

**SPECIAL MEETING AGENDA OF THE CITY COUNCIL OF HURST, TEXAS  
CITY HALL, 1505 PRECINCT LINE ROAD  
TUESDAY, JULY 19, 2016**

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**AGENDA:**

**5:00 p.m. - City Council Meeting (City Hall, Council Chamber)**

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**CALL TO ORDER**

**INVOCATION (Councilmember Nancy Welton)**

**PLEDGE OF ALLEGIANCE**

**CONSENT AGENDA**

1. Consider approval of the minutes for the July 12, 2016 City Council meetings
2. Consider authorizing a letter of understanding with the Texas Health Harris Methodist Hospital HEB for a donation to the Intensive Care Unit (ICU) Expansion Project
3. Consider authorizing the city manager to purchase street right-of-way Parcel 15, and all remaining parcels for the Pipeline Road Phase 3 Project at appraised value with closing costs
4. Consider Ordinance 2321, second reading, amending Hurst Code of Ordinances Chapter 24 by amending and replacing section 24-26; prohibiting use of handheld electronic devices while operating a motor vehicle
5. Consider Ordinance 2322, second reading, SP-15-17, Hurst Shopping Center, a site plan for Lot A, Block 1, Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road
6. Consider Ordinance 2323, second reading, SP-16-03, Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway

**ORDINANCE(S)**

7. Consider all matters incident and related to the issuance and sale of "City of Hurst, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2016", including the adoption of Ordinance 2324, first and final reading, authorizing the issuance of such certificates of obligation.

8. Consider all matters incident and related to the issuance and sale of “City of Hurst, Texas, General Obligation Refunding Bonds, Series 2016”, including the adoption of Ordinance 2325, first and final reading, authorizing the issuance of such bonds

**OTHER BUSINESS**

9. Review of upcoming calendar items
10. City Council Reports

**PUBLIC INVITED TO BE HEARD – A REQUEST TO APPEAR CARD MUST BE COMPLETED AND RETURNED TO THE CITY SECRETARY TO BE RECOGNIZED**

**ADJOURNMENT**

Posted by: \_\_\_\_\_

This 15th day of July 2016, by 5:00 p.m., in accordance with Chapter 551, Texas Government Code.

**This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary’s office at (817) 788-7041 or FAX (817) 788-7054, or call TDD 1-800-RELAY-TX (1-800-735-2989) for information or assistance.**

**Minutes  
Hurst City Council  
Work Session  
Tuesday, July 12, 2016**

On the 12th day of July 2016, at 5:30 p.m., the City Council of the City of Hurst, Texas, convened in Work Session at Hurst City Hall, 1505 Precinct Line Road, Hurst, Texas, with the following members present:

Richard Ward	)	Mayor
Larry Kitchens	)	Mayor Pro Tem
Bill McLendon	)	Councilmembers
Henry Wilson	)	
Nancy Welton	)	
David Booe	)	
Trasa Cobern	)	
Allan Weegar	)	City Manager
John Boyle	)	City Attorney
Allan Heindel	)	Deputy City Manager
Clay Caruthers	)	Assistant City Manager
Rita Frick	)	City Secretary
Cynthia Singleton	)	Deputy City Secretary
Steve Bowden	)	Executive Director of Development
Greg Dickens	)	Executive Director of Public Works
Steve Moore	)	Police Chief
Jim Pell	)	Police Lieutenant
Michelle Lazo	)	Managing Director of Development

With the following Councilmembers absent: none, constituting a quorum; at which time, the following business was transacted:

**I. Call to Order** – The meeting was called to order at 5:30 p.m.

**II. Informational Items**

) Presentation and Discussion of Texas Health Harris Methodist Hospital HEB expansion. Mayor Ward recognized Texas Health Harris Methodist Hospital HEB representatives Brenda Whitley and Margaret Marquee and Texas Health Resources Foundation Director Shannon Fisher who reviewed the hospital's expansion project and requested a donation in support of the Intensive Care Unit Expansion Project. City Manager Allan Weegar noted the attorney suggested a memo of understanding for Council's approval for the requested donation.

**III. Discussion of Agenda Item(s) 2 and 3**

Conduct a public hearing to consider SP-15-17, Hurst Shopping Center, a site plan for Lot A, Block 1, Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road.

Consider Ordinance 2322, first reading, SP-15-17, Hurst Shopping Center, a site plan for Lot A, Block 1, Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road.

Managing Director of Development Michelle Lazo briefed Councilmembers on the proposed site plan SP-15-17, Hurst Shopping Center, a site plan for Lot A, Block 1, Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road. In response to Councilmembers' questions regarding ingress and egress, Executive Director of Public Works Greg Dickens stated he would check the Pipeline Road medians.

**IV. Discussion of Agenda Item(s) 4 and 5**

Conduct a public hearing to consider SP-16-03, Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway.

Consider Ordinance 2323, first reading, SP-16-03, Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway.

Managing Director of Development Michelle Lazo briefed Councilmembers on the proposed site plan SP-16-03, Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway.

**V. Discussion of Agenda Item(s) 6**

Consider Plat, P-16-02, Hurstgate Shopping Center Addition, a final plat for the remainder of Lot A to Lot AR, Block 1, Hurstgate Shopping Center, being .33 acre located at 700 W. Pipeline Road.

Managing Director of Development Michelle Lazo briefed Councilmembers on the proposed Plat, P-16-02.

**VI. Discussion of Agenda Item(s) 7**

Consider Plat, P-16-03, Yates Addition, a replat of Lot 1 to Lots 1R1 and 1R2, Block 12-A-10 Yates Addition, being 1.52 acres located at 1324 Yates Drive.

Managing Director of Development Michelle Lazo briefed Councilmembers on the proposed Plat, P-16-03.

**VII. Discussion of Agenda Item(s) 8**

Consider Ordinance 2321, first reading, amending Hurst Code of Ordinances Chapter 24 by amending and replacing section 24-26; prohibiting use of handheld electronic devices while operating a motor vehicle. Police Lieutenant Jim Pell briefed Councilmembers on proposed Ordinance 2321, amending Hurst Code of Ordinances Chapter 24 by amending and replacing Section 24-26; prohibiting use of handheld electronic devices while operating a motor vehicle. Lieutenant Pell reviewed state and city statistics regarding distracted driver crash reports and also presented an amendment to the proposed

ordinance to exempt Ham Radio operators and certain businesses that operate two-way radios.

Due to time constraints the following items were not discussed in work session:

**VIII. Discussion of Agenda Item(s) 9**

Consider Resolution 1649 amending TexPool Authorized Representatives  
**Paul Brown**

**IX. Discussion of Agenda Item(s) 10**

Consider authorizing the city manager to enter into a contract for the North Riley Place Groundwater Drain Improvements  
**Greg Dickens**

**X. Adjournment - The work session adjourned at 6:21 p.m.**

**APPROVED** this the 19th day of July 2016.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Rita Frick, City Secretary

\_\_\_\_\_  
Richard Ward, Mayor

**City of Hurst**  
**City Council Minutes**  
**Tuesday, July 12, 2016**

On the 12th day of July 2016, at 6:30 p.m., the City Council of the City of Hurst, Texas, convened in Regular Meeting at City Hall, 1505 Precinct Line Road, Hurst, Texas, with the following members present:

Richard Ward	)	Mayor
Larry Kitchens	)	Mayor Pro Tem
Bill McLendon	)	Councilmembers
Henry Wilson	)	
Nancy Welton	)	
David Booe	)	
Trasa Cobern	)	
Allan Weegar	)	City Manager
John Boyle	)	City Attorney
Allan Heindel	)	Deputy City Manager
Clay Caruthers	)	Assistant City Manager
Rita Frick	)	City Secretary
Cynthia Singleton	)	Deputy City Secretary
Steve Bowden	)	Executive Director of Development
Greg Dickens	)	Executive Director of Public Works
Steve Moore	)	Police Chief
Jim Pell	)	Police Lieutenant
Michelle Lazo	)	Managing Director of Development
John Brown	)	Fire Chief
Ashleigh Johnson	)	Managing Director of Communications
Kara McKinney	)	Marketing and Multimedia Specialist
Shelly Klein	)	Communications Specialist
Becky Eden	)	Executive Assistant

With the following Councilmembers absent: none, constituting a quorum; at which time, the following business was transacted:

The meeting was called to order at 6:30 p.m.

Councilmember Wilson gave the Invocation.

The Pledge of Allegiance was given.

**CONSENT AGENDA**

1. Considered approval of the minutes for the June 28, 2016 City Council meetings.

Councilmember Wilson moved to pass the consent agenda. Motion seconded by Councilmember Booe. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson and Welton  
No: None

**PUBLIC HEARING(S) AND RELATED ITEMS(S)**

2. Conducted a public hearing to consider SP-15-17, Hurst Shopping Center, a site plan for Lot A, Block 1, Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road.

Mayor Ward announced a public hearing to consider SP-15-17, Hurst Shopping Center, a site plan for Lot A, Block 1, Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road and recognized Managing Director of Development Michelle Lazo who introduced Owner, Mr. Kim, and reviewed the proposed restaurant and retail 2,372 square foot building. Ms. Lazo reviewed elevations, landscaping and signage, noting they were not requesting a free standing sign.

There being no one to speak, Mayor Ward closed the public hearing.

In response to Councilmembers' questions, Mr. Kim stated he planned on two tenants. Councilmembers discussed the ingress and egress access, and in response to concerns regarding traffic flow, Executive Director of Public Works Greg Dickens reviewed the Pipeline Road Phase II plans, which includes a median requiring a right turn only from the business onto Pipeline Road.

3. Considered Ordinance 2322, first reading, SP-15-17, Hurst Shopping Center, a site plan for Lot A, Block 1, Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road.

Councilmember Wilson moved to approve SP-15-17, Hurst Shopping Center with the enclosed site plan, and Ordinance 2322 on first reading. Motion seconded by Councilmember Welton. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson and Welton  
No: None

4. Conducted a public hearing to consider SP-16-03, Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway.

Mayor Ward announced a public hearing to consider SP-16-03, Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway, and recognized applicant Tim Thompson, Crestview Real Estate, 12720 Hillcrest Road, Dallas, Texas who stated they are proposing a 7,024 square foot restaurant and retail structure with 2,400 square feet of restaurant space and 4,600 square feet of retail space. He stated the proposed restaurant will be an R Tacos, which is a street taco restaurant. Managing Director of Development Michelle Lazo reviewed elevations, landscaping, and signage, noting ample parking and that the landscape plan emulates the existing Chic-fil-A restaurant. In response to

Councilmembers' questions, Ms. Lazo stated there is some distance, with an additional proposed building, between this site and the neighbors to the northeast.

There being no one else to speak, Mayor Ward closed the public hearing.

5. Considered Ordinance 2323, first reading, SP-16-03, Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway.

Councilmember McLendon moved to approve SP-16-03, Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway and Ordinance 2323. Motion seconded by Councilmember Welton. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson and Welton

No: None

### **PLAT(S)**

6. Considered Plat, P-16-02, Hurstgate Shopping Center Addition, a final plat for the remainder of Lot A to Lot AR, Block 1, Hurstgate Shopping Center, being .33 acre located at 700 W. Pipeline Road.

Mayor Ward recognized City Manager Allan Weegar who stated the proposed plat meets all requirements.

Councilmember Wilson moved to approve P-16-02. Motion seconded by Councilmember McLendon. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson and Welton

No: None

7. Considered Plat, P-16-03, Yates Addition, a replat of Lot 1 to Lots 1R1 and 1R2, Block 12-A-10 Yates Addition, being 1.52 acres located at 1324 Yates Drive.

Mayor Ward recognized applicant Jimmy McKenzie who reviewed the proposed plat, noting he is creating a residential lot for his son and that it meets all City specifications. He stated they have selected a builder and are working with architects.

