I. Call to Order

II. Approval of Minutes from the August 23, 2021 Meeting.

III. Items for Action:
   a. Consideration of a resolution authorizing the issuance of Tax Increment Revenue Bonds, Series 2021; approving other documents necessary and relating to the issuance of the bonds; making certain findings and containing other provisions incident and related thereto.

IV. Executive Session
   Discussion of matters permitted by the following sections of V.T.C.A., Government Code, Chapter 551:
   a. Section 551.071, CONSULTATION WITH ATTORNEY
   b. Section 551.087, DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

V. Requests for Future Agenda Items

VI. Consideration of a Date for Next Meeting

VII. Adjourn
The TIRZ #5 Board of Arlington, Texas, convened in open session at 11:06 a.m., in the Council Briefing Room at Arlington City Hall, 101 West Abram, Arlington, Texas, notice of said meeting being posted as prescribed by Chapter 551, V.T.C.A., Government Code, with the following members present, to wit:

Members Present
Devan Allen, Tarrant County Commissioner
Susan Alanis, TCCD
Mark Hallman, JPS Health Network
Kevin McGlaun
Rebecca Boxall, City Council
Raul Gonzalez, City Council
Helen Moise, City Council
Jim Ross, Mayor

Members Absent
Linda Dipert

Others Present
Trey Yelverton, City Manager
Jim Parajon, City Deputy Manager
Bruce Payne, Economic Development
Brittany Sotelo, Economic Development
Molly Shortall, City Attorney’s Office
Lisa McMillan, Tarrant County
Natalie Moore, David Petit Economic Development
Ethan Klos, City of Arlington

I. Call to Order
Mayor Jim Ross called the meeting to order at 11:06 a.m. and stated that the purpose of the meeting was to conduct the following items of business:

II. Approval of Minutes
Approval of minutes from the June 22, 2021 meeting.

Helen Moise moved to approve the minutes from the June 22, 2021 meeting. Devan Allen seconded the motion. The motion carried (Ayes:8, Nays: 0).

III. Items for Action

a. Consideration of a resolution approving an Amended Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District
Devan Allen motioned to approve the resolution. Helen Moise seconded the motion. The motion carried (Ayes: 8, Nays: 0)

V. Executive Session
Discussion of matters permitted by Chapter 551 of V.T.C.A. Government Code:
Section 551.071, CONSULTATION WITH ATTORNEY
Section 551.087, DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Not held

VI. Comments from Citizens
None

VII. Requests for Future Agenda Items

VIII. Consideration of a Date for Next Meeting
N/A

IX. Adjourn
There being no further business, the meeting was adjourned at 11:19 a.m.

NOTE: Taped recordings and minutes of all Board meetings are a matter of public record and are kept on file in the City Manager’s Office, 101 W. Abram Street, Arlington, Texas. Any committee member or interested party has the right to review these tapes and minutes at the City Manager’s Office.
**TIRZ #5 Staff Report**

**Development and Reimbursement Agreement- Johnson Creek Linear Park**

TIRZ #5 Board Meeting Date: December 3, 2021  |  Document Being Considered: Resolution

**RECOMMENDATION**

Approve a resolution approving the adoption of a resolution authorizing the issuance of Tax Increment Revenue Bonds, Series 2021; approving other documents necessary and relating to the issuance of the bonds; making certain findings and containing other provisions incident and related thereto.

**PRIOR BOARD OR COUNCIL ACTION**

On December 19, 2006, City Council passed on second reading Ordinance No. 06-117 designating the TIRZ.

On June 5, 2007, City Council passed on second reading Ordinance No. 07-044 approving the Financing Plan and Project Plan for the TIRZ.

On October 30, 2018, City Council approved Minute Order No. 10302018-002 authorizing execution of a professional services contract with David Pettit Economic Development, LLC for consulting services to update the Project Plan and Financing Plan for the TIRZ.

On May 3, 2019, the Tax Increment Reinvestment Zone Number Five Board of Directors passed Resolution No. 19-01 approving an Amended Project Plan and Financing Plan for the TIRZ.

On May 21, 2019, City Council passed on second reading Ordinance No. 19-027, extending the term of the TIRZ until 2049.

