

ORDINANCE NO. 2025-O-_____

ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF "CITY OF LAREDO, TEXAS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2025" FOR THE PURCHASE OF PERSONAL PROPERTY; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX; APPROVING AND AUTHORIZING THE EXECUTION OF ALL INSTRUMENTS AND PROCEDURES RELATED THERETO INCLUDING A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; APPROVING THE FORM OF AN OFFICIAL STATEMENT; AUTHORIZING AMENDMENT TO THE CITY'S BUDGET TO APPROPRIATE SUCH PROCEEDS FOR PURPOSES AUTHORIZED HEREIN; AND DECLARING AN EFFECTIVE DATE

**THE STATE OF TEXAS
COUNTY OF WEBB
CITY OF LAREDO**

WHEREAS, the Public Property Finance Act, Section 271.001 et seq. of the Local Government Code (the "*Act*"), authorizes the **CITY OF LAREDO, TEXAS** (the "*City*" or "*Issuer*") to execute, perform, and make payments under contracts with any person for the use, acquisition or purchase of personal property as described in said Act; and

WHEREAS, the Act permits the City Council to execute contracts in any form deemed appropriate by said City Council in connection with the use, acquisition or purchase of personal property; and

WHEREAS, the City Council desires to acquire or purchase personal property, all as described in Schedule I attached hereto, or such other personal property, appliances, equipment, facilities, furnishings or interests therein, whether movable or fixed, deemed by the City Council to be necessary, useful and/or appropriate for the purposes of the City (the "*Project*"); and

WHEREAS, the City Council deems it appropriate to adopt this Ordinance and issue the "Contractual Obligations" herein authorized as permitted by the Act.

WHEREAS, the City is an "Issuer" under Section 1371.001(4)(A), Texas Government Code, being a home-rule municipality that: (i) adopted its charter under Section 5, Article XI, Texas Constitution; (ii) has a population of 50,000 or more; and (iii) has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation; and

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

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

SECTION 1. AMOUNT AND PURPOSE OF THE CONTRACTUAL OBLIGATIONS. The contractual obligation or contractual obligations of the City further described in Section 2 of this Ordinance and referred to herein as the “Contractual Obligation” are hereby authorized to be issued and delivered in the aggregate principal amount of \$_____ for the purpose of ***PAYING ALL OR A PORTION OF THE ISSUER'S CONTRACTUAL OBLIGATIONS TO BE INCURRED IN CONNECTION WITH THE ACQUISITION OR PURCHASE OF PERSONAL PROPERTY, IN ACCORDANCE WITH THE PROVISIONS OF THE PUBLIC PROPERTY FINANCE ACT, SECTION 271.001 ET SEQ. OF THE LOCAL GOVERNMENT CODE AND TO PAY COSTS OF ISSUANCE.***

SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF THE CONTRACTUAL OBLIGATIONS. Each Contractual Obligation issued pursuant to and for the purpose described in Section 1 of this Ordinance shall be designated: **CITY OF LAREDO, TEXAS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2025**, and initially there shall be issued, sold and delivered hereunder one fully registered contractual obligation, without interest coupons, dated October 1, 2025, in the aggregate principal amount of \$_____, numbered T-1 (the “***Initial Contractual Obligation***”), with contractual obligations issued in replacement thereof being in the denomination of \$5,000 or any integral multiple thereof and numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Contractual Obligation being payable to the initial purchaser designated in Section 15 hereof), or to the registered assignee or assignees of said contractual obligation or any portion or portions thereof (in each case, the “***Registered Owner***”), and the contractual obligations shall mature and be payable serially on ***February 15*** in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

YEAR OF MATURITY	PRINCIPAL AMOUNT (\$)
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	

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

SECTION 3. INTEREST. The Contractual Obligations shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF CONTRACTUAL OBLIGATION set forth in this Ordinance to their respective dates of maturity or prior redemption at the following rates per annum:

YEAR OF MATURITY	INTEREST RATE (%)
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	

Said interest shall be payable in the manner provided and on the dates stated in the FORM OF CONTRACTUAL OBLIGATION set forth in this Ordinance.

