

ORDINANCE NO. 199-85

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF WILLOW PARK, TEXAS, AUTHORIZING THE ISSUANCE OF "CITY OF WILLOW PARK, TEXAS, GENERAL OBLIGATION BONDS, SERIES 1985" LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF SAID BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Willow Park; Texas, hereby finds and determines that general obligation bonds of the City in the total principal amount of \$550,000 should be issued and sold at this time for the purpose of purchasing, constructing, improving and extending a waterworks system for the City, such bonds having been approved and authorized to be issued at an election held on February 9, 1985, the respective authorized purposes and amounts authorized to be issued therefor, amounts being issued pursuant to this ordinance and remaining authorized but unissued bonds being as follows:

<u>Purpose</u>	<u>Amount Authorized</u>	<u>Amount Being Issued</u>	<u>Authorized and Unissued</u>
<u>Revenue Bonds</u>			
Waterworks System acquisition and extension	\$2,000,000	\$2,000,000	-0-
<u>General Obligation Bonds</u>			
Waterworks System acquisition and extension	850,000	550,000	300,000

; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WILLOW PARK, TEXAS:

SECTION 1: Authorization-Designation-Principal Amount-Purpose.
 General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$550,000, to be designated and bear the title "City of Willow Park, Texas General Obligation Bonds, Series 1985" (hereinafter referred to as the "Bonds"), for the purpose of making permanent public improvements, to-wit: purchasing, constructing, improving, and extending a waterworks system for the City.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Date. The Bonds are issuable in fully registered form only; both principal of and interest thereon to be payable only to the registered owner thereof; shall be in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity) and the Bonds shall become due and payable on March 1 in each of the years and in principal amounts (the "Stated Maturities") and bear interest on the unpaid principal amounts from the Bond Date at per annum rates in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1988	25,000	11.50 %
1989	25,000	11.50 %
1990	25,000	11.50 %
1991	25,000	11.50 %
1992	30,000	11.50 %
1993	35,000	11.00 %
1994	40,000	9.60 %
1995	40,000	9.80 %
1996	50,000	10.00 %
1997	55,000	10.10 %
1998	60,000	10.25 %
1999	65,000	10.40 %
2000	75,000	10.50 %

The Bonds shall be dated March 1, 1985, (the "Bond Date").

SECTION 3: Payment of Bonds - Paying Agent/ Registrar. The principal of, premium, if any, and the interest on the Bonds shall be payable; without exchange or collection charges to owner or holder thereof, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Bonds shall bear interest at the per annum rates shown above in Section 2, and interest thereon shall be payable on March 1 and September 1 of each year commencing March 1, 1986.

The selection and appointment of Texas American Bank Fort Worth, N.A., Fort Worth, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the principal office of the Paying Agent/Registrar books and records (the "Security Register") for the registration, payment and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement" and such reasonable rules and regulations as the Paying Agent/Registrar and City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are Outstanding and any successor Paying Agent/Registrar shall be

a national or state banking institution and shall be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Both principal of, premium, if any, and interest on the Bonds, due and payable by reason of maturity or otherwise, shall be payable only to the registered owner or holder of the Bonds (hereinafter referred to as the "Bondholder" or "Bondholders") appearing on the "Security Register" (i) on the "Record Date" (hereinafter defined) for purposes of paying interest thereon and (ii) on the date of surrender of the Bonds for purposes of paying principal at the Stated Maturity. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Bondholder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and, to the extent permitted by law, neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Bonds, shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/ Registrar at its principal office. Interest on the Bonds shall be paid to the Bondholder whose name appears in the "Security Register" at the close of business on the "Record Date" (the 15th day of the month preceding each interest payment date) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States Mail, first class postage prepaid, by the Paying Agent/Registrar, to the address of the Bondholder appearing in the "Security Register" or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Bondholder at the Bondholder's risk and expense.

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

SECTION 4: Redemption. The Bonds are not subject to redemption prior to their Stated Maturities.

Section 5: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor, under its seal reproduced or impressed thereon and counter- signed by the City Secretary. The signature of said officers on the Bonds may be

manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date Shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser (s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in the Bond Procedures Act of 1981, as amended.