On May 21, 2019, City Council passed on second reading Ordinance No. 19-028, approving an Amended Project Plan and Financing Plan for the TIRZ.

On December 17, 2019, the Tax Increment Reinvestment Zone Number Five Board of Directors passed Resolution No. 19-03 approving an Amended Project Plan and Financing Plan of the TIRZ.

On December 17, 2019, City Council approved second reading of Ordinance No. 19-066 extending the term of the TIRZ until 2052.

On January 14, 2020, City Council approved second reading of Ordinance No. 20-002 approving the Amended Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number Five.

On June 22, 2021, the TIRZ Board approved Resolution No. 21-03 approving a proposed Amended Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number Five,
City of Arlington, Texas to reflect changes in the development projections, the proposed Plan was not presented to City Council.

On August 23, 2021, the TIRZ Board approved Resolution No. 21-04 approving an Amended Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number Five – Entertainment District, City of Arlington, Texas to reflect changes in the percentages of participation by the various taxing entities and updates to the estimated project costs.

On September 7, 2021, following a public hearing, City Council approved Ordinance No. 21-045 approving an Amended Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number Five.

On November 30, 2021, City Council approved an ordinance authorizing the issuance and sale of the City of Arlington, Texas, Tax Increment Reinvestment Zone Revenue Bonds, Series 2021, not to exceed $9,975,000.

ANALYSIS
This resolution allows for the sale of bonds for the stated issuance. The authority granted to the authorized officer (City of Arlington City Manager or Director of Finance) expires in 180 days from the date of the Ordinance. The sale for the issuance is scheduled for December 8th. The proceeds of the issuance will be used on projects designated in the Amended Project and Financing Plan. Specifically, the proceeds are intended to be used to pay the remaining balance owed by the TIRZ for the Johnson Creek Project as authorized by the Development and Reimbursement Agreement and to cover the Phase 1 Site Improvements as outlined in the First Amended and Restated TIRZ 5 Economic Development Agreement. The Master Indenture of Trust and the First Supplement Indenture of Trust allows the City the right to sell bonds to finance the projects designated in the Amended Project and Financing Plan.

FINANCIAL IMPACT
The bonds are supported solely by the pledged increment of Tarrant County, Tarrant County Hospital District, and Tarrant County College District into the TIRZ.

ADDITIONAL INFORMATION
Attached: Resolution
Under separate cover: None.
Available in the City Secretary’s Office: None.

STAFF CONTACT(S)
Bruce C. Payne, CEcD, AICP
Economic Development Director
817-459-6114
bruce.payne@arlingtontx.gov
RESOLUTION OF REINVESTMENT ZONE NUMBER FIVE, CITY OF ARLINGTON, TEXAS, APPROVING THE ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF TAX INCREMENT REVENUE BONDS, SERIES 2021; APPROVING OTHER DOCUMENTS NECESSARY AND RELATING TO THE ISSUANCE OF THE BONDS; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS INCIDENT AND RELATED THERETO

WHEREAS, by Ordinance No. 06-117, adopted on December 19, 2007, the City of Arlington, Texas (the “City”) created Reinvestment Zone Number Five, City of Arlington, Texas (the “Zone”) pursuant to Chapter 311, Texas Tax Code (the “Act”); and

WHEREAS, on May 29, 2007, the Board of Directors of the Zone (the “Board”) adopted a financing plan and project plan for the Zone (the “Project and Financing Plan”), as required by Section 311.011(a) of the Act; and

WHEREAS, in accordance with Section 311.011(d) of the Act, on June 5, 2007, the City Council approved the Project and Financing Plan pursuant to Ordinance No. 07-044; and

WHEREAS, on May 21, 2019, the City Council passed on second reading Ordinance No. 19-027, extending the term of the Zone to 2049; and

WHEREAS, on December 17, 2019, following a public hearing, the City Council approved Ordinance No. 19-066 extending the term of the Zone until 2052; and

WHEREAS, on August 23, 2021 the Board approved an Amended Project Plan and Financing Plan for the Zone (the “Amended Plan”) to reflect changes in the percentage of participation by the various taxing entities and updates to the estimated project costs; and