SECTION 4. CHARACTERISTICS OF THE CONTRACTUAL OBLIGATIONS; APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT. (a) Registration, Transfer, and Exchange; Authentication. The City shall keep or cause to be kept at the designated corporate trust office or commercial banking office (currently located in _____) of **The Bank of New York Mellon Trust Company, N.A.** (the "**Paying Agent/Registrar**") books or records for the registration of the transfer and exchange of the Contractual Obligations (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 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 and exchanges as herein provided. Attached hereto as *Exhibit A* is a copy of the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Mayor, Mayor Pro-Tem and City Secretary of the

City are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Contractual Obligation to which payments with respect to the Contractual Obligations 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. To the extent possible and under reasonable circumstances, all transfers of Contractual Obligations shall be made within three business days after request and presentation thereof. 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 Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Contractual Obligation or Contractual Obligations shall be paid as provided in the FORM CONTRACTUAL OBLIGATION set forth in this Ordinance. Registration of assignments, transfers and exchanges of Contractual Obligations shall be made in the manner provided and with the effect stated in the FORM OF CONTRACTUAL OBLIGATION set forth in this Ordinance. Each substitute Contractual Obligation shall bear a letter and/or number to distinguish it from each other Contractual Obligation.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Contractual Obligation, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Contractual Obligation shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Contractual Obligations and Contractual Obligations surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Contractual Obligation or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Contractual Obligations in the manner prescribed herein, and said Contractual Obligations shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, and particularly Subchapter D and Section 1201.067 thereof, the duty of transfer and exchange of Contractual Obligations as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Contractual Obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Contractual Obligations which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Contractual Obligations 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 Contractual Obligations, 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 Contractual Obligations.

(c) In General. The Contractual Obligations (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Contractual Obligations 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 50 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be exchanged for other Contractual Obligations, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Contractual Obligations, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CONTRACTUAL OBLIGATION set forth in this Ordinance. The Initial Contractual Obligation is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Contractual Obligation issued in exchange for the Initial Contractual Obligation 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 CONTRACTUAL OBLIGATION. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Contractual Obligation delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF CONTRACTUAL OBLIGATION below, executed by the Comptroller of Public Accounts of the State of Texas or by her duly authorized agent, in the manner provided by State law, which certificate shall be evidence that the Initial Contractual Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Contractual Obligations that at all times while the Contractual Obligations are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Contractual Obligations under this Ordinance, and that the Paying Agent/Registrar will be one entity and shall be an entity registered with the Securities and Exchange Commission. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to 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 bank, trust company, financial institution, or other agency 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 Contractual Obligations, 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 Contractual Obligations, 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.

(e) *Book-Entry Only System for Contractual Obligations.* The Contractual Obligations issued in exchange for the Contractual Obligations initially issued to the purchaser specified in Section 15 herein shall be initially issued in the form of a separate single fully registered Contractual Obligation for each of the maturities thereof. Upon initial issuance, the ownership of each such Contractual Obligation shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("**DTC**"), and except as provided in subsection (i) hereof, all of the outstanding Contractual Obligations shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Contractual Obligations registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("**DTC Participant**") to hold securities to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Contractual Obligations. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Contractual Obligations, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Contractual Obligations, as shown on the Registration Books, of any notice with respect to the Contractual Obligations, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Contractual Obligations, as shown in the Registration Books of any amount with respect to principal of or interest on the Contractual Obligations. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Contractual Obligation is registered in the Registration Books as the absolute owner of such Contractual Obligation for the purpose of payment of principal and interest with respect to such Contractual Obligation, for the purpose of registering transfers with respect to such Contractual Obligation, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Contractual Obligations only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Contractual Obligations to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Contractual Obligation certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only Systems. In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Contractual Obligations that they be able to obtain certificated Contractual Obligations, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Contractual Obligations to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Contractual Obligations and transfer one or more separate Contractual Obligations to DTC Participants having Contractual Obligations credited to their DTC accounts. In such event, the Contractual Obligations shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Contractual Obligations shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Contractual Obligation is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to principal of and interest on such Contractual Obligation and all notices with respect to such Contractual Obligation shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(h) DTC Letter of Representation. The officers of the City are herein authorized for and on behalf of the City and as officers of the City to enter into one or more Letters of Representation with DTC establishing the book-entry only system with respect to the Contractual Obligations.