Councilmember Welton moved to approve Plat, P-16-03. Motion seconded by Councilmember McLendon. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson and Welton

No: None

### **ORDINANCES**

8. Considered Ordinance 2321, first reading, amending Hurst Code of Ordinances Chapter 24 by amending and replacing Section 24-26; prohibiting use of handheld electronic

devices while operating a motor vehicle.

Mayor Ward recognized Police Lieutenant Jim Pell who reviewed the proposed distracted driving ordinance, noting distracted driving is a significant factor contributing to motor vehicle accidents. Lieutenant Pell reviewed distracted driving crash statistics statewide and locally noting, in the City of Hurst, statistics show roughly 1 in 5 crash reports involve distracted driving. Mr. Pell also reviewed a proposed amendment to the ordinance to exempt two-way mobile radio transmitters or receivers used by licensees of the Federal Communication Commission (FCC). In response to Councilmembers' questions, Mr. Pell reviewed the implementation plan, which includes signage and a public education and awareness campaign. He stated it will not prohibit using a device if out of traffic and stopped.

Councilmember Kitchens moved to approve Ordinance 2321, first reading, amending Hurst Code of Ordinances Chapter 24 by amending and replacing Section 24-26; prohibiting use of handheld electronic devices while operating a motor vehicle; providing a penalty clause; repealing conflicting ordinances; providing a severability clause and providing an effective date, also to include the amended changes made. Motion seconded by Councilmember Booe. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson and Welton  
No: None

### **RESOLUTION(S)**

9. Considered Resolution 1649 amending TexPool Authorized Representatives.

Mayor Ward recognized Assistant City Manager Clay Caruthers who stated the proposed resolution removes retiring City Manager Allan Weegar from the city's investment pool, TexPool signature authority list, and adds Clay Caruthers as City Manager and Paul Brown as Managing Director/Finance and Accounting.

Councilmember Wilson moved to approve Resolution 1649 amending the list of authorized representatives. Motion seconded by Councilmember Cobern. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson and Welton  
No: None

### **ACTION ITEM(S)**

10. Considered authorizing the city manager to enter into a contract for the North Riley Place Groundwater Drain Improvements.

Mayor Ward recognized Executive Director of Public Works Greg Dickens who reviewed the proposed improvements to correct a problem in Grayson Villas where there is significant seepage and no curb inlets. He stated Klutz Construction, LLC, submitted the only bid for \$97,378.00. Staff had a recent positive experience with Klutz Construction and believes the improvements will solve the issue.

Councilmember Booe moved to authorize the City Manager to enter into a contract with Klutz Consturction, LLC, for the North Riley Place Groundwater Drain Improvements, in the amount of \$97,378.00, with a contingency of \$12,622.00, for a total amount of \$110,000.00, and a contract time of 30 calendar days. Motion seconded by Councilmember Cobern. Motion prevailed by the following vote:

Ayes: Councilmembers McLendon, Booe, Kitchens, Cobern, Wilson and Welton

No: None

### **PROCLAMATION AND PRESENTATIONS**

11. Proclamation and presentations recognizing City Manager Allan Weegar's 35 years of service to the City of Hurst.

Mayor Ward and Councilmembers presented a Proclamation to City Manager Allan Weegar in recognition of 35 years of service to the City of Hurst. The Mayor and Council also presented gifts of appreciation and individually expressed their admiration and respect for Mr. Weegar's management, dedication and loyal service to the community. Former City Councilmembers and members of the audience expressed appreciation, love, and respect for his exceptional management and dedication over the past 35 years.

City Manager Allan Weegar expressed appreciation for everyone's support during his tenure as city manager and thanked the current and former Councilmembers and staff for their support and encouragement. Mr. Weegar introduced his wife Cindy and daughter Kristin.

### **OATH OF OFFICE**

12. Oath of Office for newly appointed City Manager Clay Caruthers. City Secretary Rita Frick administered the Oath of Office to newly appointed City Manager Clay Caruthers. Mr. Caruthers thanked City Manager Allan Weegar for his support and guidance, and stated he will continue the passion for service as he has.

### **OTHER BUSINESS**

13. Council reviewed the following advisory board meeting minutes:
- ) Parks and Recreation Board
  - ) Senior Center Advisory Board
  - ) Library Board
14. Review of upcoming calendar items - City Manager Clay Caruthers reviewed the following calendar items:
- ) Special called City Council meeting, July 19, 2016, 5:00 p.m.
  - ) Cancellation of the July 26, 2016 Regular Council meeting.
15. City Council Reports – Mayor Pro Tem Kitchens noted his privilege to represent the City

of Hurst in Dallas at the memorial for the Dallas Police Officers. He expressed the emotion present as he watched the families being escorted in, and the wounded officers also being ushered in with the family. He stated he wanted to commend Hurst Police Officers for what they do and he hoped everyone listened to what was said today; that it is time to hear voices of reasons, hope, peace and love.

Councilmember Booe expressed his appreciation for Police Chief Steve Moore and our officers dealing with people with mental illness.

**PUBLIC INVITED TO BE HEARD – A REQUEST TO APPEAR CARD MUST BE COMPLETED AND RETURNED TO THE CITY SECRETARY TO BE RECOGNIZED** – No one spoke.

**ADJOURNMENT**

The meeting adjourned at 7:56 p.m.

**APPROVED** this the 19<sup>th</sup> day of July 2016.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Rita L. Frick, City Secretary

\_\_\_\_\_  
Richard Ward, Mayor

City Council Staff Report

<p>SUBJECT: Consider authorizing a letter of understanding with the Texas Health Harris Methodist Hospital HEB for a donation to the Intensive Care Unit Expansion Project</p>	
<p>Supporting Documents:</p>	
<p>Letter Agreement</p>	<p>Meeting Date: 7/19/2016                  Department: City Secretary                  Reviewed by: Rita Frick                  City Manager Review:</p>
<p>Background/Analysis:</p>	
<p>The Texas Health Harris Methodist Hospital HEB serves the communities of Hurst, Euless, and Bedford with advanced medical treatments, and is the only hospital in Northeast Tarrant County designated as a Level III Trauma Unit. The Texas Health HEB service area is projected to experience a 32% growth rate for the 65+ population from 2013 – 2018. The size and condition of the facility are no longer sufficient to meet the critical care needs of the community and to accomodate new technology and equipment.</p> <p>Texas Health Harris Methodist Hospital HEB is seeking donations to support a new Intensive Care Unit (ICU) expansion project. The philanthropic goal is \$2 million and, to date, the hospital has raised \$1 million.</p> <p>This item provides for City Council to consider a donation to Texas Health Harris Methodist Hospital HEB in support of the expansion of the ICU.</p>	
<p>Funding and Sources:</p>	
<p>Funding is provided in Special Projects.</p>	
<p>Recommendation:</p>	
<p>Staff recommends the City Council approve a donation to Texas Health Harris Methodist Hospital HEB, per the letter agreement, in support of the Intensive Care Unit Expansion Project.</p>	



Office of the Mayor

July 19, 2016

Shannon Fisher  
Sr. Director, Foundation Relations/Grants  
Texas Health Resources Foundation  
612 E Lamar Blvd, Suite 300  
Arlington, TX 76011

Dear Ms. Fisher:

The Hurst City Council has considered the request by Texas Health Harris Methodist Hospital HEB to donate a sum in the amount of \$10,000 to the Emergency Room Expansion Project, and has agreed to donate to the project. The donation will be used to fund a room in the new Emergency Center located at your HEB hospital campus. The cities of Bedford and Euless will also be donating a like amount.

The city must develop this simple letter of understanding for a donation to be made to any non-profit agency. For the \$10,000 donation the City of Hurst will be engraved on the donor plaque, along with the cities of Bedford and Euless, and it will be permanently displayed in the facility. A picture of the plaque will be submitted to the city verifying its installation. With your signature, Texas Health Resources HEB agrees to the terms of this letter of understanding.

Sincerely:

Richard Ward, Mayor

Accepted: \_\_\_\_\_

Cc: Hurst City Council

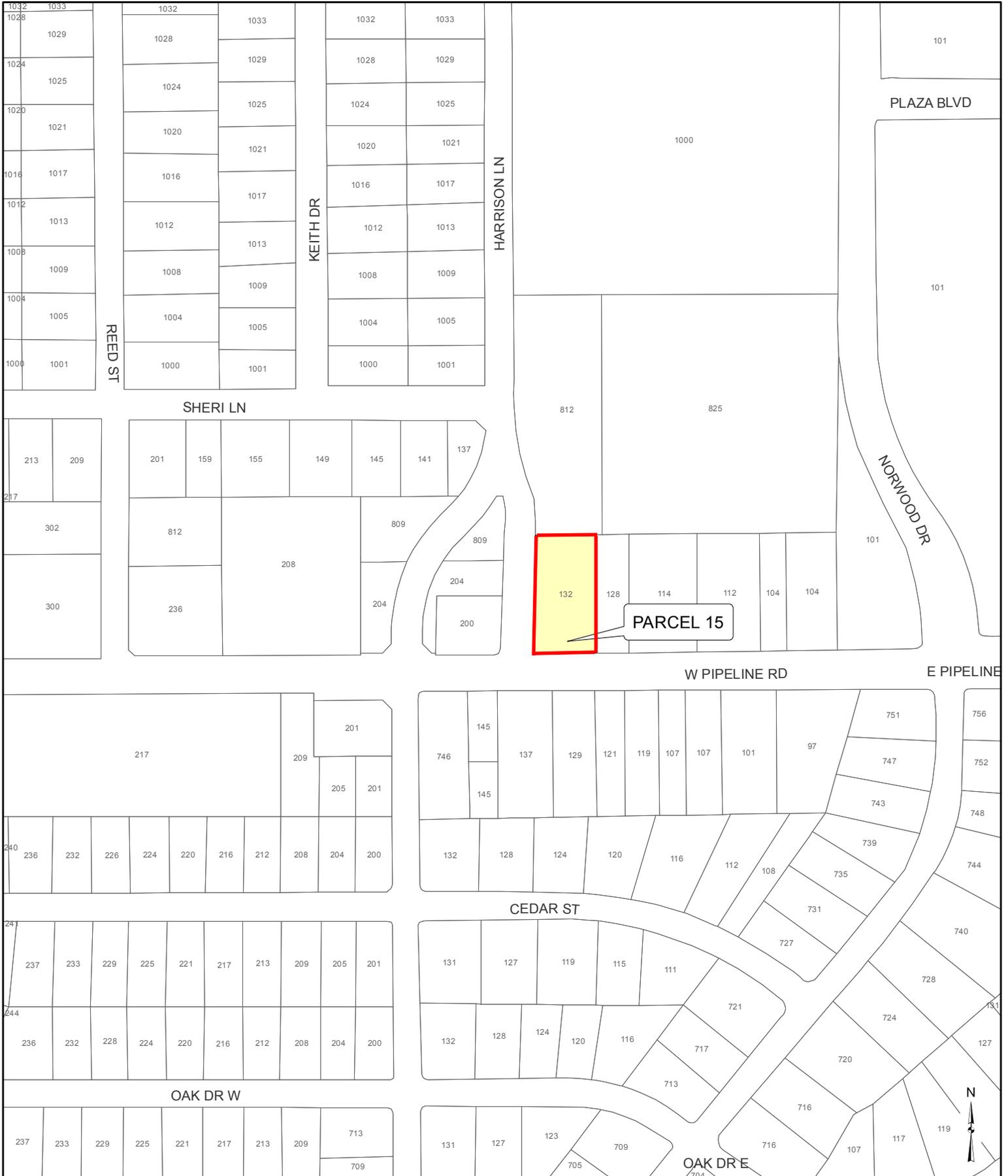
City Council Staff Report

<p>SUBJECT: Consider authorizing the city manager to purchase street right-of-way Parcel 15, and all remaining parcels for the Pipeline Road Phase 3 Project at appraised value with closing costs</p>	
<p>Supporting Documents:</p>	
<p>Location Map  Offer Letter  Deed</p>	<p>Meeting Date: 7/19/2016  Department: Public Works  Reviewed by: Greg Dickens  City Manager Review:</p>
<p>Background/Analysis:</p>	
<p>Pipeline Road, Phase 3, from Lorean Branch to Harrison Lane is in the final stage of design. The proposed roadway cross section will be similar to existing Pipeline Road Phase 1, west of Precinct Line Road, and proposed Phase 2, with two lanes in each direction and a median with left turn lanes. The roadway will be reconstructed with reinforced concrete pavement, sidewalks and pedestrian lighting on both sides, and new street lighting in the median section. Tarrant County is assisting with the additional right-of-way and easements needed. Appraisals are complete and are being supplied by the consultant, Pyles and Whatley.</p> <p>Parcel 15 is owned by Papa John’s USA. Inc. It is located at the southeast corner of Pipeline Road and old Harrison Lane intersection. Tarrant County agents, representing the City, have offered the property owner the appraised value for the additional street right of way and the owner has accepted.</p>	
<p>Funding and Sources:</p>	
<p>The final purchase amount is \$22,631.00 for Parcel 15, plus \$793.45 in closing costs, for a total amount of \$23,424.45. Sufficient funds are available in the budget for this project.</p>	

Recommendation:

Staff recommends that City Council authorize the city manager to purchase Parcel 15, for Pipeline Road Phase 3 Project, in the amount of \$22,631.00, plus closing costs amounting to \$793.45, for a total payment of \$23,424.45, and authorize the city manager to purchase remaining parcels on the Pipeline Road, Phase 3 project at or below the City's appraised value, plus closing costs.