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

SECTION 6: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the City at the principal office of the Paying Agent/Registrar, and the Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each registered owner of the Bonds issued under and pursuant to the provisions of this Ordinance. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Bondholder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Bondholder or by his duly authorized agent, in form satisfactory to the Paying Agent/ Registrar.

Upon surrender for transfer of any Bond at the principal office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds executed on behalf of, and furnished by, the City of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Bondholder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the principal office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds executed on behalf of, and furnished by, the City to the Bondholder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the principal office of the Paying Agent/Registrar, or sent by United States registered mail to the Bondholder at his request, risk, and expense and, upon the delivery thereof, the same

shall be valid obligations of the City, evidencing the same debt, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Bondholder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Bondholder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds " evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any Bond registered and delivered pursuant to Section 12 hereof in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7: Initial Bonds. The Bonds herein authorized shall be issued initially either (i) as a single fully registered bond in the total principal amount of \$550,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as thirteen (13) fully registered bonds, being one bond for each year of maturity in the applicable, principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)"), and in either case the Initial Bond(s) shall be registered in the name of the initial purchaser or purchasers thereof, or his or their designee. The Initial Bond(s) shall be the Bonds submitted to, the Office of the Attorney General of the State of Texas for approval and certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas. At any time after the delivery of the Bonds to the initial purchaser or purchasers, the Paying Agent/Registrar, upon written instructions from the purchaser or purchasers, or his or their designee, shall cancel the initial Bond(s) delivered hereunder and, exchange therefor Bonds of authorized denominations, Stated Maturities, principal amounts, and bearing applicable interest rates for transfer and delivery to the Bondholders named and at the addresses identified therefore; all in accordance with and pursuant to such written instructions from the initial purchaser or purchasers, or his or their designee, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms. A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may,

consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

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

B. Form of Bond

REGISTERED
NO. _____

REGISTERED
\$ _____

United States of America
State of Texas
County of Parker
City of Willow Park, Texas,
General Obligation Bond
Series 1985

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

Interest Rate: Stated Maturity:
.....

Bond Date:
March 1, 1985

CUSIP NO:
.....

The City of Willow Park, Texas (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Parker, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the principal amount specified above, and to pay interest on the unpaid principal amounts hereof from the Bond Date specified above or from the most recent interest, payment date to which interest has been paid or duly provided for until such principal sum has become due and payment thereof has been made or duly provided for, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year commencing March 1, 1986. Principal of this Bond shall be payable to the registered owner hereof, upon presentation and surrender, at the principal office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest shall be payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close

of business on the "Record Date", which is the 15th day of the month preceding each interest payment date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts and shall be made by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States Mail, first class postage prepaid, to the registered owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the registered owner hereof at the Bondholder's risk and expense.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$550,000 (herein referred to as the "Bonds") pursuant to an Ordinance adopted by the governing body of the City (herein referred to as the "Ordinance"), for the purpose of making permanent public improvements, to wit: purchasing, constructing, improving and extending a waterworks system for the City in conformity with the Constitution and laws of the State of Texas.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property within the City. Reference is hereby made to the Ordinance, copies of which are on file in the principal office of the Paying Agent/Registrar, and to all of the provisions of which the Bondholder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Bondholders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Ordinance.

As provided in the Ordinance and subject to certain limitations contained therein, this Bond is transferable on the Security Register of the City, upon surrender of this Bond for transfer at the principal office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the registered owner hereof, or his duly authorized agent, and thereupon one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, may treat the registered owner hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, and (iii) on any other date for all other purposes, and neither the City nor the Paying Agent/ Registrar, or any such agent of either, shall be

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

It is hereby certified, Covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of this Bond does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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

CITY OF WILLOW PARK, TEXAS

Mayor

ATTEST:

City Secretary
(SEAL)

C. Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER X
OF PUBLIC ACCOUNTS X
THE STATE OF TEXAS X REGISTER NO. _____

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

WITNESS my signature and seal of office this

_____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

* NOTE TO PRINTER: Do not print on Definitive Bonds.

