.42 per 1,000 gallons\*per month
5. From 8,001 - 10,000 gallons \$4.44 per 1,000 gallons\*per month
6. From 10,001 - 15,000 gallons \$6.69 per 1,000 gallons\*per month
7. From 15,001 - 20,000 gallons \$7.13 per 1,000 gallons\*per month
8. From 20,001 - 30,000 gallons \$8.44 per 1,000 gallons\*per month
9. From 30,001 - 45,000 gallons \$10.63 per 1,000 gallons\*per month
10. From 45,001 gallons and up \$14.30 per 1,000 gallons\*per month

\* or less

Examples...

(1) if 2,100 gallons used for one month for R/S-1 5/8" meter, fee of \$39.96 for basic service, plus \$4.25 additional service for each 1000 gallons or less for 2nd category; since only 100 more gallons used, only additional charge of \$.42; total of \$39.96 + \$.42 = \$40.38 due.

## B. Outside City Limits

### Basic service:

1. From 0 - 2,000 gallons per month, the charge for basic water service is 1 1/2 multiplied by the applicable base rate, determined by the size of the meter and code as set forth in Section 1.02 A 1. as set forth above.

#### RS-2

5/8" meters:	\$ 59.44
1" meters:	\$ 67.79
1.5" meters:	\$ 88.66
2" meters:	\$ 120.38

#### MF-2

1" meters:	\$ 69.87
2" meters:	\$ 126.24

#### COM-2

5/8" meters :	\$ 61.54
1" meters:	\$ 69.87
1.5" meters:	\$ 90.76
2" meters:	\$ 128.33
3" meters:	\$ 387.15
4" meters:	\$ 783.72
6" meters:	\$ 804.60

#### L/CW-2

5/8" meters:	\$ 61.54
1" meters:	\$ 69.87
2" meters:	\$ 128.33

#### F/S-2

5/8" meters:	\$ 61.54
1" meters:	\$ 69.87

1.5" meters:	\$ 90.76
2" meters:	\$ 128.33

For Additional service over 2,000 gallons per month, the charge is:

2. From 2,001 - 4,000 gallons \$4.25 per 1,000 gallons\*per month
  3. From 4,001 - 6,000 gallons \$4.31 per 1,000 gallons\*per month
  4. From 6,001 - 8,000 gallons \$4.42 per 1,000 gallons\*per month
  5. From 8,001 - 10,000 gallons \$4.44 per 1,000 gallons\*per month
  6. From 10,001 - 15,000 gallons \$6.69 per 1,000 gallons\*per month
  7. From 15,001 - 20,000 gallons \$7.13 per 1,000 gallons\*per month
  8. From 20,001 - 30,000 gallons \$8.44 per 1,000 gallons\*per month
  9. From 30,001 - 45,000 gallons \$10.63 per 1,000 gallons\*per month
  10. From 45,001 gallons and up \$14.30 per 1,000 gallons\*per month
- \* or less

#### C. Wholesale Water

##### Basic Service:

1. From 0 - 50,000 gallons \$300 per month, and add for:

##### Additional Service

2. From 50,001 gallons and up \$2.00 per 1,000 gallons\*per month
- \*or less

#### D. Bulk Water

1. \$3.00 per 100 gallons per load
2. See Bulk Water ORD No. 3-7-00 for details

**1.04 RATES AND CHARGES ESTABLISHED.** The monthly rates and charges for the sales made of services rendered by the sewer system of the City are established, levied, fixed and prescribed as set forth in Section 1.05 below.

**1.05 RATES AND CHARGES-SEWER-SCHEDULED** Rates and charges for sewer service are as follows:

**A. Inside City Limits**

Basic service per month for 0 - 2,000 gallons based upon size of (1) meter and code:

**RS-1**

5/8" meters:	\$ 26.20
1" meters:	\$ 26.20
1.5" meters:	\$ 26.20
2" meters:	\$ 26.20

From 2,001 gallons and up \$2.00 per 1,000 gallons\* per month

**MF-1**

1" meters:	\$ 37.75
2" meters:	\$ 46.15

From 2,001 gallons and up \$2.00 per 1,000 gallons\* per month

**COM-1**

5/8" meters :	\$ 27.25
1" meters:	\$ 31.45
1.5" meters:	\$ 39.85
2" meters:	\$ 54.55
3" meters:	\$ 163.75
4" meters:	\$ 221.50
6" meters:	\$ 316.00

From 2,001 gallons and up \$2.40 per 1,000 gallons\* per month

L/CW-1

5/8" meters: \$ 28.30

1" meters: \$ 31.45

2" meters: \$ 57.70

From 2,001 gallons and up \$2.60 per 1,000 gallons\* per month

F/S-1

5/8" meters: \$ 28.30

1" meters: \$ 31.45

1.5" meters: \$ 40.90

2" meters: \$ 57.70

From 2,001 gallons and up \$2.90 per 1,000 gallons\* per month

**B. Outside City Limits**

From 0 - 2,000 gallons per month, the charge for basic sewer service is 1 1/2 multiplied by the applicable base rate, determined by the size of the meter and code as set forth in Section 1.02 A 1. as set forth above.

RS-2

5/8" meters: \$ 38.80

1" meters: \$ 38.80

1.5" meters: \$ 38.80

2" meters: \$ 38.80

From 2,001 gallons and up \$2.00 per 1,000 gallons\* per month

MF-2

1" meters: \$ 57.89

2" meters: \$ 67.73

From 2,001 gallons and up \$2.00 per 1,000 gallons\* per month

COM-2

5/8" meters : \$ 39.38

1" meters:	\$ 45.68
1.5" meters:	\$ 58.28
2" meters:	\$ 80.33
3" meters:	\$244.13
4" meters:	\$330.75
6" meters:	\$472.50

From 2,001 gallons and up \$2.40 per 1,000 gallons\* per month

L/CW-2

5/8" meters:	\$ 40.95
1" meters:	\$ 45.68
2" meters:	\$ 85.05

From 2,001 gallons and up \$2.60 per 1,000 gallons\* per month

F/S-2

5/8" meters:	\$ 40.95
1" meters:	\$ 45.68
1.5" meters:	\$ 59.85
2" meters:	\$ 85.05

From 2,001 gallons and up \$2.90 per 1,000 gallons\* per month

RS-1 and RS-2 will use December, January, February to determine a monthly average to calculate their sewer rate for the next (12) twelve months beginning April 1 of every year.

### III. CONFLICT

That any ordinances in conflict with this ordinance, in whole or in part, are repealed to the extent of the conflict.

### IV. PUBLICATION

The City Secretary is hereby authorized and directed to publish the caption of this

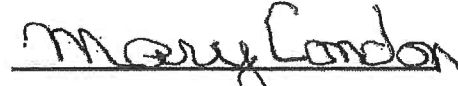
Ordinance, in the manner and for the length of time provided by law.

#### V. EFFECTIVE DATE

This Ordinance shall take effect on the date of its publication in accordance with state law.

PRESENTED, PASSED and APPROVED on first reading this the 3 day of July, 2018, by 4 affirmative votes at a meeting of the City Council of the City of Florence, Texas.

THE CITY OF FLORENCE

  
MARY CONDON, MAYOR

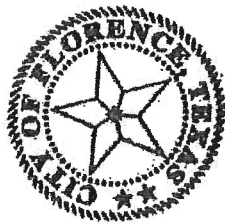
ATTEST:

  
AMY L CRANE, CITY SECRETARY

PASSED AND APPROVED on second reading this 7 day of August, 2018, by 4 affirmative votes, at a meeting of the City Council of the City of Florence, Texas.

THE CITY OF FLORENCE

  
MARY CONDON, MAYOR



ATTEST:

  
AMY L CRANE, CITY SECRETARY

CERTIFICATE OF POSTING

STATE OF TEXAS

COUNTY OF WILLIAMSON

I, Amy L. Crane, being the current City Secretary of the City of Florence, Texas, do hereby certify that the attached is a true and correct copy of Ordinance No. 06292018-01, passed and approved by the City Council of the City of Florence, Texas, on the 7 day of August, 2018, and such Ordinance was duly adopted at a meeting open to the public and notice of said meeting, giving the date, place, and subject thereof, was posted as prescribed by Government Code Section 551.043.

Witness my hand and seal of office this 10 day of August, 2018.