PARCEL 15  
0.0438 ACRE  
RIGHT-OF-WAY DEDICATION





**TARRANT COUNTY**  
**TRANSPORTATION DEPARTMENT**

**OFFICIAL INITIAL OFFER LETTER**

May 13, 2016

Tarrant County  
Project: 6413-107  
Road: Pipeline Road - Phase 3 (Lorean Branch to Harrison Lane)  
Parcel: 15

Papa John's USA Inc.  
Real Estate Department  
Attn: Ms. Jane Zaccarelli  
PO Box 99900  
Louisville, Kentuck 40269

Re: Purchase of 1,907 square feet (0.0438 acre) of land, more or less, situated in the William Wallace Survey, Abstract No. 1607, in the City of Hurst, Tarrant County, Texas, being a part of that tract of land described in Warranty Deed to Papa John's USA Inc., as recorded in Volume 12586, Page 13 in the Official Records of Tarrant County, Texas, being a part of Lot 1, Block 1, Easter Addition, an addition to the City of Hurst, Tarrant County, Texas, as recorded in Volume 388-47, Page 686 in the Plat Records of Tarrant County.

Dear Ms. Zaccarelli:

Tarrant County, acting through an Interlocal Agreement with the City of Hurst, is acquiring right-of-way for the project referenced above. In acquiring right-of-way for this project, a definite procedure for appraising the land needed and for handling personal negotiations with each property owner has been established. As I have previously explained, a portion of your property is to be acquired for the construction of the above-referenced project.

At this stage of the purchase process it is mutually beneficial to confirm that based on an appraisal made by an independent appraiser, Tarrant County as agent for the City of Hurst is authorized to offer you \$22,632.00 for your property, which includes \$20,658.00 for the property needed for this project and \$1,974.00 for damages to your remaining property. This amount is the total amount of just compensation for the fee title to the property as determined in accordance with State law, less oil, gas, and sulfur. Except for any utility easements that will be handled separately by Tarrant County, you will be responsible for negotiating with any other parties who may own an interest in the land and improvements.

This offer to purchase includes the improvements as listed below which are considered to be part of the real property. Since the improvements must be removed, it is the policy to permit owners to retain them. The retention values are the estimated amounts the improvements would bring if sold on public bids. Should you wish to retain title to any of the following improvements and remove them from the right-of-way, the offer will be reduced by the appropriate retention amounts.

<u>IMPROVEMENT</u>	<u>(\$) AMOUNT SUBSTRACTED IF RETAINED</u>
Asphalt Paving	\$1.00
Concrete Curbing	\$1.00
Monument signage	\$1.00
Ornamental grass	\$1.00

As stated above, the County has obtained an independent fee appraisal, a copy of which is enclosed. If you wish to accept the offer based upon this appraisal, please contact me as soon as possible so the payment procedure to obtain your payment may be started. In the event the condition of the property changes for any reason, the County has the right to withdraw this offer.

You have the right to discuss this offer or any agreement ultimately reached with Tarrant County with others. Likewise, you have the right to keep this offer or any agreement ultimately reached with Tarrant County confidential, unless the offer or agreement is determined to be subject to the Open Records Act of Chapter 552 of the Texas Government Code.

You may be entitled to additional payments and services under a relocation assistance program. It is emphasized, however, that any benefits to which you may be entitled under this program will be handled entirely separate from and in addition to this transaction. You will receive a brochure entitled *Relocation Assistance*, which will inform you of eligibility requirements, payments and services which are available.

We have attached for your information the "*Purchase of Right-of-Way Booklet*."

If you have any questions regarding the details as of this offer, please do not hesitate to call me at (817) 884-2426.

Thank you for your cooperation on this project.

Sincerely,



Miriam Salazar  
Right-of-Way Agent

**Notice of Confidentiality Rights: If you are a natural person, you may remove or strike any of the following information from this instrument before it is filed for record in the public records: your Social Security Number or your Driver's License Number.**

**Parcel No. 15  
Owner: Papa John's USA, Inc.  
Pipeline Rd. (Lorean Branch to Harrison Ln.)**

CITY OF Hurst

DEED

THE STATE OF TEXAS

COUNTY OF TARRANT

**KNOW ALL MEN BY THESE PRESENTS:**

That Papa John's USA, Inc. hereinafter referred to as Grantors, whether one or more, for and in consideration of the sum of Twenty-Two Thousand Six Hundred Thirty-One and no/100 Dollars (\$22,631.00) and other good and valuable consideration, to Grantee in hand paid by the City of Hurst, Texas, acting by and through its governing body, receipt of which is hereby acknowledged, and for which no lien is retained, either expressed or implied, have this day Sold and by these presents do Grant, Bargain, Sell and Convey unto the City of Hurst, Texas all that certain tract or parcel of land in Tarrant County, Texas, more particularly described in Exhibit "A", which is attached hereto and incorporated herein for any and all purposes, and depicted in Exhibit "A" of this conveyance.

**SAVE AND EXCEPT, HOWEVER,** it is expressly understood and agreed that Grantors are retaining title to the following improvements located on the property described in said Exhibit "A", to wit: Monument Signage

Grantor covenants and agrees to remove the above-described improvements from said land by the 1<sup>st</sup> day of August, 2017, subject, however, to such extensions of time as may be granted by the City of Hurst in writing; and if for any reason, Grantor fails or refuse to remove same within said period of time prescribed, then, without any further consideration, the title to all or any part of such improvements not so removed shall pass to and vest in the City of Hurst forever.

Grantor reserves all of the oil, gas and sulphur in and under the land herein conveyed, but waive all rights of ingress and egress to the surface thereof for the purpose of exploring, developing, mining or drilling for same; however, nothing in this reservation shall affect the title and rights of the City of Hurst to take and use all other minerals and materials thereon, therein and thereunder.

**TO HAVE AND TO HOLD** the premises herein described and herein conveyed together with all and singular the rights and appurtenances thereto in any wise belonging unto the City of Hurst and its assigns forever; and Grantors do hereby bind ourselves, our heirs, executors, administrators, successors and assigns to Warrant and Forever Defend all and singular the said premises herein conveyed unto the City of Hurst and its assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof.

**IN WITNESS WHEREOF**, this instrument is executed on this the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

PAPA JOHN'S USA, INC.,  
a Kentucky Corporation

By: \_\_\_\_\_  
Don Graham, Vice President

-----  
**ACKNOWLEDGEMENT**

**THE STATE OF** \_\_\_\_\_  
**COUNTY OF** \_\_\_\_\_

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2016 by Don Graham the Vice President of Papa John's USA, Inc., a Kentucky corporation, on behalf of said entity.

**NOTARY SEAL**



\_\_\_\_\_  
Notary Public, State of Texas

After Recording Return to:

Gregory Dickens  
City of Hurst  
1505 Precinct Line Road  
Hurst, TX 76054

EXHIBIT "A"  
RIGHT OF WAY DEDICATION  
PARCEL 15

BEING a tract of land in the William W. Wallace Survey, Abstract No. 1607, in the City of Hurst, Tarrant County, Texas, being a part of that tract of land described in Warranty Deed to Papa John's USA Inc., as recorded in Volume 12586, Page 13 in the Official Records of Tarrant County, Texas, being a part of Lot 1, Block 1, Easter Addition, an addition to the City of Hurst, Tarrant County, Texas, as recorded in Volume 388-47, Page 686 in the Plat Records of Tarrant County, Texas (P.R.T.C.T.), and being more particularly described as follows:

COMMENCING at a found X-cut for the northwest corner of said Easter Addition and being on the east right-of-way line of Harrison Lane (called 50 foot right-of-way);

THENCE South 01 degree 25 minutes 53 seconds West, along said east right-of-way line, a distance of 171.10 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFF ASSOC INC." (hereinafter referred to as "with cap") for the POINT OF BEGINNING, being at the intersection of said east right-of-way line and the new north right-of-way line of Pipeline Road (variable width right-of-way);

THENCE South 44 degrees 24 minutes 51 seconds East, departing said east right-of-way line and along said new north right-of-way line, a distance of 13.94 feet to a 1/2-inch set iron rod with cap for corner;

THENCE North 89 degrees 44 minutes 24 seconds East, continuing along said new north right-of-way line, a distance of 89.98 feet to a 1/2-inch set iron rod with cap for corner on the common line between the east line of said Easter Addition and the west line of Lot 1, Block 1, Lodge Addition, an addition to the City of Hurst, Tarrant County, Texas, as recorded in Cabinet A, Page 12053 P.R.T.C.T.;

THENCE South 01 degree 25 minutes 53 seconds West, departing said new south right-of-way line and along said common line, a distance of 18.27 feet to a point for corner on the existing north right-of-way line of Pipeline Road (variable width right-of-way);

THENCE South 89 degrees 22 minutes 53 seconds West, departing said common line and along said existing north right-of-way line, a distance of 100.00 feet to a point for corner from which a 3/8-inch found iron rod bears North 22 degrees 44 minutes 18 seconds West, a distance of 0.22 feet, being at the intersection of said existing north right-of-way line and said east right-of-way line;

THENCE North 01 degree 25 minutes 53 seconds East, departing said existing north right-of-way line and along said east right-of-way line, a distance of 28.90 feet to the POINT OF BEGINNING AND CONTAINING 1,907 square feet or 0.0438 acres of land, more or less.

A plat accompanies this legal description.

POINT OF COMMENCING

FND 'X' CUT (CM)

1/2" FIR (CM)

1/2" FIR

**WILLIAM W. WALLACE SURVEY  
ABSTRACT NO. 1607**

LOT 1, BLOCK 1,  
EASTER ADDITION  
VOL. 388-47,  
PG. 686  
P.R.T.C.T.

LOT 1, BLOCK 1  
LODGE ADDITION  
CAB. A, PG. 12053  
P.R.T.C.T.

WARRANTY DEED  
PAPA JOHN'S  
USA, INC.  
VOL. 12586, PG. 13  
O.R.T.C.T.

WARRANTY DEED WITH  
VENDOR'S LIEN  
STUDIO 377  
CORPORATION  
CALLED 0.274 ACRES  
DOC. NO. D207120583  
O.R.T.C.T.