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

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

TEXAS AMERICAN BANK FORT
WORTH, N.A., FORT WORTH, TEXAS
as Paying Agent/Registrar
By: _____,
Authorized Officer

Registered this date:

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)
.....
.....
(Social Security or other identifying number:
.....) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
..... attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: Signature guarantee: NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.
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F. The Initial Bond(s) shall be in the form set forth in paragraph B of this Section, except that:

- (i) immediately under the name of the bond(s) the headings "Interest Rate _____" and "Stated Maturity _____" shall both be completed "as shown below;"
- (ii) Paragraph one shall read as follows:

The City of Willow Park, Texas (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Parker, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, the principal amount hereinabove stated on the 1st day of March in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

YEAR	PRINCIPAL INSTALLMENTS	INTEREST -- RATE
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(Information to be inserted from schedule in Section 2 hereof).

and to pay interest on the unpaid principal amounts hereof from the Bond Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until such principal amount has become due and payment thereof has been made or duly provided for, at the per annum rates of interest specified above

computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year commencing March 1, 1986. Principal of this Bond shall be payable to the registered owner hereof, upon presentation and surrender, at the principal office of TEXAS AMERICAN BANK FORT WORTH, N.A., FORT WORTH, TEXAS (the "Paying Agent/Registrar"). Interest shall be payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the 15th day of the month preceding each interest payment date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts and shall be made by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States Mail, first class postage prepaid, to the registered owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the registered owner hereof at the Bondholder's risk and expense.

SECTION 9: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or a sinking fund of, 2% (whichever amount is, the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; the taxes levied, assessed, and collected for and on account of the Bonds shall be accounted for separate and apart from all other funds of the City and shall be deposited in the "Series 1985 General Obligation Bond Fund" (the "Interest and Sinking Fund") to be maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

Proper officers of the City are hereby authorized and directed to cause to be transferred to the Paying Agent/ Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 10: Notices to Holders-Waiver. Wherever this Ordinance provides for notice to Bondholders 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 Bondholder 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 Bondholders is given by mail, neither the failure to mail such notice to any particular Bondholders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Bondholder 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 Bondholders 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 11: Cancellation. All Bonds surrendered for payment, 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 Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 12: Mutilated - Destroyed - Lost and Stolen Bonds. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond under this Section, the City may require payment by the Bondholder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

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

SECTION 13: No-Arbitrage Certification. The City certifies that based on facts, estimates, and circumstances expected to exist on the date of the issue of the Bonds it is not reasonable to anticipate that the proceeds thereof will be used in a manner which would cause them to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or regulations thereunder applicable thereto, and the City covenants not to make any use of the proceeds of the Bonds or investment income therefrom which would cause the Bonds to become "arbitrage bonds" within the meaning of Section 103(c) of such Code. The officers of the City charged with responsibilities in the issuance of Bonds are authorized and directed to make, execute, and deliver certifications as to facts, estimates, and circumstances in existence as of the date of the issuance of said Bonds and stating whether there are any facts, estimates, or circumstances which would materially change the City's present expectations. The covenants herein made and the certifications herein authorized are for the benefit of the holders from time to time of said Bonds and may be relied upon by said holders and bond counsel for the City.

SECTION 14: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Bondholders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of any taxes or other money, securities, and funds pledged under this Ordinance and all covenants, agreements, and other obligations of the City to the Bondholders shall thereupon cease, terminate, and become void and be discharged and satisfied, and the Paying Agent/Registrar shall pay over or deliver all money held by it under this Ordinance to the City.

Bonds or principal amount thereof and interest installments for which money shall have been set aside in full payment to maturity and held in trust by the Paying Agent/Registrar (through deposit by the City of funds for such payment or redemption or otherwise) shall be deemed to have been paid within the meaning and with the effect expressed above in this Section. All Outstanding Bonds shall be deemed to have been paid, prior to their Stated Maturity, within the meaning and with the effect expressed above in this Section if there shall have been deposited with the Paying Agent/Registrar either money in an amount which shall be sufficient, or Government Securities the principal of and the interest on which when due will provide money, which together with the money, if any, deposited with the Paying Agent/Registrar at the same time, shall be sufficient, to pay when due the principal of and interest to become due on such Bonds on and prior to the Stated Maturity. Neither Government Securities nor money deposited with the Paying Agent/Registrar pursuant to this Section, nor principal or interest payments on any such Government Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on such Bonds. Any cash received from such principal of