Amy L. Crane  
Amy L. Crane, City Secretary



**SIGNATURE IDENTIFICATION  
AND NO-LITIGATION CERTIFICATE**

<b>STATE OF TEXAS</b>	<b>§</b>
<b>COUNTY OF WILLIAMSON</b>	<b>§</b>
<b>CITY OF FLORENCE</b>	<b>§</b>

We, the undersigned officers of the City of Florence, Texas (the "City"), in connection with the issuance and delivery of the following described Combination Tax and Revenue Certificates of Obligation (the "Certificates");

**\$375,000 CITY OF FLORENCE, TEXAS,  
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 2019**

do hereby certify, as of the date set forth below, the following:

1. We officially executed and signed the Certificates by causing our manual or facsimile signatures to be imprinted on each of the Certificates, and we hereby adopt such signatures as our own, respectively.

2. The Certificates are substantially in the form, and have been duly executed and signed, in the manner prescribed in the ordinance authorizing the issuance of such Certificates.

3. At the time we so executed and signed the Certificates, and at the time of executing this certificate, we are the duly chosen, qualified and acting officers authorized to execute the Certificates and to execute and deliver this certificate. We now hold, and held at the date we executed the Certificates, the offices set forth below opposite our signatures.

4. No litigation of any nature has been filed or is now pending which contests or attacks the validity of the Certificates; which would restrain or enjoin the issuance or delivery of the Certificates; which would restrain or enjoin the collection or pledge of revenues or funds from which the Certificates are payable or would in any other manner affect the provisions made for their payment or security; or which in any manner questions the proceedings or authority concerning the issuance of the Certificates; and so far as we know and believe no such litigation is threatened.

5. Neither the corporate existence nor the boundaries of the City are being contested; no litigation has been filed or is now pending which would affect the authority of the officers of the City to issue, execute, and deliver the Certificates or would affect the title of the undersigned to their respective offices; and no authority or proceedings for the issuance, execution or delivery of the Certificates have been repealed, rescinded or revoked.

6. The seal, which has been impressed, or placed in facsimile, upon each of the Certificates is the legally adopted, proper and only official seal of the City of Florence, Texas, and such official seal is impressed on this certificate.

SIGNED AND SEALED as of the 21<sup>st</sup> day of October, 2019.

SIGNATURES

TITLE OF OFFICE

Mary Condon  
Mayor

Mayor

(SEAL)

Ameyh Crane  
City Secretary

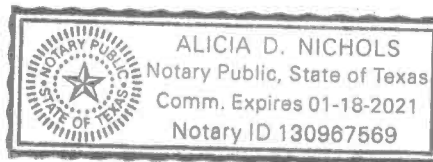
City Secretary

STATE OF TEXAS  
COUNTY OF WILLIAMSON

Before me, on this day personally appeared the foregoing individuals, known to me to be the persons whose names are subscribed to the foregoing instrument, and signed the same in my presence.

Given under my hand and seal of office this 21 day of Oct, 2019.

Alicia D. Nichols  
Notary Public in and for the State of Texas





**KEN PAXTON**  
ATTORNEY GENERAL OF TEXAS

October 29, 2019

THIS IS TO CERTIFY that the City of Florence, Texas (the "Issuer"), has submitted the City of Florence, Texas Combination Tax and Revenue Certificate of Obligation, Series 2019 (the "Certificate"), in the principal amount of \$375,000, for approval. The Certificate is dated October 15, 2019, numbered T-1, and was authorized by Ordinance No. 10-01 2019-01 of the Issuer passed on October 1, 2019 (the "Ordinance").

The Office of the Attorney General has examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.


We express no opinion relating to the official statement or any other offering material relating to the Certificate.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows (capitalized terms, except as herein defined, have the meanings given to them in the Ordinance):

- (1) The Certificate has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) The Certificate is payable from the proceeds of an annual ad valorem tax levied, against all taxable property within the Issuer, within the limit prescribed by law, and is additionally secured by and payable from a pledge of the Surplus Net Revenues of the Issuer's System, as provided in the Ordinance.

Therefore, the Certificate is approved.

No. 66692  
Book No. 2019-D  
JCH

  
Attorney General of the State of Texas

\* See attached Signature Authorization

OFFICE OF THE ATTORNEY GENERAL  
OF THE STATE OF TEXAS


§  
§  
§

I, KEN PAXTON, Attorney General for the State of Texas, do hereby authorize the employees of the Public Finance Division of the Office of the Attorney General to affix a digital image of my signature, in my capacity as Attorney General, to the opinions issued by this office approving the issuance of public securities by the various public agencies, non-profit corporations, district, entities, bodies politic or corporate, or political subdivisions of this State as required by law, the opinions approving those contracts designated by the Legislature as requiring the approval of the Attorney General, and the obligations, proceedings and credit agreements required by law to be approved by the Attorney General. The authorized digital image of my signature is attached as Exhibit A and is hereby adopted as my own for the purposes set forth herein. This supersedes any prior signature authorizations for the same purpose.

The authority granted herein is to be exercised on those occasions when I am unavailable to personally sign said opinions, and upon the condition that the opinions to which the digital image signature is affixed have been approved by an authorized Assistant Attorney General following the completion of the Public Finance Division's review of the transcripts of proceedings to which the opinions relate.

Given under my hand and seal of office at Austin, Texas, this the 5th day of January, 2015.



  
KEN PAXTON  
Attorney General of the State of Texas

OFFICE OF COMPTROLLER

OF THE STATE OF TEXAS

I, GLENN HEGAR, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

City of Florence, Texas Combination Tax and Revenue Certificate of Obligation, Series 2019

numbered T-1, of the denomination of \$ 375,000, dated October 15, 2019, as authorized by issuer, interest 2.390 percent, under and by authority of which said bonds/certificates were registered electronically in the office of the Comptroller, on the 29th day of October 2019, under Registration Number 92818.

Given under my hand and seal of office, at Austin, Texas, the 29th day of October 2019.

A handwritten signature in black ink, appearing to read 'Glenn Hegar', with a stylized, cursive script.

GLENN HEGAR  
Comptroller of Public Accounts  
of the State of Texas

OFFICE OF COMPTROLLER  
OF THE STATE OF TEXAS

I, GLENN HEGAR, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

City of Florence, Texas Combination Tax and Revenue Certificate of Obligation, Series 2019

numbered T-1, of the denomination of \$ 375,000, dated October 15, 2019, as authorized by issuer, interest 2.390 percent, under and by authority of which said bonds/certificates were registered electronically in the office of the Comptroller, on the 29th day of October 2019, under Registration Number 92818.

Given under my hand and seal of office, at Austin, Texas, the 29th day of October 2019.

A handwritten signature in black ink, appearing to read 'Glenn Hegar', written in a cursive style.

GLENN HEGAR  
Comptroller of Public Accounts  
of the State of Texas

## **NO ARBITRAGE AND TAX CERTIFICATE**

This Certificate is given for the benefit of all persons interested in the \$375,000 City of Florence, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019 (the "Issue"). There are sections herein dealing with:

1. The Issue
2. Proceeds of the Issue and How They Are Used
3. Issue Not "Private Activity Bonds"
4. General Restrictions on Tax-exempt Bonds
5. Issue Not Arbitrage Bonds
6. Rebate
7. Miscellaneous

The Bonds are being issued by the City of Florence, Texas, the "Issuer." The Issuer is a Texas Type A general law city, and has more than an insubstantial amount of one or more of the powers of eminent domain, the power to tax, or the police power.

The Issuer hereby certifies that the following are its reasonable expectations as of the issue date of the Issue regarding the amount and use of the gross proceeds of the issue. The section on "Rebate" is not based on reasonable expectations but on the actual facts that occur with regard to the Issue, and is included solely to help the Issuer determine its rebate liability, if any.

1. What is the Issue?

(a) The Issue is not to be aggregated with any other issue. There is no other issue of obligations being sold at substantially the same time, pursuant to the same plan of financing, and reasonably expected to be payable from substantially the same source of funds.

(b) No other issue of obligations will be, or has been, sold by the Issuer within fifteen (15) days of the date of sale of the Issue.

2. Proceeds of the Issue and How They Are Used.

(a) The following are the proceeds of the issue:<sup>1</sup>

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<sup>1</sup>As further defined in Section 5(d) hereof.

(1)	Sale Proceeds [Reg. 1.148-1(b)]	\$375,000
(2)	Investment Proceeds [Reg. 1.148-1(b)]	<sup>2</sup> \$2,000 (estimated)
(3)	Transferred Proceeds [Reg. 1.148-1(b)]	\$0
(4)	Replacement Proceeds [Reg. 1.148-1(c)]	\$0

"Replacement proceeds" are included in determining "gross proceeds."

(b) The proceeds are to be used as follows:

(1) \$24,500 is to be used to pay costs of issuance.

(2) \$0 is to be placed in a reserve fund, reasonably expected to be used directly or indirectly to pay principal or interest on the issue. [There is no reserve fund.]