**BEARING/DISTANCE TABLE**

1	S44° 24' 51"E 13.94'
2	S01° 25' 53"W 18.27'
3	N01° 25' 53"E 28.90'

**PARCEL 15  
1,907 SQ. FT.  
0.0438 ACRES**

POINT OF BEGINNING

N89° 44' 24"E

89.98'

S89° 22' 53"W  
100.00'

FND 'X' CUT

3/8" FIR BEARS  
N22° 44' 18"W  
0.22'

1/2" SIR

1/2" SIR

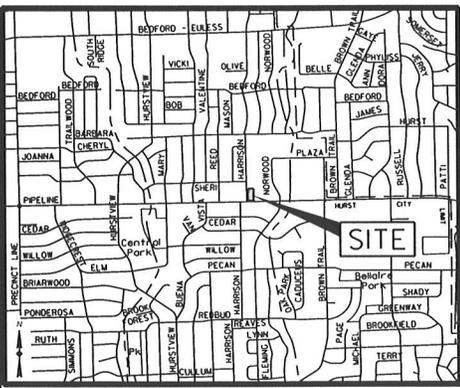
1/2" SIR

PFC

10' R.O.W. DEDICATION  
CAB. A, PG. 12053

APPROX. SURVEY LINE

**PIPELINE ROAD**  
(VARIABLE WIDTH R.O.W.)



**VICINITY MAP  
NOT TO SCALE**

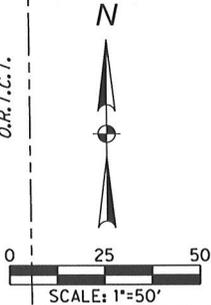
A LEGAL DESCRIPTION ACCOMPANIES THIS PLAT.

WARRANTY DEED WITH  
VENDOR'S LIEN  
RONNIE W. TRUSTY  
VOL. 12473, PG. 1115  
O.R.T.C.T.

SPECIAL WARRANTY DEED  
WITH VENDOR'S LIEN  
RONNIE W. TRUSTY AND  
WIFE, REBECCA A. TRUSTY  
CALLED 0.4479 ACRES  
VOL. 12956, PG. 17  
O.R.T.C.T.

WARRANTY DEED WITH  
VENDOR'S LIEN  
THE LOUIE A. WILLIAMSON  
AND BETTY J. WILLIAMSON  
1994 REVOCABLE  
MANAGEMENT TRUST  
CALLED 0.2176 ACRES  
VOL. 16247, PG. 294  
O.R.T.C.T.

**SUSAN MCDANIEL SURVEY  
ABSTRACT NO. 1407**



**EXHIBIT "A"**

**PARCEL 15  
0.0438 ACRE RIGHT-OF-WAY  
DEDICATION**

OUT OF THE

**WILLIAM W. WALLACE SURVEY, ABSTRACT NO. 1607**

**CITY OF HURST  
TARRANT COUNTY, TEXAS**

**LEGEND**

- NEW RIGHT-OF-WAY
- EXISTING PROPERTY LINE
- (CM) CONTROL MONUMENT
- FIP ● FOUND IRON PIPE
- FPK ● FOUND PK NAIL
- SMN ○ SET MAG NAIL W/SHINER
- FIR ● FOUND IRON ROD
- 1/2" SIR ○ 1/2" SET IRON ROD WITH YELLOW PLASTIC CAP STAMPED "HALFF ASSOC INC"

BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM NAD 83, NORTH CENTRAL ZONE (4202), REFERENCED TO THE CITY OF HURST MONUMENTS 25, 26 AND 50. CONVERGENCE ANGLE AT MONUMENT 50 IS 00 DEGREES 43 MINUTES 31.64800 SECONDS AS CALCULATED BY CORPSCON 6.0.1.

TXBPLS Rule 663.18(c)  
"Preliminary, this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document." Prepared under the supervision of Douglas A. Calhoun Registered Professional Land Surveyor, Texas No. 5619

**RIGHT-OF-WAY DEDICATION**

FILE: EXH08-ROW-15-1-29951.dgn

DATE: SEPT. 2014

AVO: 29951

PAGE 2 of 2



HALFF  
TBPLS FIRM NO. 10029605  
4000 FOSSIL CREEK BLVD  
FORT WORTH, TEXAS 76137-2797  
TEL (817) 847-1422  
FAX (817) 232-9784

9/24/2014 2:34:52 PM ah1731 HALFF I:\290006\29951\CADD\Sheets\Legal Exhibits\EXH08-ROW-15-1-29951.dgn Sheet SW: HP9040 MON FS FW.plt

City Council Staff Report

SUBJECT: Consideration of Ordinance 2321, in regards to Hurst Code of Ordinances Chapter 24, amending and replacing Section 24-26; prohibiting use of handheld electronic devices while operating a motor vehicle	
Supporting Documents:	
Supporting documents provided at first reading.	Meeting Date: 7/19/2016 Department: Police Reviewed by: Lt. Jim Pell City Manager Review:
Background/Analysis:	
<p>Distracted driving is a significant factor contributing to motor vehicle accidents. Statewide over the last three calendar years, distracted driving crash report numbers have ranged from 101,297 in 2013 up to 111,931 in 2015. In the City of Hurst, over that same time span, distracted driver crash report numbers have ranged from 213 to 265. Statistics show that roughly 1 in 5 crash reports result from distracted driving.</p> <p>One of the most predominant sources of distractions on the road today is the use of electronic devices. Sources of such electronic distractions include cell phone conversations, texting, computers, and gaming devices.</p> <p>Most drivers have stories of near-misses, accidents, and other dangerous situations caused by electronic distractions. When responding to the 2015 City of Hurst Citizen Survey (Question 37), over 78% of respondents stated they favored limiting the use of mobile devices while driving to hands-free operation only.</p>	
Funding and Sources:	
There is no fiscal impact.	

Recommendation:

Staff recommends the City Council approve Ordinance 2321 amending Hurst Code of Ordinances Chapter 24 by amending and replacing section 24-26; prohibiting use of handheld electronic devices while operating a motor vehicle

## ORDINANCE 2321

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HURST, TEXAS, AMENDING THE HURST CODE OF ORDINANCES CHAPTER 24 BY AMENDING AND REPLACING SECTION 24-26; PROHIBITING USE OF A HANDHELD ELECTRONIC DEVICES WHILE OPERATING A MOTOR VEHICLE; PROVIDING A PENALTY CLAUSE; REPEALING CONFLICTING ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council (the "City Council") of the City of Hurst, Texas (the "City"), finds and determines that distracted driving is a threat to the health, safety, and welfare of all motorist and pedestrians within the City; and

WHEREAS, the City Council finds and determines that drivers who use handheld electronic devices while operating a motor vehicle are at risk of losing safe control of their vehicles due to manual, visual, and cognitive distractions, and are therefore more likely to have an accident than undistracted drivers; and

WHEREAS, the City of Hurst is a Home Rule municipality having full powers of self-government and may enact ordinances relative to its citizens' health, safety, and welfare that are not inconsistent with the Constitution and laws of the State; and

WHEREAS, these regulations do not conflict with the Texas Transportation Code Section 545.424, regarding the use of wireless communication devices while operating a motor vehicle by minors, or Texas Transportation Code Section 545.425, regarding the use of wireless communication devices in school crossing zones; and

WHEREAS, the City Council finds and declares that the meeting at which this Ordinance is considered is open to the public as required by law, and that public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code; therefore,

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

Section 1. The statements contained in the preamble to this Ordinance are hereby adopted as findings of fact and as a part of the operative provisions hereof.

Section 2. The City of Hurst Code of Ordinances Chapter 24, Article I, Section 24-26 is hereby amended and replaced, which shall read as follows:

Sec. 24-26 - Use of Portable Electronic Devices Prohibited

- (a) Definitions. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:
- (1) Electronic device shall mean any handheld wireless communication device, cell phone, laptop computer, tablet, media player, handheld gaming device, or any other electronic device capable of displaying text-based communications, games, pictures, or video.
  - (2) Hands-free device shall mean speakerphone capability, telephone attachment, or another function or other piece of equipment installed in or on a wireless communication device that allows the use of a handheld wireless communication device without the use of the operator's hand(s), except to activate or deactivate a function of the a hand-held electronic device or hands-free device.
- (b) It shall be unlawful for a person to:
- (1) use a portable electronic device while operating a motor vehicle upon a public street or highway; or

- (2) use a portable electronic device while operating a motor vehicle upon or within public park property or parking lots of city
  - (3) facilities when signs are posted at such locations that indicate the use of portable electronic devices while driving is prohibited.
- (c) In this Section, use of a portable electronic device includes, but is not limited to:
- (1) viewing the display screen of a portable electronic device;
  - (2) holding a portable electronic device in a position to talk into or listen on; or
  - (3) manipulating a portable electronic device by interacting with its display screen or pushing any button to enter text, dial numbers, or to engage in any other function.
- (d) This Section does not apply to an operator of an authorized emergency vehicle or law enforcement vehicle using a portable electronic device while acting in an official capacity; or
- (1) The operation of two-way mobile radio transmitters or receivers used by licensees of the Federal Communications Commission (FCC).
- (e) The culpable mental state required by Texas Penal Code § 6.02, is specifically negated and dispensed with and a violation under this subsection is a strict liability offense.
- (f) It is a defense to prosecution under this Section if the portable electronic device is used:
- (1) while the vehicle is stopped, out of the moving lanes of the roadway;

- (2) as a global positioning or other navigation system that is affixed to the vehicle;
  - (3) solely as a hands-free device;
  - (4) to obtain emergency assistance at a traffic accident;
  - (5) to communicate with an emergency response service, fire department, police department, hospital, health clinic, or physician's office in an attempt to prevent injury to person or property; or
  - (6) to communicate with reasonable belief a person's life or safety is in immediate danger.
- (g) To the extent that any part of this Section conflicts with Texas Transportation Code provisions regarding the use of wireless communications devices while operating a motor vehicle by minors, the use of wireless communication devices in school crossing zones, or the use of a wireless communication device by operators of a school bus, this section does not apply.

Section 3. That all ordinances or any parts thereof in conflict with the terms of this ordinance shall be and hereby are deemed repealed and of no force or effect; provided, however, that the ordinance or ordinances under which the cases currently filed and pending in the Municipal Court of the City of Hurst, Texas, shall be deemed repealed only when all such cases filed and pending under such ordinance or ordinances have been disposed of by a final conviction or a finding not guilty or nolo contendere, or dismissal.

Section 4. Any person violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Code of Ordinances of the City of Hurst, and upon conviction shall be punishable by a fine not to exceed the sum of Five Hundred (\$500.00) for each offense.

Section 5. Save and except as amended by this ordinance, the provisions of all sections of the City of Hurst, Texas, shall remain in full force and effect.

Section 6. If any section, subsection, sentence, clause or phrase of this ordinance shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 7. The fact that the present ordinances and regulations of the City of Hurst, Texas are inadequate to properly safeguard the health, safety, morals, peace and general welfare of the inhabitants of the City of Hurst, Texas, creates an emergency for the immediate preservation of the public business, property, health, safety and general welfare of the public which requires that this ordinance shall become effective from and after the date of its passage, and it is accordingly so ordained.

AND IT IS SO ORDERED.

Passed on the first reading on the 12<sup>th</sup> day of July 2016 by a vote of 6 to 0.

Approved on the second reading on the 19<sup>th</sup> day of July 2016 by a vote of \_  
to \_.