(i) Delivery of Initial Contractual Obligation. On the closing date, one Initial Contractual Obligation representing the entire principal amount of the respective series of Contractual Obligations, payable in stated installments to the initial registered owner named in Section 15 of this Ordinance or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro-Tem and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Contractual Obligation, the Paying Agent/Registrar shall cancel the Initial Contractual Obligation and deliver to the initial registered owner or its designee one registered definitive Contractual Obligation for each year of maturity of the Contractual Obligations, in the aggregate principal amount of all of the Contractual Obligations for such maturity.

SECTION 5. FORM OF CONTRACTUAL OBLIGATION. The form of the Contractual Obligations, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be endorsed on the Initial Contractual Obligation, shall be substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

FORM OF CONTRACTUAL OBLIGATION

R-1

UNITED STATES OF AMERICA

STATE OF TEXAS

CITY OF LAREDO, TEXAS

PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS

SERIES 2025

PRINCIPAL

AMOUNT

\$ _____

INTEREST RATE

DELIVERY DATE

MATURITY DATE

CUSIP NO.

_____%

October 15, 2025

February 15, _____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the ***CITY OF LAREDO, TEXAS*** (the "***City***"), being a political subdivision and home-rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above, at the Interest Rate per annum specified above, payable on February 15, 2026, and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except that if this Contractual Obligation is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Contractual Obligation or Contractual Obligations, if any, for which this Contractual Obligation is being exchanged is due but has not been paid, then this Contractual Obligation shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Contractual Obligation are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Contractual Obligation shall be paid to the Registered Owner hereof upon presentation and surrender of this Contractual Obligation at maturity or upon the date fixed for redemption prior to maturity, at the designated corporate trust or commercial banking office of ***The Bank of New York Mellon Trust Company, N.A., _____***, which is the "***Paying Agent/Registrar***" for this Contractual Obligation. The payment of interest on this Contractual Obligation shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the Ordinance authorizing the issuance of this Contractual Obligation (the "***Ordinance***") to be on deposit with

the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "**Record Date**") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "**Special Record Date**") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the 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 business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Contractual Obligation prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Contractual Obligation for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Contractual Obligations shall be payable in the regular manner described above). The City covenants with the Registered Owner of this Contractual Obligation that on or before each principal payment date, interest payment date and accrued interest payment date for this Contractual Obligation it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Contractual Obligations, when due.

IF THE DATE for the payment of the principal of or interest on this Contractual Obligation shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CONTRACTUAL OBLIGATION is one of a series of Contractual Obligations dated as of October 1, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$_____ **FOR THE PURPOSE OF PAYING ALL OR A PORTION OF THE ISSUER'S CONTRACTUAL OBLIGATIONS TO BE INCURRED IN CONNECTION WITH THE ACQUISITION OR PURCHASE OF PERSONAL PROPERTY, IN ACCORDANCE WITH THE PROVISIONS OF THE PUBLIC PROPERTY FINANCE ACT, SECTION 271.001 ET SEQ. OF THE LOCAL GOVERNMENT CODE AND TO PAY COSTS OF ISSUANCE.**

ALL CONTRACTUAL OBLIGATIONS OF THIS SERIES are issuable solely as fully registered Contractual Obligations, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Contractual Obligation, may, at the

request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Contractual Obligations, 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 Contractual Obligation 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 Contractual Obligation 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 Contractual Obligation or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Contractual Obligation or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Contractual Obligation 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 Contractual Obligation 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 transferring and exchanging any Contractual Obligation or portion thereof shall be paid by the City, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer 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 or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

IN THE EVENT any Paying Agent/Registrar for the Contractual Obligations is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the 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 Contractual Obligations.

IT IS HEREBY certified, recited, and covenanted that this Contractual Obligation 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 Contractual Obligation have been performed, existed, and been done in accordance with law; that this Contractual Obligation 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 Contractual Obligation, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limits prescribed by law.

THE CITY also has reserved the right to amend the Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Contractual Obligations.

BY BECOMING the Registered Owner of this Contractual Obligation, 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 Contractual Obligation and the Ordinance constitute a contract between each Registered Owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Contractual Obligation to be signed with the manual or facsimile signature of the Mayor or Mayor Pro-Tem of the City, and countersigned with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Contractual Obligation.