(3) \$350,500 plus all investment earnings is to be placed into a construction fund, for all or any part of the cost of repainting the inside and outside of the City's water tower and the purchase of an electronic (radio read) water meter system (to include the water meters and a system to read the same), and the cost of professional services incurred in connection therewith (the "Project").

The amounts received from the sale of the Issue or from the investment thereof do not exceed the anticipated costs of acquiring and completing construction of the Project and the costs of issuing the Issue, and deposits, if any, made to the reserve fund (none) and Debt Service/Bond Fund.

3. Issue Not a Private Activity Bond. The sole user of the proceeds of the issue is the Issuer. There is no management contract for the Project. Services in the Project are provided by the Issuer. No person has any obligation whatsoever in regard to repayment of the Issue other than the Issuer. In particular:

(a) Not more than ten percent (10%) of the proceeds of the Issue are to be used for any private business use, being a trade or business carried on by any person other than a governmental unit. [141(b)(6)] For purpose of this section, any activity carried on by any person other than a natural person shall be treated as a trade or business.

<sup>2</sup> Assumes level draws of the construction fund over a nine month construction term earning 1% per annum.

(b) The Project is not being leased to anyone, or being occupied by anyone other than the Issuer.

(c) There is no management contract for the Project.

(d) The payment of the principal of, or the interest on, more than ten percent (10%) of the proceeds of the Issue is not directly or indirectly secured by any interest in property used or to be used for any private business use, payments in respect of such property, or to be derived from payments (whether or not such payments are made to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use.

(e) None of the proceeds of the Issue are to be used for any unrelated private business use, or any disproportionate business use.

(f) None of the proceeds of the Issue are being used to make loans to persons other than governmental units.

(g) If the Project is available for general public use, there is no private business that has a special legal entitlement to beneficial use of the Project.

(h) If the Project is not available for general public use, there is no special economic benefit derived from the Project based on all the facts and circumstances, even about a special legal entitlement.

(Examples of special economic benefit include (i) a functional relationship or physical proximity of the Project to other private business use property; (ii) a small number of private businesses receiving the special economic benefit; and (iii) the cost of the Project being depreciable by a private business.)

#### 4. General Requirements Applicable to All Tax Exempt Obligations.

(a) The Issue is in registered form.

(b) The Issue is not federally guaranteed. In particular, (i) payment of the principal or interest with respect to such Issue is not guaranteed, either directly or indirectly, in whole or in part by the United States or any agency or instrumentality thereof; (ii) none of the proceeds of the Issue are not to be used in making loans the payment of principal or interest with respect to which are to be guaranteed in whole or in part by the United States or any agency or instrumentality thereof; and (iii) five percent (5%) or more of the proceeds of the Issue are not to be invested, directly or indirectly, in federally insured accounts. [Section 149(b)]

(c) The Issuer agrees to file the information reporting requirements (Form 8038-G) required by Section 149(e) no later than the 15th day of the second calendar month after the close of the calendar quarter in which the Issue are issued.

(d) The Issue is not "pooled financing bonds." None of the proceeds of the Issue are reasonably expected at the time of issuance to be used (or are intentionally used) directly or indirectly to make or finance loans to two or more ultimate borrowers. [Section 149(f)]

(e) The Issue is not a hedge bond. The Issuer reasonably expects that eighty-five percent (85%) of the spendable proceeds of the Issue will be used to carry out the governmental purposes of the Issue within the three (3) year period beginning on the date the Issue is issued, and not more than fifty percent (50%) of the proceeds of the issue shall be invested in non-purpose investments having a substantially guaranteed yield for four (4) years or more. [Section 149(g)]

5. Issue Not Arbitrage Bonds.

(a) Issue Price.

The "Issue price" of the Issue, being the first price at which a substantial amount (ten percent (10%) or more) of the Issue is sold to the public, is \$375,000 (see attached Certificate of U.S. Capital Advisors, LLC, and Issue Price Certificate)

(b) Yield. The "yield" on the Issue, being the discount rate that, when used in computing the present value as of the issue date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the Issue, and amounts reasonably expected to be paid as fees for qualified guarantees on the Issue, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Bonds, of the issue as of the issue date is 2.3901%.

(c) What Is "Materially Higher" Yield? The amount by which yield on the acquired obligations (i.e., those in which the gross proceeds of the Issue are invested) may exceed the yield on the Issue is 1/8th of one percent (1%). [Reg. 1.148-2(d)(2)(i)]. For replacement proceeds, "Materially higher" means 1/1000 of one percent (1%).

(d) What Are the "Gross Proceeds" Subject to Arbitrage Restriction?

(1) Sale Proceeds of the Issue, being all amounts actually or constructively received from the sale of the Issue, including amounts used to pay underwriter's discount or compensation but excluding pre-issuance accrued interest are \$375,000.

(2) Transferred Proceeds do not apply since the Issue is not a refunding bond.

(3) Investment Proceeds, being all amounts actually or constructively received from investing proceeds of an Issue, are estimated to be \$2,000. (See footCertificates on page 2)

(4) Replacement Proceeds, being amounts that have a sufficient direct nexus to the issue or the governmental purpose of the Issue to conclude that such amounts would have been used for the governmental purpose of the Issue if the Issue were not used or to be used for such purpose, are \$0. [Reg. 1.148-1(c)] Such amounts include all sinking funds, pledge funds or other such funds held by or derived from a "substantial beneficiary of the issue," to the extent reasonably expected to be used, [Id.] for example:

- (i) debt service funds
- (ii) redemption funds
- (iii) reserve funds
- (iv) funds which are pledged directly or indirectly to pay principal or interest on the issue.

Mere availability or preliminary earmarking of amounts to fund the Project do not, in themselves, establish sufficient nexus to cause those amounts to be replacement proceeds.

There are no negative pledges related to the Issue. No amounts are pledged to pay principal or interest on the Issue and held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders of the Issue.

The Issue is not outstanding too long, thereby giving rise to "other replacement proceeds". The weighted average maturity of the Issue (6.125 years) does not exceed 120% of the average reasonably expected economic life of the Project.

(e) The Issuer hereby represents that none of the gross proceeds of the Issue are reasonably expected to be invested in materially higher yield "investment type property" other than as part of a reasonably required reserve or replacement fund or for a "Temporary Period" as defined below.

(1) Reserve Fund. [See Reg. 1.148-2(f)] There is no reserve fund for the Issue.

(2) Bona Fide Debt Service Fund. None of the proceeds of the Issue are being deposited into a debt service fund or sinking fund. The Issue will make debt service payments on the Issue from its own funds and as such payments become due. Any amounts invested in this Fund at a materially higher yield than the yield on the Issue will only be so invested for a temporary period that does not exceed thirteen (13) months. [Reg. 1.148-2(e)(5)(ii)] All amounts received from investment of this fund will be expended within twelve (12) months of the receipt thereof.

(3) Construction or Project Fund. The \$350,000, plus investment income, deposited to pay costs of construction or acquisition of the Project, if invested in higher yielding investments, will qualify under the three (3) year temporary period rule. The Issuer anticipates the Project will be completed within nine (9) months. The Issuer reasonably expects:

(i) At least eighty-five percent (85%) of the net sale proceeds<sup>3</sup> of the Issue are to be allocated to expenditures on the Project by three (3) years after the issue date;

(ii) Within six (6) months of the issue date, the Issuer will incur a substantial binding obligation to a third party to expend at least five percent (5%) of the net sale proceeds of the Issue on the Project; and

(iii) The completion of the Project, and the allocation of net sale proceeds to Project expenditures, shall proceed with due diligence.

(f) No Overissuance or Other Abusive Device. The Issuer certifies it has taken no action to enable it to exploit the difference between taxable and tax-exempt interest rates to obtain a material financial advantage, or to overburden the tax-exempt bond market. [Reg. 1.148-10(a)(2)] In particular, the Issuer has not issued a larger Issue, issued the Issue earlier, or allowed the Issue to stay outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Issue, based on all the facts and circumstances. [Reg. 1.148-10(a)(4)] The proceeds of the Issue are not reasonably expected to exceed by more than a "minor portion" (the lesser of 5% of the sale proceeds or \$100,000) the amount necessary to accomplish the governmental purposes of the Issue. [Id.; Reg. 1.148-2(g)]

6. Rebate. The small issuer exception to rebate (Section 148(f)(4)(d)) applies to the Issue and no rebate is due, as follows:

(i) the Issue is being issued by the Issuer, an entity which has the power to impose taxes of general applicability which, when collected, may be used for general purposes of the Issuer;

(ii) none of the proceeds of the Issue are used for private activity bonds. At least 95% of the proceeds of the Issue are to be used for local governmental activities of the Issuer, and for a Project within the City limits of the Issuer;

(iii) the aggregate face amount of all tax exempt bonds (other than private activity bonds) to be issued by the Issuer and all subordinate entities of the Issuer during calendar year 2019 does not exceed \$5,000,000.