ATTEST:

CITY OF HURST

\_\_\_\_\_  
Rita Frick, City Secretary

\_\_\_\_\_  
Richard Ward, Mayor

Approved as to form and legality:

\_\_\_\_\_  
City Attorney

City Council Staff Report

<p>SUBJECT: SP-15-17 Hurst Shopping Center, a site plan for Lot A, Block 1 Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road</p>	
<p>Supporting Documents:</p>	
<p>Supporting documents were provided at first reading</p>	<p>Meeting Date: 7/19/2016                  Department: Development                  Reviewed by: Steve Bowden                  City Manager Review:</p>
<p>Background/Analysis:</p>	
<p>An application has been made by PIO Company for a site plan on Lot A, Block 1, Hurstgate Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road.</p> <p>Mr. Pio Kim is requesting the site plan to construct a restaurant building with 2,372 square feet. The former Long John Silvers was demolished in 2007.</p> <p>The site plan indicates a two (2) tenant building facing east. The site will use the two (2) existing driveways with access to Pipeline Road and Forest Oak Drive. Right-of-way has been acquired for Pipeline Road improvements.</p> <p>The building elevation indicates a terra cotta CMU structure with buff cast stone and slate accent bricks. There will be aluminum storefront glass on the front and left elevation and standing metal seam awnings across the front.</p> <p>The applicant will be planting landscaping to mirror the Shops At Hurst Center. The plan includes three (3) Bur Oaks, one (1) Live Oak, two (2) Crape Myrtles, ten (10) Yaupon Hollies, Dwarf Burford Holly, Foster Holly, Creeping Juniper and Carpet Bugle.</p> <p>There is no freestanding signage requested. The applicant is requesting building signage on the front and left elevation. The proposed signage will meet the sign ordinance requirements.</p>	

Funding and Sources:

There is no fiscal impact.

Recommendation:

The Planning and Zoning Commission met on Monday, June 20, 2016 and voted 7-0 to recommend approval of SP-15-17 Hurst Shopping Center with the stipulation that the light poles on the site plan are consistent with the landscape plan.

ORDINANCE 2322

AN ORDINANCE ADOPTING A SITE PLAN APPROVAL FOR LOT A, BLOCK 1 HURSTGATE SHOPPING CENTER ADDITION, BEING .33 ACRE LOCATED AT 700 W. PIPELINE ROAD, SP-15-17

WHEREAS, notice of a hearing before the Planning and Zoning Commission was sent to real property owners within 200 feet of the property herein described at least 10 days before such hearing; and,

WHEREAS, notice of a public hearing before the City Council was published in a newspaper of general circulation in Hurst at least 15 days before such hearing; and,

WHEREAS, notices were posted on the subject land as provided by the Zoning Ordinance; and,

WHEREAS, public hearings to change the site plan on the property herein described were held before both the Planning and Zoning Commission and the City Council, and the Planning and Zoning Commission has heretofore made a recommendation concerning the site plan change; and,

WHEREAS, the City Council is of the opinion that the site plan change herein effectuated furthers the purpose of zoning as set forth in the Comprehensive Zoning Ordinance and is in the best interest of the citizens of the City of Hurst.

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

Section 1. THAT the Comprehensive Zoning Ordinance of the City of Hurst is hereby amended by adopting a site plan approval with Exhibits "A-C" for Lot A, Block 1, Hurst Shopping Center Addition, being .33 acre located at 700 W. Pipeline Road.

AND IT IS SO ORDERED.

Passed on the first reading on the 12<sup>th</sup> day of July 2016 by a vote of 6 to 0.

Approved on the second reading on the 19<sup>th</sup> day of July 2016 by a vote of \_  
to \_.

ATTEST:

CITY OF HURST

---

Rita Frick, City Secretary

---

Richard Ward, Mayor

Approved as to form and legality:

---

City Attorney

City Council Staff Report

SUBJECT: SP-16-03 Crestview Phase III, a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway	
Supporting Documents:	
Supporting documents provided at first reading.	<p>Meeting Date: 7/19/2016</p> <p>Department: Development</p> <p>Reviewed by: Steve Bowden</p> <p>City Manager Review:</p>
Background/Analysis:	
<p>An application has been made by Clay Moore Engineering for a site plan revision for Lot 2, Block 1, Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway.</p> <p>The applicant is requesting the revision to change the approved restaurant with a drive-thru to a restaurant and retail shell structure. The proposed building will have 7,024 square feet with 2,400 sq. ft. of restaurant space and 4,600 sq. ft. of retail space. The proposed structure will face east and will share access to Grapevine Highway.</p> <p>The restaurant space is planned for R Tacos. R Tacos is a street taco restaurant, which began in Dallas in 2010. This will be the 8<sup>th</sup> franchise to open in Texas. R Tacos will occupy the north end of the building and will have an outdoor patio. The remaining retail space tenants have not been finalized.</p> <p>The building elevation indicates a tan and white stucco building with brown brick and ivory stone veneer. There will be aluminum storefront glass and standing metal seam awnings on the front, northwest, and southwest elevation.</p> <p>The applicant is requesting building signage on the front, northwest and southwest elevations. The proposed signage will meet the sign ordinance requirements. This lot will construct a 10 ft. monument sign with 80 square feet of sign area on Grapevine Highway. This sign was approved with the original site plan in 2014.</p> <p>The applicant is providing good landscaping that will mirror the landscaping on the Chick-fil-A lot. They will be adding one (1) Live Oak, two (2) Lace Bark Elm, three (3) Shumard Oaks, three (3) Chinquapin Oaks, three (3) Crape Myrtles, three (3)</p>	

Redbuds, Dwarf Burford Hollies, Dwarf Wax Myrtle, Red Cherry Sage, Red Yucca, Lantana, Abelia, and Bermuda sod.

Funding and Sources:

There is no fiscal impact.

Recommendation:

The Planning and Zoning Commission met on Tuesday, July 5, 2016 and voted 7-0 to recommend approval of SP-16-03 Crestview Phase III.

ORDINANCE 2323

AN ORDINANCE ADOPTING A SITE PLAN APPROVAL FOR FOR LOT 2 BLOCK 1 CRESTVIEW HIGHWAY 26 ADDITION, BEING 1.18 ACRES LOCATED AT 775 GRAPEVINE HIGHWAY, SP-16-03

WHEREAS, notice of a hearing before the Planning and Zoning Commission was sent to real property owners within 200 feet of the property herein described at least 10 days before such hearing; and,

WHEREAS, notice of a public hearing before the City Council was published in a newspaper of general circulation in Hurst at least 15 days before such hearing; and,

WHEREAS, notices were posted on the subject land as provided by the Zoning Ordinance; and,

WHEREAS, public hearings to change the site plan on the property herein described were held before both the Planning and Zoning Commission and the City Council, and the Planning and Zoning Commission has heretofore made a recommendation concerning the site plan change; and,

WHEREAS, the City Council is of the opinion that the site plan change herein effectuated furthers the purpose of zoning as set forth in the Comprehensive Zoning Ordinance and is in the best interest of the citizens of the City of Hurst.

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

Section 1. THAT the Comprehensive Zoning Ordinance of the City of Hurst is hereby amended by adopting a site plan approval with exhibits A-C for Lot 2, Block 1 Crestview Highway 26 Addition, being 1.18 acres located at 775 Grapevine Highway.

AND IT IS SO ORDERED.

Passed on the first reading on the 12<sup>th</sup> day of July 2016 by a vote of 6 to 0.

Approved on the second reading on the 19<sup>th</sup> day of July 2016 by a vote of \_  
to \_.

ATTEST:

CITY OF HURST

\_\_\_\_\_  
Rita Frick, City Secretary

\_\_\_\_\_  
Richard Ward, Mayor

Approved as to form and legality:

\_\_\_\_\_  
City Attorney

City Council Staff Report

SUBJECT: Consider all matters incident and related to the issuance and sale of "City of Hurst, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2016," including the adoption of Ordinance 2324, authorizing the issuance of such certificates of obligation.

Supporting Documents:

Ordinance 2324

Meeting Date: 7/19/2016

Department: Fiscal Services

Reviewed by: Paul Brown

City Manager Review:

Background/Analysis:

The City's Bond Counsel, Norton Rose Fulbright, L.L.P., provided an Ordinance authorizing the issuance of Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2016, in an amount not to exceed \$5.55 million. Proceeds of the sale will be used to pay for the costs of issuance, renovations/repairs at the Hurst Recreation Center (\$1.4 million) and the Central Aquatics Center (\$4 million). In accordance with state law, a notice of intent to sell bonds was published two times in the Fort Worth Star-Telegram. Publication dates were June 16, 2016 and June 23, 2016.

The City's financial advisor, First Southwest (FSW), a Division of Hilltop Securities, assisted the City in its selection of Robert W. Baird & Co. Incorporated as Senior Underwriter and BOSC, Inc. as Co-Manager. The City expects favorable market pricing, and final pricing and issuance terms will be impacted by market conditions up to twenty-four (24) hours prior to the bond sale. FSW will present all final details including interest rates during the City Council meeting.

Funding and Sources:

Hurst Community Services Development Corporation Fund sales taxes will be used to finance the repayment of these Certificates of Obligation.

Recommendation:

It is recommended that the City Council consider adoption of Ordinance 2324 with the following motion:

I move to adopt Ordinance 2324, authorizing the issuance of " City of Hurst, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2016"; and the execution of a Paying Agent/Registrar Agreement and a Purchase Agreement, and the distribution of a Preliminary Official Statement in relation to such obligations.

ORDINANCE NO. 2324

AN ORDINANCE authorizing the issuance of "CITY OF HURST, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016"; specifying the terms and features of said certificates; providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of the net revenues from the operation of the City's Waterworks and Sewer System; and resolving other matters incident and relating to the issuance, payment, security, sale and delivery of said Certificates, including the approval and execution of a Paying Agent/Registrar Agreement and a Purchase Agreement and the approval and distribution of a Preliminary Official Statement and an Official Statement pertaining thereto; and providing an effective date.

WHEREAS, notice of the City Council's intention to issue certificates of obligation in the maximum principal amount of \$5,550,000 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: constructing, improving and equipping municipal aquatic and recreation center facilities and (ii) professional services rendered in connection therewith, has been duly published in the *Fort Worth Star Telegram*, a newspaper hereby found and determined to be of general circulation in the City of Hurst, Texas, on June 16, 2016 and June 23, 2016, the date the first publication of such notice being not less than thirty-one (31) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates; and

WHEREAS, no petition protesting the issuance of the certificates of obligation and bearing valid petition signatures of at least 5% of the qualified electors of the City, has been presented to or filed with the Mayor, City Secretary or any other official of the City on or prior to the date of the passage of this Ordinance; and

WHEREAS, the Council hereby finds and determines that the certificates of obligation described in the aforesaid notice should be issued and sold at this time in the amount and manner as hereinafter provided; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HURST, TEXAS:

SECTION 1: Authorization, Designation, Principal Amount, Purpose. Certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_, to be designated and bear the title "CITY OF HURST, TEXAS, TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016" (hereinafter referred to as the "Certificates"), for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: constructing, improving and equipping municipal aquatic and recreation center facilities and (ii) professional services rendered in connection therewith, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Date. The Certificates are issuable in fully registered form only; shall be dated July 15, 2016 (the "Certificate Date") and shall be in denominations of \$5,000 or any integral multiple

thereof (within a Stated Maturity) and the Certificates shall become due and payable on August 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

<u>Year of Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate(s)</u>
2017	\$_____	_____%
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

The Certificates shall bear interest on the unpaid principal amounts from the date of delivery to the initial purchasers at the rate(s) per annum shown above in this Section (calculated on the basis of a 360 day year of twelve 30 day months), and such interest shall be payable on February 15 and August 15 of each year, commencing February 15, 2017 until maturity or earlier redemption.

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

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Certificates (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary are authorized to execute and deliver such Agreement in connection with the delivery of the Certificates. The City covenants

to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Certificates shall be payable at the Stated Maturities or the redemption thereof only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Certificates shall be paid to the Holders whose name appears in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

#### SECTION 4: Redemption.

(a) Optional Redemption. The Certificates having Stated Maturities on and after August 15, 2027 shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2026, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

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

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

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

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

(e) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Certificates issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Certificate may be transferred or exchanged for Certificates of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Certificate (other than the Initial Certificate(s) referenced in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

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

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

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

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Certificates" shall include any mutilated, lost, destroyed, or stolen Certificate for which a replacement Certificate has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 20 hereof and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

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

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

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

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

**SECTION 7: Execution - Registration.** The Certificates shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Certificate Date shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals executing the same shall cease to be such officer at the time of delivery of the Certificates to the initial purchaser(s) and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered and delivered.