Countersigned:

(facsimile signature)
City Secretary, City of Laredo, Texas

(facsimile signature)
Mayor, City of Laredo, Texas

(CITY SEAL)

**FORM OF REGISTRATION CERTIFICATE
OF THE COMPTROLLER OF PUBLIC ACCOUNTS:**

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Acting Comptroller of Public Accounts
of the State of Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

*(To be executed if this Contractual Obligation 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 Contractual Obligation has been issued under the provisions of the Ordinance described in the text of this Contractual Obligation; and that this Contractual Obligation has been issued in exchange for a Contractual Obligation or Contractual Obligations, or a portion of a Contractual Obligation or Contractual Obligations of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

The Bank of New York Mellon Trust Company, N.A.

Paying Agent/Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Contractual Obligation, or duly authorized representative or attorney thereof, hereby sells, assigns and transfers this Contractual Obligation and all rights hereunder unto _____

(Assignee's Social Security or (Please print or typewrite Assignee's name and address,
Taxpayer Identification Number) including zip code)

and hereby irrevocably constitutes and appoints _____ attorney to transfer the registration of this Contractual Obligation on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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

INITIAL CONTRACTUAL OBLIGATION INSERTIONS

The Initial Contractual Obligation shall be in the form set forth above except that:

(A) Immediately under the name of the Contractual Obligation, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the ***CITY OF LAREDO, TEXAS*** (the "***City***"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from the Delivery Date specified above, at the respective Interest Rates per annum specified below, payable on February 15, 2026, and semiannually on each August 15 and February 15 thereafter to the respective Maturity Dates specified below, or the date of redemption prior to maturity. The respective Maturity Dates, Principal Installments and Interest Rates for this Contractual Obligation are set forth in the following schedule:

<u>Maturity Date</u> <u>(February 15)</u>	<u>Principal</u> <u>Installment</u>	<u>Interest Rate</u>
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[Insert principal and interest information from Sections 2 and 3 above]"

(C) The Initial Contractual Obligation shall be numbered "T-1."

SECTION 6. INTEREST AND SINKING FUND; TAX LEVY. A special Interest and Sinking Fund for the Contractual Obligations (the "***Interest and Sinking Fund***") is hereby created solely for the benefit of the Contractual Obligations, 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 Contractual Obligations. All ad valorem taxes levied and collected for and on account of the Contractual Obligations shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Contractual Obligations or interest thereon are outstanding

and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which, together with revenues with respect to the Contractual Obligations (as described in Section 7 below) budgeted to pay principal and interest coming due during such fiscal year, will be sufficient to raise and produce the money required to pay the interest on the Contractual Obligations as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Contractual Obligations as such principal matures (but never less than 2% of the original principal amount of the Contractual Obligations 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 Contractual Obligations 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 respective Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Contractual Obligations, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

SECTION 7. RESERVED.

SECTION 8. CONSTRUCTION FUND. There is hereby created and established in the depository of the City, a fund to be called the *City of Laredo, Texas Public Property Finance Contractual Obligations (SERIES 2025) Construction Fund* (herein called the "**Construction Fund**"). Proceeds from the sale and delivery of the Contractual Obligations (other than proceeds representing accrued interest on the Contractual Obligations and any premium on the Contractual Obligations that is not used by the City to pay costs of issuance or costs related to the purpose for which the Contractual Obligations have been issued in accordance with the provisions of Section 1201.042(d), Texas Government Code, as amended, which shall be deposited in the Interest and Sinking Fund) shall be deposited in the Construction Fund. Money in the Construction Fund shall be subject to disbursements by the City for payment of all costs incurred in carrying out the purpose for which the Contractual Obligations are issued, including but not limited to costs for construction, engineering, architecture, financing, financial consultants and legal services related to the project being financed with proceeds of the Contractual Obligations and the issuance of the Contractual Obligations. All funds remaining on deposit in the Construction Fund upon completion of the projects being financed with the proceeds from the Contractual Obligations, if any, shall be transferred to the Interest and Sinking Fund.