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<sup>3</sup>"Net sale proceeds" are the sale proceeds minus those proceeds deposited into a reasonably required reserve and replacement fund or as part of a "minor portion." [Reg. 1.148-1(b)]

7. Miscellaneous.

(a) The Issuer is executing and delivering this Certificate pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986 as amended to the date hereof, and Treasury Regulations Sections 1.103-13, 1.103-14, 1.103-15, 1.148-0 through 1.148-11, 1.149(d)-1, and 1.150-1 (the "Regs"). The Issuer hereby elects to apply the Regs to the Issue.

(b) This Certificate is based on the facts and estimates described herein in existence on this date, which is the date of delivery of the Issue against the payment by the initial purchasers thereof. On the basis of such facts and estimates, I expect that the future events described herein will occur. To the best of my knowledge and belief, the expectations set forth herein are reasonable.

(c) No receipts from the sale of the Issue or amounts received from the investment thereof will be used to pay the principal of or interest on any presently outstanding obligations of the Issuer other than the Issue.

(d) To the extent the proceeds of the Issue and investment income thereon are in excess of the amount required for the purposes set forth in Section 2(b), that the unexpended proceeds or income shall be transferred to the Bond Fund/Interest and Sinking Fund or be applied for one or more other authorized purposes.

(e) In the event the Issuer has reimbursed itself for any expenditures made by it from the proceeds of the Issue, such reimbursement is in accordance with Reg. 1.150-2. (There will be no reimbursement. Total project costs exceed the amount of the Issue.)

(f) The Issuer hereby designates the Issue as a "qualified tax exempt obligation" under Section 265 of the Code. The Issuer reasonably expects the anticipated amount of tax exempt obligations to be issued by the Issuer (or any subordinate entities to the Issuer) during calendar year 2019 shall not exceed \$10,000,000, excluding private activity bonds which are not 501(c)(3) bonds. The Issuer shall take no deliberate action that would result in its (or any subordinate entity to the Issuer) issuing more than \$10,000,000 of tax exempt obligations during calendar year 2019 excluding private activity bonds which are not 501(c)(3) bonds.

THE CITY OF FLORENCE, TEXAS  
(THE "ISSUER")

BY: Mary Condon

DATE: October 31, 2019

## Exhibit A

### CERTIFICATE OF FINANCIAL ADVISOR

I, the undersigned officer of the Financial Advisor, make this certificate for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest on the Issue. Each capitalized term used herein has the meaning or is the amount, as the case may be, specified for such term in the No Arbitrage and Tax Certificate to which this Exhibit A is attached (the "Federal Tax Certificate"). I hereby certify as follows as of the date the Issue is delivered in exchange for its purchase price:

1. I am the duly chosen, qualified and acting officer of the Financial Advisor for the Issuer; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Financial Advisor. I am the officer of the Financial Advisor who has worked with representatives of the Issuer in structuring the financial terms of the Issue.

2. As certified by the purchaser of the Issue, the Issue Price of the Issue is \$375,000. The yield on the Issue, based on such Issue Price is 2.3901 percent (the "Yield"). For purposes of this certificate, the term "yield" means that yield which is computed as described in the paragraph 5(b) of the Federal Tax Certificate.

3. The Financial Advisor computed the Weighted Average Maturity of the Issue to be 6.1250 years.

4. The Issuer may rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate and in its efforts to comply with the conditions imposed by the Code on the exclusion of interest on the Issue from the gross income of their owners. Naman, Howell, Smith & Lee, PLLC also may rely on this certificate for purposes of its opinion regarding the treatment of interest on the Issue as excludable from gross income for federal income tax purposes.

U.S. CAPITAL ADVISORS LLC  
Financial Advisor

By: Ben J. Rosenberg - MANAGING DIRECTOR

Date: 10/31/19

## Exhibit B

### ISSUE PRICE CERTIFICATE \$375,000 CITY OF FLORENCE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019 CERTIFICATE OF PURCHASER

The undersigned, on behalf of TIB The Independent BankersBank, N.A. (the "Purchaser"), hereby certifies as set forth below with respect to the purchase of the above-captioned obligations (the "Certificates").

1. **Purchase of the Certificates.** On the date of this certificate, the Purchaser is purchasing the Certificates for the purchase price amount of \$375,000. The Purchaser is not acting as an Underwriter with respect to the Certificates. The Purchaser has no present intention to sell, reoffer, or otherwise dispose of the Certificates (or any portion of the Certificates or any interest in the Certificates). The Purchaser has not contracted with any person pursuant to a written agreement to have such person participate in the initial sale of the Certificates and the Purchaser has not agreed with the Issuer pursuant to a written agreement to sell the Certificates to persons other than the Purchaser or a related party to the Purchaser. The Certificates are not being sold or offered for sale to the Public.

2. **Defined Terms.**

(a) *Issuer* means the City of Florence, Texas.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate related to the Certificates and with respect to compliance with the federal income tax rules affecting the Certificates, and by Naman, Howell, Smith & Lee, PLLC in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

TIB The Independent BankersBank, N.A., as  
Purchaser

By: Barry Renfro  
Name: Barry Renfro

Dated: October 31, 2019



**NAMAN HOWELL  
SMITH & LEE<sup>PLLC</sup>**  
ATTORNEYS AT LAW

400 Austin Avenue  
Suite 800  
P. O. Box 1470  
Waco, Texas 76703  
(254) 755-4100  
Fax (254) 754-6331

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Offices in:

- Austin
- Fort Worth
- San Antonio
- Waco

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[www.namanhowell.com](http://www.namanhowell.com)

October 31, 2019

**CERTIFIED MAIL NO. 7016 1370 0000 9942 7514  
RETURN RECEIPT REQUESTED**

Internal Revenue Service Center  
Ogden, Utah 84201

Re: City of Florence, Texas Combination Tax  
and Revenue Certificates of Obligation,  
Series 2019

Dear Sirs:

Please find enclosed an original and one acknowledgment copy of the signed Form 8038-G in regard to the City of Florence, Texas Combination Tax and Revenue Certificates of Obligation, Series 2019.

Please return the file-marked copy to us in the enclosed self-addressed and stamped envelope.

Best regards.

Very truly yours,

NAMAN, HOWELL, SMITH & LEE, PLLC

BY:

Dan Pleitz

JDP:vf  
Enclosure

**Information Return for Tax-Exempt Governmental Bonds**

(Rev. September 2018)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury  
Internal Revenue Service**Caution:** If the issue price is under \$100,000, use Form 8038-GC.► Go to [www.irs.gov/F8038G](http://www.irs.gov/F8038G) for instructions and the latest information.**Part I Reporting Authority**If Amended Return, check here ► ☐

1 Issuer's name <b>City of Florence, Texas</b>		2 Issuer's employer identification number (EIN) <b>74-6027346</b>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) <b>Dan Pleitz</b>		3b Telephone number of other person shown on 3a <b>254-755-4100</b>
4 Number and street (or P.O. box if mail is not delivered to street address) <b>P.O. Box 1470</b>	Room/suite	5 Report number (For IRS Use Only) <b>3</b>
6 City, town, or post office, state, and ZIP code <b>Waco, Texas 76703</b>		7 Date of issue <b>10/31/2019</b>
8 Name of issue <b>Combination Tax and Revenue Certificates of Obligation, Series 2019</b>		9 CUSIP number <b>None</b>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Amy Crane, City Secretary</b>		10b Telephone number of officer or other employee shown on 10a <b>254-793-2490</b>

**Part II Type of Issue (enter the issue price).** See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17	375,000	00
18	Other. Describe ►	18		
19a	If bonds are TANs or RANs, check only box 19a			
b	If bonds are BANs, check only box 19b			
20	If bonds are in the form of a lease or installment sale, check box			

**Part III Description of Bonds.** Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	4/15/2030	\$ 375,000	\$ 375,000	6.125 years	2.3901 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22	Proceeds used for accrued interest	22	0	
23	Issue price of entire issue (enter amount from line 21, column (b))	23	375,000	00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	24,500	00
25	Proceeds used for credit enhancement	25	0	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0	
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	0	
28	Proceeds used to refund prior taxable bonds. Complete Part V	28	0	
29	Total (add lines 24 through 28)	29	24,500	00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	350,500	00

**Part V Description of Refunded Bonds.** Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	N/A	years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	N/A	years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	N/A	
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	N/A	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2018)