**SECTION 8: Initial Certificate(s).** The Certificates herein authorized shall be initially issued either (i) as a single fully registered certificate in the total principal amount stated in Section 1 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered certificates, being one certificate for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Certificate(s)") and, in either case, the Initial Certificate(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Certificate(s) shall be the Certificates submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificate(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Certificate(s) delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for

transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

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

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

(b) Form of Certificates.

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF HURST, TEXAS  
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE  
CERTIFICATE OF OBLIGATION  
SERIES 2016

Certificate Date:  
July 15, 2016

Interest Rate:  
\_\_\_\_\_

Stated Maturity:  
August 15, \_\_\_\_\_

CUSIP NO:  
\_\_\_\_\_

Registered Owner:

Principal Amount:

DOLLARS

The City of Hurst (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and

to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the date of delivery to the initial purchasers) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2017 until maturity or earlier redemption. Principal of this Certificate is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Certificate. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$\_\_\_\_\_ (herein referred to as the "Certificates") for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: constructing, improving and equipping municipal aquatic and recreation center facilities and (ii) professional services rendered in connection therewith, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Texas Local Government Code, Subchapter C of Chapter 271, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Certificates maturing on and after August 15, 2027, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2026, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate

(or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

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

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

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City, and are additionally payable from and equally and ratably secured by a lien on and limited pledge of the Net Revenues (as defined in the Ordinance) of the City's combined Waterworks and Sewer System (the "System"), such lien and pledge being limited to an amount not in excess of \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues of the System securing the payment of "Prior Lien Obligations" (identified and defined in the Ordinance) now outstanding and hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise, as well as the right to issue additional obligations payable from the same sources as the Certificates and, together with the Certificates, equally and ratably secured by a parity lien on and pledge of the Net Revenues of the System.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the owner or holder of this Certificate by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificates; the nature and extent of the pledge of the Net Revenues securing the payment of the Certificates; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the

consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the pledge of the Net Revenues and covenants made in the Ordinance may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

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

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

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

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City as of the Certificate Date.

CITY OF HURST, TEXAS

\_\_\_\_\_  
Mayor

COUNTERSIGNED:

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

(SEAL)

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Certificate(s) only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER )  
 )  
OF PUBLIC ACCOUNTS ) REGISTER NO. \_\_\_\_\_  
 )  
THE STATE OF TEXAS )

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

WITNESS my signature and seal of office this \_\_\_\_\_.

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

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Certificates only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

The designated offices of the Paying Agent/Registrar located in East Syracuse, New York, is the "Designated Payment/Transfer Office" for this Certificate.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., Dallas, Texas,  
as Paying Agent/Registrar

Registration Date:

\_\_\_\_\_

By \_\_\_\_\_  
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

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

\_\_\_\_\_

(Social Security or other identifying number \_\_\_\_\_) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

Signature guaranteed:  
\_\_\_\_\_

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

(f) The Initial Certificate(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows: the heading and paragraph one shall be amended to read as follows:

REGISTERED  
NO. T-1

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF HURST, TEXAS  
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE  
CERTIFICATE OF OBLIGATION  
SERIES 2016

Certificate Date: July 15, 2016

Registered Owner: ROBERT W. BAIRD & CO., INCORPORATED

Principal Amount: \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED THOUSAND DOLLARS

The City of Hurst (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on August 15 in each of the years and in principal installments in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
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(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amounts hereof from the interest payment date next preceding the "Registration Date" of this Certificate appearing below (unless this Certificate bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the date of delivery to the initial purchasers) at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2017 until maturity or earlier redemption. Principal installments of this Certificate are payable at its Stated Maturity or on a redemption date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in East Syracuse, New York (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Certificate whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/ Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues therefor, the following words or terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

(a) The term “Certificates” shall mean the “City of Hurst, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2016” authorized by this Ordinance.

(b) The term “Certificate Fund” shall mean the special Fund created and established under the provisions of Section 11 of this Ordinance.

(c) The term “Collection Date” shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(d) The term “Fiscal Year” shall mean the regular fiscal year used by the City in connection with the operation of the System, which may mean any twelve consecutive month period established by the City.

(e) The term “Government Securities” shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Certificates under the then applicable laws of the State of Texas.

(f) The term “Gross Revenues” shall mean all revenues, income and receipts of any nature derived or received by the City from the operation and ownership of the System, including the income from the investment or deposit of money in any Fund created for the payment and security of the Prior Lien Obligations or maintained by the City in connection with the System.

(g) The term “Net Revenues” shall mean all Gross Revenues after deducting and paying the current expenses of operation and maintenance of the System, as required by Texas Government Code, Chapter 1502, including all salaries, labor, materials, repairs and extensions necessary to render efficient service, provided, however, that only such repairs and extensions as in the judgment of the City Council, reasonably and fairly exercised, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair the security of any obligations payable therefrom and secured by a lien on and pledge of the Net Revenues thereof, shall be deducted in determining “Net Revenues”. Payments made by the City for water supply or treatment of sewage which constitute under law operation and maintenance expense shall be considered herein as expenses incurred in the operation and maintenance of the System. Depreciation shall never be considered as an expense of operation and maintenance.

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

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

(2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 21 hereof; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 20 hereof.

(i) The term “Prior Lien Obligations” shall mean (A) all revenue bonds or other obligations, hereafter issued, payable from and secured by a lien on and pledge of the Net Revenues of the System and (B) obligations hereafter issued which by the terms of this Ordinance and the ordinances authorizing their issuance have a prior right and claim on the Net Revenues of the System to the claim and right securing the payment of the Certificates.

(j) The term “System” shall mean and include the City’s combined existing waterworks and sewer system, together with all future extensions, improvements, enlargements, and additions thereto, and all replacements thereof; provided that, notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not include any waterworks or sewer facilities which are declared not to be a part of the System and which are acquired or constructed by the City with the proceeds from the issuance of “Special Facilities Bonds,” which are hereby defined as being special revenue obligations of the City which are not secured by or payable from the Net Revenues as defined herein, but which are secured by and payable solely from special contract revenues or payments received from any other legal entity in connection with such facilities; and such revenues or payments shall not be considered as or constitute Gross Revenues of the System, unless and to the extent otherwise provided in the ordinance or ordinances authorizing the issuance of such Special Facilities Bonds.

SECTION 11: Certificate Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account or fund on the books and records of the City known as the “SPECIAL SERIES 2016 TAX AND REVENUE CERTIFICATE OF OBLIGATION FUND”, and all moneys deposited to the credit of such Fund shall be kept and maintained in a special banking account at a City depository bank. Authorized officials of the City are hereby authorized and directed to make withdrawals from said Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause

immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the "Public Funds Investment Act" (Texas, Government Code, Chapter 2256); provided that all such investments shall be made in such a manner that the money required to be expended from said Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Certificate Fund shall be credited to, and any losses debited to, the said Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 12: Tax Levy. To provide for the payment of the "Debt Service Requirements" on the Certificates being (i) the interest on said Certificates and (ii) a sinking fund for their payment at maturity or redemption or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied a sufficient tax on each one hundred dollars' valuation of taxable property in said City, within the limitations prescribed by law, adequate to pay such Debt Service Requirements while the Certificates remain Outstanding, full allowance being made for delinquencies and costs of collection; and said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Council shall determine:

(1) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Net Revenues of the System appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Net Revenues of the System, appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection

Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 13: Limited Pledge of Net Revenues. The City hereby covenants and agrees that, subject to the prior lien on and pledge of the Net Revenues of the System to the payment and security of Prior Lien Obligations, the Net Revenues of the System in an amount not to exceed \$1,000 are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Certificates, and the limited pledge of \$1,000 of the Net Revenues of the System herein made for the payment of the Certificates shall constitute a lien on the Net Revenues of the System until such time as the City shall pay all of such \$1,000, after which time the pledge shall cease, all in accordance with the terms and provisions hereof and be valid and binding without further action by the City and without any filing or recording except for the filing of this Ordinance in the records of the City.

SECTION 14: System Fund. The City covenants and agrees that all Gross Revenues (excluding earnings from the investment of money held in any special funds or accounts created for the payment and security of the Prior Lien Obligations) shall be deposited as collected into a fund maintained at an official depository of the City and known on the books of the City as the "System Fund" (hereinafter called the "System Fund"). All moneys deposited to the credit of the System Fund shall be allocated, dedicated and disbursed to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of all necessary and reasonable maintenance and operating expenses of the System as defined herein or required by statute to be a first charge on and claim against the revenues thereof.

Second: To the payment of all amounts required to be deposited in the special Funds created and established for the payment, security and benefit of Prior Lien Obligations in accordance with the terms and provisions of the ordinances authorizing the issuance of Prior Lien Obligations.

Third: To the payment of the limited amounts pledged to the payment of the Certificates.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 15: Deposits to Certificate Fund. Subject to the provisions of Section 13 hereof, the City hereby covenants and agrees to cause to be deposited in the Certificate Fund from the pledged Net Revenues of the System in the System Fund, the amount of Net Revenues of the System pledged to the payment of the Certificates.

The City covenants and agrees that the amount of pledged Net Revenues of the System (\$1,000), together with other lawfully available revenues appropriated by the City for payment of the debt service requirements on the Certificates and ad valorem taxes levied, collected, and

deposited in the Certificate Fund for and on behalf of the Certificates, will be an amount equal to one hundred percent (100%) of the amount required to fully pay the interest and principal due and payable on the Certificates. In addition, any surplus proceeds from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes and the Net Revenues of the System.

SECTION 16: Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17: Special Covenants. The City hereby further covenants as follows:

(1) It has the lawful power to pledge the Net Revenues of the System to the payment of the Certificates in the manner herein contemplated and has lawfully exercised such power under the Constitution and laws of the State of Texas, including said power existing under Texas Government Code, Sections 1502.056 and 1502.058, as amended, and Texas Local Government Code, Sections 271.041, et seq., as amended; and

(2) Other than for the payment of the Prior Lien Obligations and the Certificates, the Net Revenues of the System are not currently pledged to the payment of any debt or obligation of the City or of the System.

SECTION 18: Issuance of Prior Lien Obligations/Additional Obligations. The City hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, payable, in whole or in part, from the Net Revenues (without impairment of the obligation of contract with the Holders of the Certificates) upon such terms and conditions as the City Council may determine. Additionally, the City reserves the right to issue additional obligations payable, in whole or in part, from the Net Revenues of the System and, to the extent provided, secured by a lien on and pledge of the Net Revenues of equal rank and dignity with the lien and pledge securing the payment of the Certificates.

SECTION 19: Application of Prior Lien Obligations Covenants and Agreements. It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements and covenants contained in the ordinances authorizing the issuance of the Prior Lien Obligations, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the Prior Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of the Prior Lien Obligations.

SECTION 20: Mutilated - Destroyed - Lost and Stolen Certificates. In case any Certificate shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Certificate of like form and tenor, and in the same

denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Certificate, or in lieu of and in substitution for such destroyed, lost or stolen Certificate, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Certificate, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Certificate shall be borne by the Holder of the Certificate mutilated, or destroyed, lost or stolen.

Every replacement Certificate issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Certificates. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Certificates.

SECTION 21: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the limited pledge of taxes levied under this Ordinance and the Net Revenues of the System and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/ Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/ Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Certificates such moneys

were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

**SECTION 22: Ordinance a Contract - Amendments.** This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section and in Section 38 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

**SECTION 23: Covenants to Maintain Tax-Exempt Status.**

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

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

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

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

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

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

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

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

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation

shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

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

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

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

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

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

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

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

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

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

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

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

or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

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

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

**SECTION 24: Sale of Certificates.** The Certificates authorized by this Ordinance are hereby sold by the City to Robert W. Baird & Co., Incorporated and BOSC, Inc. (A subsidiary of BOK Financial Corporation) (the "Purchaser") in accordance with the Purchase Agreement, dated July 19, 2016 (the "Purchase Agreement"), attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Ordinance for all purposes, and the City has determined and does determine that the terms of such Purchase Agreement are in the City's best interests. The Mayor or Mayor Pro Tem are hereby authorized and directed to execute said Purchase Agreement for and on behalf of the City and as the act and deed of the Council, and in regard to the approval and execution of the Purchase Agreement, the Council hereby finds, determines, and declares that the representations, warranties, and agreements of the City contained therein are true and correct in all material respects and shall be honored and performed by the City.