SECTION 9. INVESTMENTS. Funds on deposit in the Interest and Sinking Fund and the Construction Fund shall be secured by the depository bank of the City in the manner and to the extent required by law to secure other public funds of the City and may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and the City's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in the Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date for which such funds are required, and investments purchased for and held in the Construction Fund shall

have a final maturity of not later than the date the City reasonably expects the funds from such investments will be required to pay costs of the projects for which the Contractual Obligations were issued. Income and profits from such investments shall be deposited in the respective Fund which holds such investments; however, any such income and profits from investments in the Construction Fund may be withdrawn by the City and deposited in the Interest and Sinking Fund to pay all or a portion of the interest next coming due on the Contractual Obligations. It is further provided, however, that any interest earnings on Contractual Obligation proceeds which are required to be rebated to the United States of America pursuant to Section 14 hereof in order to prevent the Contractual Obligations from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

SECTION 10. EMPOWERED. The City Manager, Deputy City Manager and Finance Director of the City (or any person serving or acting in the interim in such capacity) 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.

SECTION 11. DEFEASANCE OF THE CONTRACTUAL OBLIGATIONS. (a) Any Contractual Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "***Defeased Contractual Obligation***") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Contractual Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "***Future Escrow Agreement***") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Contractual Obligations shall have become due and payable. At such time as a Contractual Obligation shall be deemed to be a Defeased Contractual Obligation hereunder, as aforesaid, such Contractual Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Contractual Obligations that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Contractual Obligations for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Contractual Obligations immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Contractual Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Contractual Obligations may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Contractual Obligations, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) The term "***Defeasance Securities***" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Contractual Obligation.

(d) Until all Defeased Contractual Obligations shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Contractual Obligations the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the City elects to defease less than all of the principal amount of Contractual Obligations of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Contractual Obligations by such random method as it deems fair and appropriate.

SECTION 12. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CONTRACTUAL OBLIGATIONS. (a) *Replacement Contractual Obligations.* In the event any outstanding Contractual Obligation is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Contractual Obligation of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Contractual Obligation, in replacement for such Contractual Obligation in the manner hereinafter provided.

(b) Application for Replacement Contractual Obligations. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Contractual Obligations shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Contractual Obligation, the registered owner applying for a replacement Contractual Obligation 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 Contractual Obligation, 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 Contractual Obligation, as the case may be. In every case of damage or mutilation of a Contractual Obligation, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Contractual Obligation so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Contractual Obligation 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 Contractual Obligation, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Contractual Obligation) instead of issuing a replacement Contractual Obligation, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Contractual Obligations. Prior to the issuance of any replacement Contractual Obligation, the Paying Agent/Registrar shall charge the registered owner of such Contractual Obligation with all legal, printing, and other expenses in connection therewith. Every replacement Contractual Obligation issued pursuant to the provisions of this Section by virtue of the fact that any Contractual Obligation is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Contractual Obligation 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 Contractual Obligations duly issued under this Ordinance.

(e) Authority for Issuing Replacement Contractual Obligations. In accordance with Chapter 1201, Texas Government Code, as amended, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Contractual Obligation 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 Contractual Obligations is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Contractual Obligations in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Contractual Obligations issued in exchange for other Contractual Obligations.

SECTION 13. CUSTODY, APPROVAL, AND REGISTRATION OF THE CONTRACTUAL OBLIGATIONS; BOND COUNSEL'S OPINION, BOND INSURANCE, AND CUSIP NUMBERS. The Mayor or Mayor Pro-Tem of the City is hereby authorized to have control of the Contractual Obligations initially issued and delivered hereunder

and all necessary records and proceedings pertaining to the Contractual Obligations 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 Contractual Obligations said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Contractual Obligations, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City), a statement regarding the issuance of a municipal bond insurance policy to secure payment of debt service on the Contractual Obligations, if any, and the assigned CUSIP numbers may, at the option of the City, be printed on the Contractual Obligations 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 Contractual Obligations.