**Part VI Miscellaneous**

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . . **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions . . . . . **36a**
- b** Enter the final maturity date of the GIC ► (MM/DD/YYYY) \_\_\_\_\_
- c** Enter the name of the GIC provider ► \_\_\_\_\_
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . . **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☐ and enter the following information:
- b** Enter the date of the master pool bond ► (MM/DD/YYYY) \_\_\_\_\_
- c** Enter the EIN of the issuer of the master pool bond ► \_\_\_\_\_
- d** Enter the name of the issuer of the master pool bond ► \_\_\_\_\_
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . . ► ☒
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . . ► ☐
- 41a** If the issuer has identified a hedge, check here ► ☐ and enter the following information:
- b** Name of hedge provider ► \_\_\_\_\_
- c** Type of hedge ► \_\_\_\_\_
- d** Term of hedge ► \_\_\_\_\_
- 42** If the issuer has superintegrated the hedge, check box . . . . . ► ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . . ► ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . . ► ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ► ☐ and enter the amount of reimbursement . . . . . ► \_\_\_\_\_
- b** Enter the date the official intent was adopted ► (MM/DD/YYYY) \_\_\_\_\_

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

*Mary Condon* 10/21/2019 *Mary Condon Mayor*  
 Signature of issuer's authorized representative Date Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name <b>Dan Pleitz</b>	Preparer's signature <i>Dan Pleitz</i>	Date <b>10/28/2019</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P01607972</b>
Firm's name ► <b>Naman, Howell, Smith &amp; Lee, PLLC</b>			Firm's EIN ► <b>74-2004800</b>	
Firm's address ► <b>P.O. Box 1470, Waco, Texas 76703</b>			Phone no. <b>254-755-4100</b>	



NAMAN HOWELL  
SMITH & LEE<sup>PLLC</sup>  
ATTORNEYS AT LAW

400 Austin Avenue  
Suite 800  
P. O. Box 1470  
Waco, Texas 76703  
(254) 755-4100  
Fax (254) 754-6331

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Offices in:

- Austin
- Fort Worth
- San Antonio
- Waco

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[www.namanhowell.com](http://www.namanhowell.com)

October 31, 2019

TIB The Independent Bankers Bank, N.A.  
11701 Luna Road  
Farmers Branch, TX 75234

City of Florence, Texas  
106 S. Patterson  
Florence, Texas 76527

Re: \$375,000 City of Florence, Texas Combination  
Tax and Revenue Certificates of Obligation,  
Series 2019

WE HAVE represented the City of Florence, Texas (the "City"), as its bond counsel with respect to the issuance of the above captioned certificates of obligation (the "Certificates"). The Certificates mature, are subject to redemption prior to maturity, bear interest and may be transferred and exchanged as set out in the Certificates and in the Ordinance adopted by the governing body of the City authorizing their issuance (the "Ordinance").

WE HAVE represented the City as its bond counsel for the sole purpose of rendering our opinion with respect to the legality and validity of the Certificates under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Certificates from gross income for federal income tax purposes. We have not been requested to investigate or verify original proceedings, records, data or other material, but have relied solely upon the transcript of proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the City or the disclosure thereof in connection with the sale of the Certificates.

IN OUR CAPACITY as bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Certificates, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the City, customary certificates of officers, agents and representatives of the City, and other public officials, and other certified showings relating to the authorization and issuance of the Certificates. We have

also examined executed Certificate No. T-1 of this issue. We have also examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant.

**BASED ON SUCH EXAMINATION, IT IS OUR OPINION THAT:**

- (A) The transcript of certified proceedings evidences complete legal authority for the issuance of the Certificates in full compliance with the Constitution and laws of the State of Texas presently effective and, therefore, the Certificates constitute valid and legally binding obligations of the City;
- (B) A continuing ad valorem tax upon all taxable property within the City, necessary to pay the principal of and interest on the Certificates, has been levied and pledged irrevocably for such purposes, within the limit prescribed by law, and the total indebtedness of the City, including the Certificates, does not exceed any constitutional, statutory or other limitations; and
- (C) Payment of the Certificates is also secured by a pledge of the "Surplus Net Revenues" of the City's water and sewer system, as such term is defined in the Ordinance. Under the terms of the Ordinance the City may grant a pledge on the net revenues of the City's water and sewer system securing further indebtedness to be issued by the City. Such pledge may be superior to, on a parity with, or subordinate to, the pledge securing payment of the Certificates, at the sole option of the City.
- (D) The pledge of Surplus Net Revenues securing payment of the Certificates is on a parity with the pledge of the city's water and sewer revenues securing payment of the City's CERTIFICATES OF OBLIGATION, SERIES 2014.

THE RIGHTS OF THE OWNERS of the Certificates are subject to provisions of applicable federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

**IT IS OUR FURTHER OPINION THAT:**

- (1) Interest on the Certificates is excludable from gross income for federal income tax purposes under existing law;
- (2) Interest on the Certificates is not a specific preference item for purposes of the alternative minimum tax;

- (3) The Certificates have been designated by the City as bank qualified tax exempt obligations under Section 265 of the Code.

In providing such opinions, we have relied on representations of the City, the City's Financial Advisor and the purchaser of the Certificates, with respect to matters solely within the knowledge of the City, the City's Financial Advisor and the purchaser, respectively, which we have not independently verified. In addition, we have assumed for purposes of this opinion continuing compliance with the covenants in the Ordinance and a related tax certificate of the City pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Certificates for federal income tax purposes. We have further relied on the certification of the Financial Advisor regarding the mathematical accuracy of certain computations. If such representations or the certifications are determined to be inaccurate or incomplete or the City fails to comply with the foregoing provisions of the Ordinance and the City's tax certificate, interest on the Certificates could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusion occurs. Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Certificates.

Our opinions are based on existing law as of the date hereof, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Certificates. If an audit is commenced, in accordance with its current published procedures, the Service is likely to treat the City as the taxpayer. We observe that the City has covenanted in the Ordinance not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Certificates as includable in gross income for federal income tax purposes.

Very truly yours,

NAMAN, HOWELL, SMITH & LEE, PLLC

*Naman, Howell, Smith & Lee, PLLC*

NO. T-1

UNITED STATES OF AMERICA  
STATE OF TEXAS

PRINCIPAL  
AMOUNT  
\$375,000

CITY OF FLORENCE, TEXAS,  
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION  
SERIES 2019

DATED DATE: October 15, 2019

Due		Interest
<u>April 15</u>	<u>Principal</u>	<u>Rate</u>
2021	\$35,000	2.390%
2022	\$35,000	2.390%
2023	\$35,000	2.390%
2024	\$35,000	2.390%
2025	\$35,000	2.390%
2026	\$40,000	2.390%
2027	\$40,000	2.390%
2028	\$40,000	2.390%
2029	\$40,000	2.390%
2030	\$40,000	2.390%

REGISTERED OWNER: TIB THE INDEPENDENT BANKERSBANK, N.A.

PRINCIPAL AMOUNT: THREE HUNDRED SEVENTY FIVE THOUSAND AND  
NO/100 DOLLARS

**ON THE MATURITY DATE** specified above, the **CITY OF FLORENCE, TEXAS**, (the "City"), being a municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest hereon from the date of delivery semiannually, on each April 15 and October 15, commencing April 15, 2020, to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above calculated on the basis of a 360-day year consisting of twelve 30-day months.

**THE PRINCIPAL OF AND INTEREST ON** this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity or upon the date fixed for its redemption prior to maturity, at TIB The Independent BankersBank, N.A. (the "Paying Agent/Registrar"), at their office for payment in Farmers Branch, Texas (the "Designated Payment/Transfer Office"). The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the Ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided;

and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the close of business on the fifteenth day of the month next preceding such interest payment date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner.

**IN THE EVENT** of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

**ANY ACCRUED INTEREST** due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

**IF THE DATE** for the payment of the principal (or redemption price) or interest on this Certificate shall be a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium), for banking institutions in the City of Austin, Texas, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

**THIS CERTIFICATE IS ONE OF A SERIES OF CERTIFICATES DATED OCTOBER 15, 2019, AUTHORIZED IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS IN THE PRINCIPAL AMOUNT OF \$375,000 FOR THE PURPOSE OF ALL OR ANY PART OF THE COST OF REPAINTING THE INSIDE AND OUTSIDE OF THE CITY'S WATER TOWER AND THE PURCHASE OF AN ELECTRONIC (RADIO READ) WATER METER SYSTEM (TO INCLUDE THE WATER METERS AND A SYSTEM TO READ THE SAME), AND THE COST OF PROFESSIONAL SERVICES INCURRED IN CONNECTION THEREWITH.**

The City reserves the right, at its option, to redeem Certificates having stated maturities on and after April 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all the Certificates are to be redeemed, the Paying Agent/Registrar shall select by lot those Certificates to be redeemed.