and interest on such Government Securities deposited with the Paying Agent/Registrar, if not needed for such purpose, shall, to the extent practicable, be reinvested in Government Securities (which may be non-interest bearing) maturing at times and in amounts sufficient to pay when due the principal of, premium, if any, and interest on such Bonds on and prior to the Stated Maturity thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Paying Agent/Registrar, free and clear of any trust, lien, or pledge. Any payment for Government Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Government Securities.

The term "Government Securities", as used herein, means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are non-callable prior to the respective maturities of the Bonds and may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form,

At such time as all of the Bonds are retired, or provision is made for their payment, money in the Interest and Sinking Fund, if any, shall be transferred to the general fund of the City, unless then required by law to be transferred to some other fund or used for some other purpose, provided that any money held by the Paying Agent/Registrar which has been provided for the payment of interest or principal and not so utilized for any reason shall continue to be held by the Paying Agent/Registrar for a period of three calendar years, and if not claimed, the same shall be returned to the City.

SECTION 15: Ordinance a Contract - Amendments - Outstanding Bonds.
The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Bonds. This Ordinance shall constitute a contract with the Bondholders from time to time, binding on the City, and shall not be amended or repealed by the City so long as any Bond remains outstanding except as permitted in this Section. The City, may, without the consent of or notice to any Bondholders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Bondholders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Bondholders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the Provisions of this Ordinance; provided that, without the consent of all Bondholders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

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

- (1) those Bonds theretofore cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds for which payment has been duly provided by the City by the irrevocable deposit with the Paying Agent/Registrar of money in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to maturity;
- (3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 12 hereof; and
- (4) those Bonds for which the payment of the principal of, premium, if any, and interest on has been duly provided by the City in accordance with the provisions of Section 14 hereof by the deposit in trust of money or Government Securities, or both.

SECTION 16: Sale of the Bonds. The sale of the Bonds to Rauscher Pierce Refsnest Inc.

(herein referred to as the "Purchaser") at the price of \$985.00 per \$1,000 par value and accrued interest to the date of delivery. Delivery of the Bonds to the Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

SECTION 17: Control and Custody of Bonds; Use of Bond Proceeds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond pending its approval by the Attorney General' the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the Mayor and City Secretary of the City are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchaser and the initial exchange thereof for definitive Bonds.

Proceeds from the sale of the Bonds shall be applied as follows:

- (1) Accrued interest received from the Purchaser shall be deposited into the Interest

and Sinking fund.

- (2) The balance of the proceeds derived from the sale of the bonds (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the bond proceeds.

SECTION 18: Official Statement. The City Council ratifies and confirms its prior approval of the form and content of the Official Statement prepared in the initial offering and sale of the Bonds and hereby approves the form, and content of any addenda, supplement, or amendment thereto. The use of such Official Statement in the reoffering of the Bonds by the Purchaser is hereby approved and authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

SECTION 19: Printed Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Dumas, Huguenin, Boothman & Morrow, Attorneys at Law, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. Printing of a true and correct reproduction of said opinion on the reverse side of each of said Bonds is hereby approved and authorized.

SECTION 20: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds,

SECTION 21: 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 Bondholders, 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 Bondholders.

SECTION 22: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 23: 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 24: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 25: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance, and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 26: 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 Article 6252-17, Vernon's Texas Civil Statutes, as amended.

SECTION 27: Emergency. By reason of the urgent necessity to issue bonds as soon as possible to enable the City to proceed with needed public improvements, an emergency is hereby declared to exist making it necessary to the preservation of the public peace, property, health and safety that this ordinance become effective immediately upon its passage, and it is so enacted.

PASSED AND ADOPTED on the 26th day of March, 1985.

CITY OF WILLOW PARK

Jimmie Jordan

Mayor

ATTEST:

Bernadette Wright

City Secretary

(City Seal)