SECTION 14. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE CONTRACTUAL OBLIGATIONS. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Contractual Obligations as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Contractual Obligations or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Contractual Obligations or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Contractual Obligations, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Contractual Obligations or projects financed or refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Contractual Obligations (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Contractual Obligations being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Contractual Obligations being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Contractual Obligations, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Contractual Obligations, other than investment property acquired with –

(A) proceeds of the Contractual Obligations invested for a reasonable temporary period of three years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Contractual Obligations are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Contractual Obligations;

(7) to otherwise restrict the use of the proceeds of the Contractual Obligations or amounts treated as proceeds of the Contractual Obligations, as may be necessary, so that the Contractual Obligations do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Contractual Obligations or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Contractual Obligations in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Contractual Obligations) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Contractual Obligations have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to establish reasonable expectations to prevent using the proceeds of the Contractual Obligations in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "**Rebate Fund**" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the certificateholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Contractual Obligations. 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 Contractual Obligations, 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 Contractual Obligations 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 Contractual Obligations, 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 Contractual Obligations under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the Mayor Pro-Tem, the City Manager or the Director of Finance of the City 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 Contractual Obligations.

(d) Allocation of, and Limitation on, Expenditures for the Project. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (collectively referred to herein as the "**Project**") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Contractual Obligations, or (2) the date the Contractual Obligations are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Contractual Obligations. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The City covenants that the property constituting the projects financed or refinanced with the proceeds of the Contractual Obligations will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Contractual Obligations. For the purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Contractual Obligations. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City Council hereby adopts and establishes the instructions attached hereto as Exhibit B as the City's written procedures.

SECTION 15. SALE AND DELIVERY OF THE CONTRACTUAL OBLIGATIONS. The Contractual Obligations are hereby initially sold and shall be delivered to *BofA Securities, Inc.*, as the representative of a group of underwriters (collectively, the "Underwriters"), at a price of \$_____ (which amount is equal to par, plus a [net] original issue premium of \$_____, and less Underwriters' discount of \$_____), and no accrued interest, all pursuant to the terms and provisions of a Purchase Contract in substantially the form attached hereto as Exhibit D which the Mayor, Mayor Pro-Tem, City Manager, Deputy City Manager, or Finance Director of the City are each hereby individually authorized to execute and deliver, and which the City Secretary is hereby authorized to attest. In satisfaction of Section 1201.022(a)(3), Texas Government Code, and upon consultation with the City's Financial Advisor, the City Council hereby determines that the final terms of the Contractual Obligations as set forth in this Ordinance are in the City's best interests. The City will deliver to the Underwriters an Initial Contractual Obligation in the aggregate principal amount of \$_____ payable in principal installments on the dates and in the principal amounts shown in Section 2 hereof, and bearing interest at the rates for each respective maturity as shown in Section 3 hereof. The Initial Contractual Obligation shall be registered in the name of *BofA Securities, Inc.*

SECTION 16. APPROVAL OF OFFICIAL STATEMENT. The City hereby approves the form and content of the Official Statement relating to the Contractual Obligations and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Contractual Obligations by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement for the Contractual Obligations, dated September 9, 2025, prior to the date hereof is hereby ratified and confirmed. The City Council

finds and determines that the Preliminary Official Statement and the Official Statement were and are “deemed final” as of each of their respective dates within the meaning, and for the purpose, of Rule 15c2-12 promulgated under authority granted by the Federal Securities and Exchange Act of 1934.

SECTION 17. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The Mayor, Mayor Pro-Tem, City Secretary, City Manager, Deputy City Manager, and Finance Director of the City, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Contractual Obligations, the sale of the Contractual Obligations, the Official Statement, and the Paying Agent/Registrar Agreement, and all actions related to the Contractual Obligation which have previously been taken by such officials are hereby ratified and approved. In addition, prior to the initial delivery of the Contractual Obligations, the Mayor, Mayor Pro-Tem, City Secretary, City Manager, Deputy City Manager, Finance Director, the City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval of the Contractual Obligations by the Attorney General's office. In case any officer whose signature shall appear on any Contractual Obligation shall cease to be such officer before the delivery of such Contractual Obligation, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 18. ORDINANCE A CONTRACT; AMENDMENTS. This Ordinance shall constitute a contract with the Registered Owners of the Contractual Obligations, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Contractual Obligation remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Registered Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change which is not to the prejudice of the Registered Owners. The City may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Contractual Obligations then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Contractual Obligations, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Contractual Obligation over any other Contractual Obligation, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Contractual Obligations

required for consent to any such amendment, change, modification, or rescission. Whenever the City shall desire to make any amendment or addition to or rescission of this Ordinance requiring consent of the Registered Owners, the City shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to the Registered Owners at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the Registered Owners of a majority in aggregate principal amount of the Contractual Obligations then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Registered Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 19. CONTINUING DISCLOSURE UNDERTAKING.