**SECTION 25: Official Statement.** The use of the Preliminary Official Statement in the offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects, and the City Council hereby finds that the information and data contained in said Preliminary Official Statement pertaining to the City and its financial affairs is true and correct in all material respects and no material facts have been omitted therefrom which are necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Secretary, City Manager and Managing Director of Finance and Accounting, any one or more of said officials), shall be and is hereby in all respects approved and the Purchaser are hereby authorized to use and distribute said final Official Statement, dated July 19, 2016, in the reoffering, sale and delivery of the Certificates to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be

required by the Purchaser, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchaser.

SECTION 26: Proceeds of Sale. The proceeds of sale of the Certificates, excluding amounts to pay costs of issuance, shall be deposited in a construction fund maintained at the City's depository bank. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments and any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the City Council. Any surplus proceeds of sale of the Certificates, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund. Any premium received from the Purchaser shall be deposited and applied in accordance with the applicable provisions of Texas Government Code, Section 1201.042, as amended.

SECTION 27: Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale of the Certificates, the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificate(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

SECTION 28: Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

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

SECTION 29: Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be returned to the City.

SECTION 30: Bond Counsel's Opinion. The Purchaser's obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, approving the Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Certificates. An executed counterpart of

said opinion shall accompany the global certificates deposited with The Depository Trust Company or a reproduction thereof shall be printed on the definitive Certificates in the event the book-entry-only system shall be discontinued.

SECTION 31: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, and this Ordinance and all its provisions is intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 33: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 34: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 35: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 36: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 37: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 38: Continuing Disclosure Undertaking.

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

“*MSRB*” means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2016, financial information and

operating data with respect to the City of the general type of information contained in Tables 1 through 6 and 8 through 15 in the Official Statement, and (2) within twelve months after the end of each fiscal year ending in or after 2016, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in described in Appendix B to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Certificates 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 Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

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

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Certificates; 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. Except as expressly provided within this Section, the City does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects; nor does the City undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates 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 constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

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

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

SECTION 39: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Managing Director of Finance and Accounting, and City Secretary 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 on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance, sale and delivery of the Certificates. In addition, prior to the delivery of the Certificates, the Mayor, Mayor Pro Tem, City Manager, Managing Director of Finance and Accounting, City Secretary or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document, or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Certificates by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 40: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 41: Effective Date. In accordance with the provisions of Texas Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage on the date shown below and it is so ordained.

*[remainder of page left blank intentionally]*

PASSED AND ADOPTED, this July 19, 2016.

CITY OF HURST, TEXAS

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Mayor

ATTEST:

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City Secretary

(City Seal)

**EXHIBIT A**  
**PAYING AGENT/REGISTRAR AGREEMENT**

**EXHIBIT B**  
**PURCHASE AGREEMENT**

City Council Staff Report

SUBJECT: Consider all matters incident and related to the issuance and sale of "City of Hurst, Texas, General Obligation Refunding Bonds, Series 2016," including the adoption of Ordinance 2325, authorizing the issuance of such refunding bonds.

Supporting Documents:

Ordinance 2325

Meeting Date: 7/19/2016  
 Department: Fiscal Services  
 Reviewed by: Paul Brown  
 City Manager Review:

Background/Analysis:

The City's Bond Counsel, Norton Rose Fulbright, L.L.P, provided an Ordinance authorizing the issuance of General Obligation Refunding Bonds, Series 2016, in the amount of \$12.42 million. The Ordinance includes the approval and execution of a Paying Agent/Registrar Agreement, a Purchase Agreement, a Special Escrow Agreement, and the approval and distribution of a Preliminary Official Statement. With the refunding, the current debt with a higher interest rate will be retired and new bonds will be issued with a lower interest rate to achieve savings of approximately \$2.1 million. Additional savings are achieved by the City through strong credit ratings recently affirmed by Moody's and Standard & Poor's.

The City's financial advisor, First Southwest (FSW), a Division of Hilltop Securities, assisted the City in its selection of Robert W. Baird & Co. Incorporated as Senior Underwriter and BOSCO, Inc., as Co-Manager. The City expects favorable market pricing, and final pricing and issuance terms will be impacted by market conditions up to twenty-four (24) hours prior to the bond sale. FSW will present all final details including interest rates during the City Council meeting.

Funding and Sources:

Ad valorem taxes, Enterprise Fund revenues, Hurst Community Services Development Corporation Fund sales taxes, and Hotel/Motel Tax Fund hotel occupancy taxes will continue to fund the appropriate portions of the refunded debt.

Recommendation:

It is recommended that the City Council consider adoption of Ordinance 2325 with the following motion:

I move to adopt Ordinance 2325, authorizing the issuance of " City of Hurst, Texas, General Obligation Refunding Bonds, Series 2016"; providing for the redemption of the obligations being refunded; and approving and executing a Paying Agent/Registrar Agreement, Special Escrow Agreement, a Purchase Agreement, and the approval and distribution of a Preliminary Official Statement in relation to such bonds.

ORDINANCE NO. 2325

AN ORDINANCE authorizing the issuance of "CITY OF HURST, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016," specifying the terms and features of said bonds; levying a continuing direct annual ad valorem tax for the payment of said bonds; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement, a Bond Purchase Agreement and a Special Escrow Agreement, and the approval and distribution of an Official Statement pertaining thereto; and providing an effective date.

WHEREAS, the City Council (the "Council") of the City of Hurst, Texas (the "City"), has heretofore issued, sold and delivered, and there are currently outstanding obligations of the following issue, to wit: City of Hurst, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2008, dated August 1, 2008, scheduled to mature on August 15 in each of the years 2019 through 2038, inclusive, and aggregating in the principal amount of \$12,555,000 (the "Refunded Obligations");

WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the Council is authorized to issue refunding bonds and deposit the proceeds of the sale thereof directly with the place of payment for the Refunded Obligations, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the Council hereby finds and determines that the Refunded Obligations should be refunded at this time in order to achieve a savings of \$\_\_\_\_\_ in debt service payments on such indebtedness, and the refunding will further provide a net present value benefit to the City of \$\_\_\_\_\_; and

WHEREAS, the Council hereby finds and determines that the Refunded Obligations are scheduled to mature, or are subject to being redeemed, not more than twenty (20) years from the date of the refunding bonds herein authorized; now therefor

**BE ORDAINED BY THE CITY COUNCIL OF THE CITY OF HURST, TEXAS:**

**SECTION 1. Authorization - Designation - Principal Amount - Purpose.** General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_ to be designated and bear the title "CITY OF HURST, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016" (the "Bonds"), for the purpose of providing funds for (1) the discharge and final payment of certain outstanding obligations of the City (identified in the preamble hereof and referred to as the "Refunded Obligations") and (2) to pay the costs of issuance, all in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Chapter 1207 of the Texas Government Code, as amended.

**SECTION 2. Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates.** The Bonds shall be issued as fully registered obligations only, shall be dated July 15, 2016 (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall become

due and payable on August 15 in each of the years and in principal amounts (the “Stated Maturities”), and shall bear interest at the rate(s) per annum, in accordance with the following schedule:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2017	\$_____	_____%
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

The Bonds shall bear interest on the unpaid principal amounts from the date of delivery to the initial purchasers at the rate(s) per annum shown above in this Section (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 in each year until maturity or prior redemption, commencing February 15, 2017.

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

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its assigns (the “Paying Agent/Registrar”), to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange, and transfer of the Bonds (the “Security Register”) shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a “Paying/Agent Registrar Agreement,” substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and

regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary are authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged; and, any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice of the change to be sent to each Holder by United States Mail, first class postage prepaid; and, such notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds, shall be payable at the Stated Maturities or on a date of earlier redemption thereof only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). The Paying Agent/Registrar shall pay interest on the Bonds only to the Holder whose name appears in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall pay either by: (1) check sent by United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or (2) by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder at the Holder's risk and expense. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed; then, the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

#### **SECTION 4. Redemption.**

**(a) Optional Redemption.** The Bonds having Stated Maturities on and after August 15, 2027 shall be subject to redemption prior to maturity, at the option of the City on August 15, 2026, or any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar) at the redemption price of par, together with interest accrued to the redemption date.

**(b) Exercise of Redemption Option.** Not less than forty-five (45) days prior to an optional redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of: (1) the decision to redeem Bonds, (2) the principal amount of each Stated Maturity to be redeemed,

and (3) the date of redemption. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the City.

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

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

All notices of redemption shall: (1) specify the date of redemption for the Bonds, (2) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (3) state the redemption price, (4) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (5) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption, and has been called for redemption, and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the specified redemption date; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

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

**SECTION 5. Registration - Transfer - Exchange of Bonds - Predecessor Bonds.**

A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the City at the Designated Payment/Transfer Office of the Paying Agent/Registrar and at a place within the State of Texas, as provided herein and in accordance with the provisions of an agreement with the Paying Agent/Registrar and such rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Paying

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

Upon surrender for transfer of any Bond (other than the Initial Bond authorized in Section 8 hereof) at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds, executed on behalf of, and furnished by, the City of authorized denominations and of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

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

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

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

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions of this Section are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

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

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

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

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

**SECTION 7. Execution - Registration.** The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers and the seal of the City on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9C, manually executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9D, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

**SECTION 8. Initial Bond.** The Bonds herein authorized shall be initially issued as a single fully registered bond in the aggregate principal amount shown in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1. The initial bond (the “Initial Bond”) shall be registered in the name of the initial purchaser(s), or the designee thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial

purchaser(s). Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond and exchange it for definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the named Holders at the addresses identified for such purpose; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

**SECTION 9. Forms.**

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

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

The City may provide (i) for the issuance of one fully registered Bond for each Stated Maturity in the aggregate principal amount of each Stated Maturity and (ii) for the registration of such Bonds in the name of a securities depository, or the nominee thereof. While any Bond is registered in the name of a securities depository or its nominee, references herein and in the Bonds to the Holder or registered owner of such Bonds shall mean the securities depository or its nominee and shall not mean any other person.

**B. Form of Definitive Bonds.**

REGISTERED  
NO. R-\_\_\_\_\_

REGISTERED  
\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF HURST, TEXAS  
GENERAL OBLIGATION REFUNDING BOND  
SERIES 2016

Bond Date:  
July 15, 2016

Interest Rate:  
\_\_\_\_\_ %

Stated Maturity:  
August 15, 20\_\_

CUSIP No.:  
\_\_\_\_\_

Registered Owner:

Principal Amount:

The City of Hurst (the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the date of delivery to the initial purchasers) at the per annum rate of interest specified above computed on the basis of a 360-day year consisting of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2017, until maturity or prior redemption. Principal of this Bond shall be payable at its Stated Maturity or on a redemption date to the Registered Owner hereof upon presentation and surrender at the designated offices of the Paying Agent/Registrar executing the registration certificate appearing hereon, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$\_\_\_\_\_ to be designated and bear the title "CITY OF HURST, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016" (the "Bonds"), for the purpose of providing funds for (1) the discharge and final payment of certain outstanding obligations of the City (identified in the preamble hereof and referred to as the "Refunded Obligations") and (2) to pay the costs of issuance, all in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Bonds maturing on and after August 15, 2027, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying

Agent/Registrar), on August 15, 2026, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

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

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

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

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated

Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

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

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

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Bond Date.

CITY OF HURST, TEXAS

\_\_\_\_\_  
Mayor

COUNTERSIGNED:

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

(City Seal)

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

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER (   
 (   
 OF PUBLIC ACCOUNTS ( REGISTER NO. \_\_\_\_\_   
 (   
 THE STATE OF TEXAS (

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

WITNESS my signature and seal of office this \_\_\_\_\_.