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

**NO LESS THAN** 30 days prior to the date fixed for any such redemption, the City shall cause the Paying Agent/Registrar to send notice by United States mail, first-class postage prepaid to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the Registration Books of the Paying Agent/Registrar at the close of business on the business day next preceding the mailing of such notice. NOTICE HAVING BEEN SO GIVEN, AND PROVIDED FUNDS FOR THE PAYMENT OF THE REDEMPTION PRICE AND ACCRUED INTEREST THEREON ARE HELD BY THE PAYING AGENT/REGISTRAR ON THE REDEMPTION DATE, THE OBLIGATIONS CALLED FOR REDEMPTION WILL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF WILL CEASE TO ACCRUE. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Certificates or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

**ALL CERTIFICATES OF THIS SERIES** are issuable solely as fully registered Certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Certificate, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing on the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance of the Certificate.

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

**IT IS HEREBY** certified, recited, and covenanted that this Certificate has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate have been performed, existed, and been done in accordance with law; that this Certificate is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to

provide for the payment of the interest on and principal of this Certificate, as such interest and principal come due, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the Surplus Net Revenues of the City's System as defined in the Ordinance authorizing issuance of this Certificate.

**THE CITY** has reserved the right to issue additional obligations payable and secured by Net Revenues of the City's water and sewer system, either on a parity with, subordinate to, or having a priority lien over, the pledge of such Net Revenues securing the Certificates. **AS TO THE PLEDGE OF SUCH NET REVENUES, THE PLEDGE SECURING THIS CERTIFICATE IS ON A PARITY WITH THE PLEDGE SECURING THE CITY'S COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2014.**

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

**IN WITNESS WHEREOF**, the City has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Certificate.

Amy H. Crave  
City Secretary

Mary Condon  
Mayor

[CITY SEAL]



## ASSIGNMENT

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

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

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

Dated: \_\_\_\_\_

Signature Guaranteed:

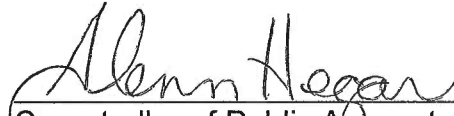
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

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

**COMPTROLLER'S REGISTRATION CERTIFICATE:**  
**REGISTER NO. 92818**

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

Witness my signature and seal this OCT 29 2019.

  
\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[COMPTROLLER'S SEAL]

**APPROPRIATION CERTIFICATE**

This Certificate is given for the benefit of all persons interested in the \$375,000 City of Florence, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2019 (the "Certificates"). The City of Florence, Texas (the "City"), hereby certifies that it has on hand sufficient funds available from the general funds of the City to make the payments due on the Certificates on April 15, 2020 and October 15, 2020, including all payments of principal and interest due thereon.

CITY OF FLORENCE, TEXAS

By: Mary Condon

Date: October 31, 2019

**OFFICE OF THE ATTORNEY GENERAL**  
**PUBLIC FINANCE DIVISION**  
**Additional Transcript Requirements**  
**Pursuant to Texas Government Code §1202.008**  
Please submit excel copy of this form to [brblgs@brb.texas.gov](mailto:brblgs@brb.texas.gov)

The following information is to be included in the transcript submitted to the Office of the Attorney General to obtain Attorney General approval of the issuance of bonds or other obligations. This information has been designated by the Bond Review Board as that to be collected pursuant to Texas Government Code §1202.008. If space is limited, please provide a specific cross-reference to the page in the Final Official Statement.

**A. Please provide the following information for each bond series as well as an additional copy of the Final Official Statement. (Provide the requested information on this worksheet. The Bond Review Board does not receive the full transcript):**

1. a. Name of the Governmental Entity:	City of Florence, Texas
b. Name of Bond Issue:	Combination Tax and Revenue Certificates of Obligation, Series 2019
c. Type of Issuer: (Governmental Entity, Conduit, Component or Related Entity)	Governmental
d. Issuer Fiscal Year End Date:	September 30
e. Issuer Contact Name and Title:	Amy Crane, City Secretary
f. Issuer Address:	106 S. Patterson, Florence, TX 76527
g. Issuer Phone:	254-793-2490
h. Issuer Email:	<a href="mailto:acrane@florencetex.com">acrane@florencetex.com</a>
<b>List Conduit/Component/Related Entity/Other</b>	
2. a. Total Par Amount:	\$375,000.00
b. New Money Par:	\$375,000.00
c. Refunding Par:	\$0.00
d. Dollar Amount of Original Issue Bond Premium:	\$0.00
e. Cash Premium (Competitive Sales, usually found in the Initial Purchasers Section), if any:	
f. Dollar Amount of Bond Original Issue Discount, if any:	
g. If available, please email the DF2 file to <a href="mailto:brblgs@brb.state.tx.us">brblgs@brb.state.tx.us</a> .	
3. Dated Date:	10/15/2019
4. Date Interest Accrues from:	delivery
5. Closing Date (expected delivery date, on or about):	10/31/2019
6. First Interest Payment Date:	4/15/2020
7. Maturity Dates, Maturity Amounts, Coupon Rates, Prices or Yields (If no reoffering yield (NRO) indicated, please provide yield separately.):	See Exhibit 1
8. Call Provisions, including Premiums, if any:	See Exhibit 2
9. Mandatory Sinking Fund Redemption Dates:	None
10. Debt-Service Schedule (Principal and Interest, and Annual Totals, with the Fiscal Year identified):	See Exhibit 1
11. Do the bonds have a specific designation as qualified tax-exempt obligations?	Yes
12. Derivative Products (Swaps, Interest Rate Management Agreements, etc.) - List any derivatives associated with financing:	None
13. Pledge: tax (ad valorem, other), revenue, sales tax revenue, combination tax & rev:	combination tax and revenue
14. Credit Enhancement (including PSF guarantee):	None

15. Ratings: Assigned to the issue/Underlying:		Rating Assigned to this Issue/ Rating Outlook	Underlying Rating/ Rating Outlook
	Moody's	None	
	S&P		
	Fitch		
	Other		
	Not Rated		

**B. Additional Information**

16. Type of Sale: (Negotiated, Competitive, Private Placement, Other)	competitive
If other please explain	

17. Date of Sale:	10/1/2019
18. Net effective interest rate pursuant to Government Code Chapter 1204.005:	2.3900%
19. Governmental Purchaser - please name purchaser (i.e. Texas Water Development Board):	N/A
20. Refunded Obligations - If applicable, include a schedule of obligations refunded by year, principal amount, and coupon.	N/A
21. Cash and Present Value Savings/Loss - If a refunding bond issue, please provide final schedule of cash and present value savings or loss.	N/A
22. Cash Defeasances - List all issues and maturities that have been cash defeased since the last issue of public securities approved by the Attorney General.	N/A
23. If voter approved - Provide bond election date(s), original amount(s) authorized and current amounts of principal and premium charged against voted authority.	N/A
24. Authorized but Unissued - For issues that require the use of voted bond authorization, list all authorized but unissued voted authority available, if any.	N/A
25. Upcoming Called Bond Election: Please provide an attached schedule which shows date of election, purpose and amount by proposition.	N/A
26. CABs and CIBs - If not provided in the OS, please provide the per annum bond interest rates by maturity as shown in the bond order document. If provided in the OS, list the page(s):	See Exhibit 1
27. Commercial Paper Authorized - List all commercial paper programs, the amounts authorized and the amounts currently outstanding.	None
28. Population - Provide the most current available population data:	1,136
29. Federal Program - If the debt is being issued under any direct special government program; name the program and the amount of authority being used:	None
30. If the issuer is an ISD, is any portion of the debt exempt from Texas Education Agency Code 45.0031 (50-cent Debt test)?	N/A

31. Costs of Issuance - Provide the information below: (If final costs are materially different, please submit changes directly to the Texas Bond Review Board, 512-463-1741 or fax 512-475-4802)

<u>Service</u>	<u>Firm</u>	<u>One-Time Fee</u>	<u>Annual Fees <sup>(1)</sup></u>
Bond Rating:	Moody's		
	Standard & Poor's		
	Fitch		
	Other:		
Other Costs of Issuance: <sup>(2)</sup>			
Financial Advisor	U.S. Capital Advisors	16,750.00	
Bond Counsel	Naman, Howell, Smith & Lee, PLLC	7,000.00	
Co Bond Counsel			
Issuer Counsel			
Bank Counsel			
Disclosure Counsel			
Paying Agent	TIB The Independent BankersBank, N.A.		
Trustee			
Remarketing Fees			
Liquidity Fees			
Accountant/CPA			
Printing			
POS/OS Posting			
Attorney General's Fee		750.00	
Issuer Fees			
CUSIP			
Escrow Verification Fees			
Travel			
TCEQ Fee			
Bond Application Fee			
TWDB Fee			
Private Placement Fee			
Contingency			
Misc. Costs of Issuance: <sup>(3)</sup>			
<b>Total Costs of Issuance:</b>		<b>24,500.00</b>	<b>-</b>
Credit Facility			
Bond Insurance			
Underwriting Spread:			
Takedown			
Management Fee			
Underwriter Counsel			
Spread Expenses			
<b>Total Underwriting Spread: <sup>(4)</sup></b>		<b>-</b>	<b>-</b>
Did Underwriter Pay Rating Fee? Yes or No		No	
Did Underwriter Pay Bond Insurance Fee? Yes or No		No	
Did Underwriter Pay Underwriter Counsel's Fee? Yes or No		No	

(1) Refers to any recurring costs of an issuance including fees for paying agent, remarketing agent, credit provider and other similar services (may be expressed as a formula as appropriate).