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

"**EMMA**" means the Electronic Municipal Market Access system being established by the MSRB.

"**Financial Obligation**" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"**MSRB**" means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports. The City shall provide annually to the MSRB through EMMA within six months after the end of each fiscal year ending in or after 2024, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by this Ordinance being the information described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within

the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If the City changes its fiscal year, it will notify the MSRB through EMMA of the date of the new fiscal year end prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this paragraph (b).

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Event Notices.

The City shall file notice of any of the following events with respect to the Contractual Obligations to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Contractual Obligations, or other material events affecting the tax status of the Contractual Obligations;
- (7) Modifications to rights of holders of the Contractual Obligations, if material;
- (8) Contractual Obligation calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Contractual Obligations, if material;
- (11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the City;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Contractual Obligations within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 11 of this Ordinance that causes Contractual Obligations no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Contractual Obligations, and nothing in this Section, express or implied, shall give

any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Contractual Obligations at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

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

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Contractual Obligations in the primary offering of the Contractual Obligations in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Contractual Obligations consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Contractual Obligations. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Contractual Obligations in the primary offering of the Contractual Obligations. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative

form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 20. SECURITY INTEREST. Chapter 1208, Texas Government Code, applies to the issuance of the Contractual Obligations and the pledge of the ad valorem taxes granted by the City under Sections 6 and 7 of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Contractual Obligations are outstanding and unpaid such that the pledge of the ad valorem taxes granted by the City under Sections 6 and 7 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Contractual Obligations 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, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 21. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Contractual Obligations, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance and the continuation thereof for 30 days after the City has received written notice of such defaults, the Holders of any of the Contractual Obligations shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

SECTION 22. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Underwriters and the registered owners of the Contractual Obligations, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Underwriters and the registered owners of the Contractual Obligations.

SECTION 23. RESERVED.

SECTION 24. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

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. AMENDMENT TO BUDGET. The annual budget for this year is hereby amended to appropriate the proceeds from the Contractual Obligations for the purposes authorized herein.

SECTION 27. EFFECTIVE DATE. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall become effective immediately after its adoption by the City Council.

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**FINALLY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY
OF LAREDO, TEXAS AT A REGULAR MEETING ON THE 15th DAY OF
SEPTEMBER, 2024, AT WHICH MEETING A QUORUM WAS PRESENT.**

Dr. Victor D. Treviño, Mayor

ATTEST:

Mario I. Maldonado, Jr., City Secretary

APPROVED AS TO FORM:

Doanh “Zone” T. Nguyen, City Attorney

** ** ** ** **

SCHEDULE I

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

THE PAYING AGENT/REGISTRAR AGREEMENT IS OMITTED AT THIS POINT
AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.

EXHIBIT B

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Contractual Obligations, the City's chief financial officer (the "Responsible Person"), which currently is the City's Finance Director, will:

(i) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Contractual Obligations does not exceed an amount equal to the debt service on the Contractual Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Contractual Obligations for the immediately preceding 12-month period;

(ii) monitor the actions of the Escrow Agent to ensure compliance with the applicable provisions of the Escrow Agreement, including with respect to reinvestment of cash balances;

(iii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and

(iv) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the date of delivery of the Contractual Obligations (the "Issue Date"), and (B) within 30 days after the date the Contractual Obligations are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Contractual Obligations the Responsible Person will:

(i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;

(ii) monitor whether, at any time the Contractual Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;

(iii) monitor whether, at any time the Contractual Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);

(iv) monitor whether, at any time the Contractual Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;

(v) determine whether, at any time the Contractual Obligations are outstanding, any person, other than the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;

(vi) determine whether, at any time the Contractual Obligations are outstanding, the facilities are sold or otherwise disposed of; and

(vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Contractual Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Contractual Obligations. If any portion of the Contractual Obligations is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format Responsible Person.

D. The Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Contractual Obligations. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 19 of this Ordinance.

Annual Financial Statements and Operating Data

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

1. The annual audited financial statements of the City or the unaudited financial statements of the City in the event audited financial statements are not completed within six months after the end of any fiscal year.

2. All quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables 1 through 5 and 7 through 13.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.