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

(SEAL)

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

**REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR**

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

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

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., Dallas, Texas  
as Paying Agent/Registrar

Registered this date:

\_\_\_\_\_ By: \_\_\_\_\_  
Authorized Signature

**E. Form of Assignment.**

ASSIGNMENT

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

(Social Security or other identifying number: \_\_\_\_\_)  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept for registration thereof, with full power of  
substitution in the premises.

DATED: \_\_\_\_\_

Signature guaranteed:  
\_\_\_\_\_

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

**F. Form of Initial Bond.**

The Initial Bond shall be in the form set forth in subsection B of this Section except that  
the heading and paragraph one shall be amended to read as follows:

NO. T-1 \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF HURST, TEXAS  
GENERAL OBLIGATION REFUNDING BOND  
SERIES 2016

Bond Date: July 15, 2016

Registered Owner: ROBERT W. BAIRD & CO., INCORPORATED

Principal Amount: \_\_\_\_\_ MILLION \_\_\_ HUNDRED THOUSAND DOLLARS

The City of Hurst, Texas (the "City"), a body corporate and municipal corporation in the  
County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and

hereby promises to pay to the registered owner, or the registered assigns thereof, the Principal Amount hereinabove stated on August 15 in each of the years and in principal installments in accordance with the following schedule:

<u>STATED MATURITY</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
----------------------------	-----------------------------------	--------------------------

(Information to be inserted from schedule in Section 2 hereof)

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid Principal Amount hereof from the date of delivery to the initial purchasers at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2017, until maturity or prior redemption. Principal installments of this Bond are payable on the Stated Maturity dates or on a redemption date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon its presentation and surrender at its designated offices, initially in East Syracuse, New York, or, with respect to a successor paying agent/registrar, at the designated office of such successor (the "Designated Payment/Transfer Office"). Interest shall be payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding the interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

**SECTION 10. Levy of Taxes.** To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their payment at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special 2016 Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Manager, Managing Director of Finance and Accounting and City Secretary, any one or more of said officials of the City, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

**SECTION 11. Mutilated - Destroyed - Lost and Stolen Bonds.** In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (a) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (b) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

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

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

**SECTION 12. Satisfaction of Obligation of City.** If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants

that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or regulations adopted pursuant thereto.

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

The term “Government Securities,” as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

**SECTION 13. Ordinance a Contract - Amendments - Outstanding Bonds.** This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 23 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission in this Ordinance. Additionally, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding, the City may amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all the Holders of Outstanding Bonds no amendment, addition, or rescission shall: (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission

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

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

(2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and

(3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

**SECTION 14. Covenants to Maintain Tax-Exempt Status.**

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

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

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

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

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

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

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

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

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

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

**(b) Not to Cause Interest to Become Taxable.** The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition,

construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

**(c) No Private Use or Private Payments.** Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

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

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

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

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

(or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

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

**(g) Information Report.** The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

**(h) Rebate of Arbitrage Profits.** Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

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

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

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

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and

(3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

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

**(j) Bonds Not Hedge Bonds.**

(1) At the time the original bonds refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such obligations within three (3) years after such obligations were issued.

(2) Not more than 50% of the proceeds of the original obligations refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

**(k) Qualified Advance Refunding.** The Bonds are issued to refund the Refunded Obligations, and the Bonds will be issued more than 90 days before the redemption of the Refunded Obligations. The City represents as follows:

(1) The Bonds are the first advance refunding of the Refunded Obligations within the meaning of Section 149(d)(3) of the Code.

(2) The Refunded Obligations are being called for redemption, and will be redeemed not later than the earliest date on which such obligations may be redeemed and on which the City will realize present value debt service savings (determined without regard to administrative expenses) on the issue.

(3) The initial temporary period under Section 148(c) of the Code will end: (i) with respect to the proceeds of the Bonds, not later than 30 days after the date of issue of such Bonds; and (ii) with respect to proceeds of the Refunded Obligations, on the Closing Date if not ended prior thereto.

(4) On and after the date of issue of the Bonds, no proceeds of the Refunded Obligations will be invested in Nonpurpose Investments having a Yield in excess of the Yield on such Refunded Obligations.

(5) The Bonds are being issued for the purposes stated in the preamble of this Ordinance. There is a present value savings associated with the refunding. In the issuance of the Bonds the City has neither: (i) overburdened the tax-exempt bond market by issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than reasonably necessary to accomplish the governmental purposes for which the Bonds were issued; (ii) employed on "abusive arbitrage device" within the

meaning of Section 1.148-10(a) of the Regulations; nor (iii) employed a “device” to obtain a material financial advantage based on arbitrage, within the meaning of Section 149(d)(4) of the Code, apart from savings attributable to lower interest rates and reduced debt service payments in early years.

(l) **Elections.** The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager and Managing Director of Finance and Accounting, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

**SECTION 15. Sale of Bonds - Execution of Purchase Agreement - Official Statement Approval.** The Bonds authorized by this Ordinance are hereby sold by the City to Robert W. Baird & Co., Incorporated and BOSCO, Inc. (A subsidiary of BOK Financial Corporation) (herein referred to as the “Purchasers”) in accordance with the Purchase Agreement, dated July 19, 2016 (the “Purchase Agreement”), attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Ordinance for all purposes. The Mayor or Mayor Pro Tem is hereby authorized and directed to execute said Purchase Agreement for and on behalf of the City and as the act and deed of this Council, and in regard to the approval and execution of the Purchase Agreement, the Council hereby finds, determines and declares that the terms of the sale are in the best interests of the City and the representations, warranties and covenants of the City contained in the Purchase Agreement are true and correct in all material respects and shall be honored and performed by the City.

Furthermore, the use of the Preliminary Official Statement in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement reflecting the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Manager, Managing Director of Finance and Accounting and City Secretary, any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute said final Official Statement, dated July 19, 2016, in the offering, sale and delivery of the Bonds to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Purchasers, and such Official Statement in the final form and content manually executed by said officials shall be deemed to be approved by the Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

**SECTION 16. Control and Custody of Bonds.** The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

**SECTION 17. Proceeds of Sale.** Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Agreement. The proceeds of sale of the Bonds not so deposited with the Escrow Agent for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance, or deposited in the Interest and Sinking Fund for the Bonds. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be

deposited in the Interest and Sinking Fund as shall be determined by the City Council of the City.

**SECTION 18. Escrow Agreement Approval and Execution; Redemption of Refunded Obligations.**

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

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the Escrowed Securities referenced in the Escrow Agreement and their delivery to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the “CITY OF HURST, TEXAS, GENERAL OBLIGATION REFUNDING BONDS SERIES 2016 ESCROW FUND” (the “Escrow Fund”); all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, this Ordinance and the Escrow Agreement.

(b) The Refunded Obligations shall be redeemed and the same are hereby called for redemption on August 15, 2018, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to holders of the Refunded Obligations, with The Bank of New York Mellon Trust Company, N.A., in accordance with the redemption provisions applicable to such certificates of obligation; such suggested form of notice of redemption being attached hereto as **Exhibit D** and incorporated herein by reference as a part of this Ordinance for all purposes.

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

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

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

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

**SECTION 21. Legal Opinion.** The Purchaser's obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, approving the Bonds as to their validity, with said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with DTC.

**SECTION 22. CUSIP Numbers.** CUSIP numbers may be printed or typed on the definitive Bonds. However, it is expressly provided that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance and shall have no effect the legality of such bonds. Furthermore, neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

**SECTION 23. Continuing Disclosure Undertaking.**

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

(b) **Annual Reports.**

The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2016, financial information and operating data with respect to the City of the general type of information contained in Tables 1 through 6 and 8 through 15 in the Official Statement, and (2) within twelve months after the end of each fiscal year ending in or after 2016, audited financial statements of the City. Any financial statements so provided shall

be prepared in accordance with the accounting principles described in described in Appendix B to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet web site or filed with the SEC.

**(c) Notice of Certain Events.**

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

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

For these purposes, any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such

jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

**(d) Filings with the MSRB.**

All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

**(e) Limitations, Disclaimers, and Amendments.**

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

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds; and, nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the City does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects; nor does the City undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

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

**SECTION 24. Further Procedures.** Any one or more of the Mayor, Mayor Pro Tem, City Manager, Managing Director of Finance and Accounting and City Secretary 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 on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the City Manager, Mayor, Managing Director of Finance and Accounting or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

**SECTION 25. Benefits of Ordinance.** Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance. This Ordinance in its entirety is intended to be and is for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

**SECTION 26. Inconsistent Provisions.** All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict; and, the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

**SECTION 27. Governing Law.** This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 28. Effect of Headings.** The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

**SECTION 29. Construction of Terms.** If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

**SECTION 30. Severability.** If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid; and, the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

**SECTION 31. Incorporation of Findings and Determinations.** The findings and determinations of the Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

**SECTION 32. Public Meeting.** It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

**SECTION 33. Effective Date.** This Ordinance shall take effect and be in force from and after its passage and approval in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

*[remainder of page intentionally left blank]*

PASSED AND APPROVED, this July 19, 2016.

CITY OF HURST, TEXAS

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Mayor

ATTEST:

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City Secretary

(City Seal)

**EXHIBIT A**  
**PAYING AGENT/REGISTRAR AGREEMENT**

**EXHIBIT B**  
**PURCHASE AGREEMENT**

**EXHIBIT C**  
**SPECIAL ESCROW AGREEMENT**

## EXHIBIT D

### NOTICE OF REDEMPTION

CITY OF HURST, TEXAS  
TAX AND WATERWORKS AND SEWER SYSTEM (LIMITED PLEDGE) REVENUE  
CERTIFICATES OF OBLIGATION  
SERIES 2008

Dated August 1, 2008

NOTICE IS HEREBY GIVEN that the certificates of obligations of the above series maturing on and after August 15, 2019, and aggregating in the principal amount of \$12,555,000, have been called for redemption on August 15, 2018 at the redemption price of par and accrued interest to the date of redemption, such certificates of obligation being identified as follows:

<u>Year of Maturity</u>	<u>Principal Amount Outstanding (\$)</u>	<u>Principal Amount Being Refunded (\$)</u>	<u>CUSIP Number</u>
2019	510,000	510,000	
2020	535,000	535,000	
2021	565,000	565,000	
2022	585,000	585,000	
2023	610,000	610,000	
*****	*****	*****	
2025*	1,315,000	1,315,000	
*****	*****	*****	
2027*	1,445,000	1,445,000	
*****	*****	*****	
2030*	1,800,000	1,800,000	
*****	*****	*****	
2033*	1,720,000	1,720,000	
*****	*****	*****	
2036*	1,980,000	1,980,000	
*****	*****	*****	
2038*	1,490,000	1,490,000	

\* term certificates

The above-described certificates of obligation shall become due and payable on August 15, 2018, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said certificates of obligation shall be paid to the registered owners of the certificates of obligation only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at its designated offices at the following addresses:

<u>First Class/Registered/Certified</u>	<u>Express Delivery/Courier</u>	<u>By Hand Only</u>
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Pkwy. East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, NY 10286

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said obligations and pursuant to an ordinance by the City Council of the City of Hurst, Texas.

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

## **Future Event Calendar**

**July 19, 2016**

<b>DATE AND TIME</b>	<b>ACTIVITY</b>
Tuesday, July 19, 2016 5:00 p.m.	Special City Council Meeting Council Chambers
Tuesday, July 26, 2016	Canceled – City Council Meeting
Saturday, July 30, 2016 7:30 a.m.	City Council Multi-Year Financial Planning Meeting – Hurst Conference Center
Tuesday, August 9, 2016 6:30 p.m.	Regular City Council Meeting City Council Chambers
Tuesday, August 16, 2016 5:00 p.m.	City Council Work Session Hurst Conference Center
Tuesday, August 23, 2016 6:30 p.m.	Regular City Council Meeting City Council Chambers