(2) Include all fees and expenses paid or reimbursed by the issuer.

(3) Provide all other costs of issuance and identify the service provider and associated fees.

(4) Include all marketing and selling costs including structuring (management) fee, takedown, underwriting risk fee and expenses.

<u>UW Participants</u>	<u>Firm</u>
Senior Managing Underwriter	
Other Underwriters	

<u>Person Completing Form:</u>	
Name:	Dan Pleitz
Firm:	Naman, Howell, Smith & Lee, PLLC
Telephone:	254-755-4100
E-mail:	<a href="mailto:pleitz@namanhowell.com">pleitz@namanhowell.com</a>

The information presented on this form is used by the Texas Bond Review Board for compiling outstanding debt information and related costs of issuance for governmental issuers in Texas. For more information please see [http://www.brb.texas.gov/local\\_debt.aspx](http://www.brb.texas.gov/local_debt.aspx)

# Exhibit 1 Texas Bond Review Board

Sep 26, 2019 11:15 am Prepared by USCA Municipal Advisors, LLC

(Finance 8.000 Florence:FLORENCE-CO2019) Page 2

## BOND DEBT SERVICE

City of Florence, Texas  
Certificates of Obligation Series 2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/15/2020			4,107.81	4,107.81	
09/30/2020					4,107.81
10/15/2020			4,481.25	4,481.25	
04/15/2021	35,000	2.390%	4,481.25	39,481.25	
09/30/2021					43,962.50
10/15/2021			4,063.00	4,063.00	
04/15/2022	35,000	2.390%	4,063.00	39,063.00	
09/30/2022					43,126.00
10/15/2022			3,644.75	3,644.75	
04/15/2023	35,000	2.390%	3,644.75	38,644.75	
09/30/2023					42,289.50
10/15/2023			3,226.50	3,226.50	
04/15/2024	35,000	2.390%	3,226.50	38,226.50	
09/30/2024					41,453.00
10/15/2024			2,808.25	2,808.25	
04/15/2025	35,000	2.390%	2,808.25	37,808.25	
09/30/2025					40,616.50
10/15/2025			2,390.00	2,390.00	
04/15/2026	40,000	2.390%	2,390.00	42,390.00	
09/30/2026					44,780.00
10/15/2026			1,912.00	1,912.00	
04/15/2027	40,000	2.390%	1,912.00	41,912.00	
09/30/2027					43,824.00
10/15/2027			1,434.00	1,434.00	
04/15/2028	40,000	2.390%	1,434.00	41,434.00	
09/30/2028					42,868.00
10/15/2028			956.00	956.00	
04/15/2029	40,000	2.390%	956.00	40,956.00	
09/30/2029					41,912.00
10/15/2029			478.00	478.00	
04/15/2030	40,000	2.390%	478.00	40,478.00	
09/30/2030					40,956.00
	375,000		54,895.31	429,895.31	429,895.31

All certificates are sold at par, without premium or discount.

**Exhibit 2**  
**Texas Bond Review Board**

The City reserves the right, at its option, to redeem Certificates having stated maturities on and after April 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all the Certificates are to be redeemed, the Paying Agent/Registrar shall select by lot those Certificates to be redeemed.

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

**NO LESS THAN 30 days** prior to the date fixed for any such optional redemption, the City shall cause the Paying Agent/Registrar to send notice by United States mail, first-class postage prepaid to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the Registration Books of the Paying Agent/Registrar at the close of business on the business day next preceding the mailing of such notice. NOTICE HAVING BEEN SO GIVEN, AND PROVIDED FUNDS FOR THE PAYMENT OF THE REDEMPTION PRICE AND ACCRUED INTEREST THEREON ARE HELD BY THE PAYING AGENT/REGISTRAR ON THE REDEMPTION DATE, THE CERTIFICATES CALLED FOR REDEMPTION WILL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH CERTIFICATES OR PORTION THEREOF WILL CEASE TO ACCRUE. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Certificates or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Certificate Ordinance.

October 1, 2019

Office of Attorney General of Texas  
300 West 15th Street, 7th Floor  
Austin, Texas 78701

Attn: Ms. Leslie Brock

Re: \$375,000 City of Florence, Texas, Combination  
Tax and Revenue Certificates of Obligation,  
Series 2019

Dear Ms. Brock:

On or about the same time as you receive this letter, you will be receiving various undated certificates or other documents relating to the issuance by the City of Florence, Texas, of its \$375,000 City of Florence, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2019 (the "Certificates").

Please be advised on behalf of the City of Florence, Texas, that should any of the events represented in said certificates or documents change between the date of your receipt of the same and the date of closing, we will provide you with a written amendment or a new certificate reflecting any such change.

You and bond counsel are further authorized to date any such certificates or other documents to accommodate your review and approval of the transaction.

Very truly yours,

CITY OF FLORENCE, TEXAS

BY: Mary Condon  
Its Mayor

## CLOSING CERTIFICATE

This certificate is given for the benefit of all persons interested in the \$375,000 City of Florence, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2019. The undersigned hereby certifies on behalf of the City of Florence, Texas (the "City") the following:

(i) no litigation or proceeding against the Issuer is pending or, to the best of my knowledge, threatened in any court or administrative body, nor is there a basis for litigation, which would (a) contest the right of the council members, officers or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization or legal and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Certificates or the Ordinance authorizing the same, or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues, including those revenues of the City's water and sewer system, to be used to make payments on the Certificates, or the levy or collection of the taxes pledged to pay the principal of and interest on the Certificates, or the pledge thereof;

(ii) all official actions of the Issuer relating to the Certificates and the Ordinance authorizing the same have been duly taken by the Issuer, are in full force and effect and have not been modified, amended, supplemented or repealed;

(iii) there has not been any material adverse change in the financial condition of the City since the latest date as of which audited financial information regarding the City is available.

CITY OF FLORENCE, TEXAS

By: Mary Gordon  
Mayor

By: Amy H. Crane  
City Secretary

Date: October 31, 2019

**TOPIC: POST-ISSUANCE COMPLIANCE FOR TAX-EXEMPT OBLIGATIONS  
FOR GOVERNMENT BORROWERS**

**I. DIRECTIVE**

- A.** It is the directive of the City of Florence, Texas (the "Government") to set forth specific criteria designed to monitor post-issuance compliance of tax-exempt obligations ("Obligations")<sup>1</sup> issued by the Government, with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder ("Treasury Regulations").
- B.** This directive documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the Government. This directive establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.
- C.** The Government recognizes that compliance with applicable provisions of the Code and Treasury Regulations is an on-going process, necessary during the entire term of the Obligations, and is an integral component of the Government's debt management. Accordingly, the analysis of those facts and implementation of this directive will require on-going monitoring and consultation with bond counsel and the Government's financial advisors and Officers.

**II. GENERAL PROCEDURES**

- A.** The City Secretary of the Government (hereinafter, the "Officer") shall be responsible for monitoring post-issuance compliance issues.
- B.** The Officer will coordinate procedures for record retention and review of such records.
- C.** All documents and other records relating to Obligations issued by the Government shall be maintained by or at the direction of the Officer for as long as the Obligations (and any related refunding obligations) are outstanding plus three years. In maintaining such documents and records, the

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<sup>1</sup> "Obligations" means all evidence of indebtedness issued by the Government on a tax exempt basis, including bonds, notes, lease purchase agreements and all other forms of tax exempt debt.

Officer will comply with applicable Internal Revenue Service ("IRS") requirements, such as those contained in Revenue Procedure 97-22.

- D. The Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- E. The Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually. A checklist is attached for review of certain minimum requirements.
- F. In order to allow for accurate record keeping the Government shall establish a separate bank account for proceeds of each obligation, and keep separate records of expenditures and investment of such account.

### **III. DOCUMENTS AND RECORDS**

With respect to each issue of Obligations, the Officer will:

- A. Obtain and keep in the offices of the Government a copy of the relevant and customary transaction documents (the "Transcript").
- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038 or Form 8038-G,) for such issue with the IRS on a timely basis, as part of the Transcript.
- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Government.

### **IV. ARBITRAGE AND REBATE**

With regard to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations, the Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the Government's financial advisor or bond counsel is contained in the Transcript.
- C. Establish separate accounts for each Obligation, and not commingle those accounts with any other funds of the Government.

- D. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- E. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Government has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- F. Maintain a procedure for the allocation of proceeds of each issue of Obligations and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations not later than 18 months after the later of the date the expenditure is paid or the date each project financed by the Obligations is placed in service (but in no event later than 60 days after the fifth anniversary of the issue date of the Obligations) and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- G. Monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue (including confirming the expenditures on any new money issue by the third anniversary of the issue date), and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- H. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.
- I. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- J. Consult with bond counsel prior to (i) engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts, or (ii) changing the collateral or source of payment of an issue of Obligations.
- K. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- L. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- M. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.

- N. Arrange for timely computation and payment of "yield reduction payments" (as such term is defined in the Code and Treasury Regulations), if applicable.

## V. PRIVATE ACTIVITY CONCERNS

With regard to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations, the Officer will:

- A. Maintain records determining and tracking facilities financed with specific obligations and the amount of proceeds spent on each facility.
- B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- C. Monitor private use (meaning any use other than by the Government or its employees, or the general public) of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:
  - 1. Sale of the facilities to private users, including sale of naming rights;
  - 2. Lease or sub-lease of the facilities to private users with private business owners (such as private practice physicians who are not employees of the Government) (including leases or use arrangements or leasehold improvement contracts);
  - 3. Management contracts (in which the Government authorizes a third party to operate or manage a facility);
  - 4. Preference arrangements (in which the Government permits a third party preference, such as reserved parking in a public parking lot);
  - 5. Joint-ventures, limited liability companies or partnership arrangements;
  - 6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users and take or pay or requirements contracts);
  - 7. Grants or loans made to private entities, including special assessment agreements; and
  - 8. Naming rights arrangements.
- D. Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use and private payments or collateral owned or used by private parties allocable to each issue of Obligations on a periodic basis; and
  2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private business use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.
- E. If the Officer identifies private use of, or private payment or collateral for, bond-financed facilities, the Officer will consult with the bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate.
- F. The Officer should retain all documents related to any of the above potential private uses for the life of the Obligations (and any related refunding obligations) plus three years.

## **VI. QUALIFIED TAX-EXEMPT OBLIGATIONS**

If the Government issues "qualified tax-exempt obligations"<sup>2</sup> in any year, the Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that applicable "small issue" limit is not exceeded.

## **VII. REISSUANCE**

Changes in the terms of a tax exempt Obligation can cause it to be deemed "reissued" into a new tax exempt debt.

With regard to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes, the Officer will identify and consult with financial advisors or bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

## **VIII. RECORD RETENTION**

The Officer will:

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<sup>2</sup> Meaning less than \$10,000,000 of tax exempt obligations in any single calendar year, which the Government has elected to treat as "bank qualified".

- A. Coordinate with staff regarding the records to be maintained by the Government to establish and ensure that an issue of Obligations remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
  - 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
  - 2. Documentation evidencing expenditure of proceeds of the issue;
  - 3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
  - 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, and developer agreements);
  - 5. Documentation evidencing all sources of payment or security for the issue; and
  - 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus three years.

## **IX. CONTINUING DISCLOSURE**

Under the provisions of SEC Rule 15c2-12 (the "Rule"), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities in a principal amount in excess of \$1,000,000. The Transcript for each issue of Obligations subject to this Rule will include an undertaking by the Government to comply with the Rule. The Officer will monitor compliance by the Government with its undertakings, which will include the

requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed "material events."

#### **X. REMEDIATION OR OTHER CORRECTIVE ACTION**

A corrective action may be required if, for example, it is determined that proceeds of the Obligations were not properly expended, the Government is not in compliance with the arbitrage requirements imposed by the Code or the Government has taken (or may take) a deliberation action that results in impermissible private business use (e.g., sale or lease of bond-financed property). If the Government determines or is advised that corrective action is necessary with respect to any issue of its Obligations, the Government will consult with its bond counsel in a timely manner; and:

- seek to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2001-60 (or any successor notice thereto)
- take remedial action described under Section 1.141-12 of the Code
- take such other action as recommended by bond counsel

#### **XI. GENERAL PROVISIONS**

The Government reserves the right to change, modify, amend, revoke or rescind all or part of this directive in the future.

Adopted by act of the City of Florence, Texas

By: Mary Gordon

Date: October 21, 2019

CHECKLIST FOR POST ISSUANCE COMPLIANCE BY  
GOVERNMENT BORROWER

1. Establish separate bank account for bond<sup>3</sup> funds?  
Keep records showing:
  - (i) what project were funds spent on
  - (ii) how fast were expenditures made (keep copies of project bills, and checks to pay them)
  - (iii) how were bond funds invested
2. Private business use  
Does any private business:
  - (i) lease any part of the project?
  - (ii) own any part of the project?
  - (iii) manage any part of the project?
3. Bond transcript  
Do you have a copy of the bond transcript?  
All correspondence regarding the bonds?
4. Excess investment yield  
Did the bond money (in the separate bank account) earn money at a higher rate of interest than the rate of interest on the bonds? If so, contact bond counsel immediately. The excess earnings may have to be remitted to the United States of America.

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<sup>3</sup> "Bonds" means any form of tax exempt obligations issued by the Government



# U.S. Capital Advisors

Ben Rosenberg  
Managing Director  
USCA Municipal Advisors LLC  
300 W. 6<sup>th</sup> Street, Suite 1900  
Austin, Texas 78701

## CLOSING MEMORANDUM – The Certificates

FINAL

TO: Amy L. Crane, City of Florence  
Barry Renfro, The Independent Bankers Bank (TIB)  
Katie Lawton, The Independent Bankers Bank (TIB)  
Dan Pleitz, Naman Howell Smith & Lee PLLC

FROM: Ben Rosenberg

DATE: October 28, 2019

SUBJECT: City of Florence, Texas (the "Issuer")  
\$375,000 Combination Tax & Revenue Certificates of Obligations, Series 2019  
(the "Certificates")

Closing on the above captioned issue will be held on Thursday, October 31, 2019 at 10:00 a.m. CST by telephone. Please Certificates the instructions below and contact me if you have any questions.

### Closing Instructions – Sources of Funds

The Independent Bankers Bank (TIB), the purchaser (the "Purchaser"), will wire transfer via Federal Funds the following amount:

Par Amount of Certificates	\$375,000.00
Accrued Interest	0.00
Total to the City	<u>\$375,000.00</u>

### Closing Instructions – Uses of Funds

The Independent Bankers Bank (TIB), the purchaser (the "Purchaser") will make payment on the day of closing by federal wire transfer as per the instructions below:

**Deposit to Issuer Project Fund                      \$350,500.00**

Bank: VERA BANK  
ABA Number: 111903151  
Account Number: 1034001667  
Account Name: 2019 Certificate of Obligations  
Contact Name and Number: Karen Robbins 254-793-2601  
krobbins@verabank.com

**Bond Counsel** **\$7,750.00**

**Naman Howell Smith & Lee PLLC**

Bank: Extraco Bank NA  
1700 North Valley Mills Drive, Waco, Texas 76710  
Name of Account: NHSL PLLC  
ABA Number: 111900581  
Bank Account Number: 0623010286  
Reference: City of Florence 2019 Bonds  
Lawyer: Dan Pleitz (254) 755-4210  
(Includes Attorney General Fee of \$750.00)

**Municipal Advisor** **\$16,750.00**

**USCA Municipal Advisors LLC**

To: Cadence Bank  
1108 Hwy 182 East  
Starkville, MS 39759  
ABA: 062206295  
*For Final Credit:*  
Cadence Customer USCA Municipal Advisors LLC  
4444 Westheimer, Suite G500  
Houston, Texas 77027  
Account Number: 5500083687  
Reference: City of Florence, Texas Combination Tax & Revenue Certificates of Obligation  
Series 2019  
Attention: Cody Henderson (713) 366-0577

**Distribution Summary**

Total Due from Purchaser	\$375,000.00
<b>Distributions</b>	
Project Funds - City of Florence	\$350,500.00
Bond Counsel – Naman Howell Smith & Lee	7,750.00
Municipal Advisor – USCA Municipal Advisors	16,750.00
Balance	<u>\$ 0.00</u>