WHEREAS on September 7, 2021, the City Council approved the Amended Plan by Ordinance No. 21-045; and

WHEREAS, by Ordinance adopted on November 30, 2021, the City approved an ordinance (the “Bond Ordinance”) that authorized and approved that certain Master Indenture of Trust dated November 15, 2021 between the City and the Bank of New York Mellon Trust Company, N.A. (the “Master Indenture”) which authorized the issuance of tax increment revenue obligations for the costs of projects authorized in the Amended Plan and at such meeting the City also approved that certain First Supplemental Indenture of Trust dated November 15, 2021 between the City and the Bank of New York Mellon Trust Company, N.A. (the “First Supplemental Indenture” and together with the Master Indenture, the “Indenture”) which authorized the issuance of the City’s Tax Increment Revenue Bonds, Series 2021 (Tax Increment Reinvestment Zone No. 5) (the “Bonds”) in the not to exceed amount of $11,000,000, to be secured by Tax Increments (as defined in the Indenture); and

WHEREAS, the City desires to issue and the Board desires to approve the issuance of the Bonds in a proposed principal amount not to exceed $11,000,000, which are expected to pay for, among other things, certain project costs as authorized in the Amended Plan;

Now, therefore,
BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER FIVE, CITY OF ARLINGTON, TEXAS THAT:

Section 1. Recitations. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the Board and made a part hereof for all purposes.

Section 2. Approval of Bond Ordinance. The Board hereby approves the City’s issuance of the Bonds pursuant to the Bond Ordinance, which was presented to the Board on the date hereof, and the Board hereby approves the Bond Ordinance and the issuance of the Bonds described therein.

Section 3. Approval and Authorization of Agreements. The Board hereby approves issuance of the Bonds and all reasonable agreements necessary in connection with the issuance of the Bonds, including without limitation the following: the Indenture, in substantially the form attached to the Bond Ordinance, the Preliminary Official Statement as authorized by the First Supplemental Indenture; and any and all other documents and agreements reasonable and necessary to issue the Bonds (collectively, the “Agreements”). The Board, by a majority vote of its members, at a regular meeting, hereby approves the form, terms, and provisions of the Agreements and authorizes the execution and delivery of the Agreements.

Section 4. Further Actions. The Chairman, Secretary, and the other officials of the Zone are hereby authorized, jointly and severally, to execute and deliver such certificates, documents, or papers necessary and advisable, and to take such actions as are necessary to carry out the intent and purposes of this Resolution and the Agreements.

Section 5. Severability. It is hereby declared to be the intention of the Board that the sections, paragraphs, sentences, clauses and phrases of this Resolution are severable and, if any phrase, clause, sentence, paragraph or section of this Resolution should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution, since the same would have been enacted by the Board without the incorporation in this Resolution of any such invalid phrase, clause, sentence, paragraph or section in conflict herewith are repealed to the extent of such conflict only.

Section 6. Repeal of Conflicting Resolutions. All Resolutions or parts thereof in conflict herewith are repealed to the extent of such conflict only.

[Signature Page Follows]
PASSED AND APPROVED this ___ day of _____, 2021.

______________________________________________
Chairman, Board of Directors

ATTEST:

______________________________________________
Secretary, Board of Directors
EXHIBIT A

Series 2021 City Bond Ordinance
AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND
SALE OF THE CITY OF ARLINGTON, TEXAS, TAX INCREMENT
REVENUE BONDS (TAX INCREMENT REINVESTMENT ZONE NUMBER
5); APPROVING AND AUTHORIZING A MASTER INDENTURE OF TRUST
AND A FIRST SUPPLEMENTAL INDENTURE OF TRUST; MAKING
FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH OBLIGATIONS;
AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Chapter 311, Texas Government Code, as amended (the “Act”) authorizes the
City of Arlington, Texas (the “City”), to issue its revenue bonds for the purpose of financing all or
a portion of the costs of public improvements to be constructed within or for the benefit of the City
of Arlington Tax Increment Reinvestment Zone No. 5 (the “TIRZ”); and

WHEREAS, the City proposes to issue obligations (the “Obligations”) for the purpose of
funding certain Project Costs (as defined in the Indenture) within and benefiting the TIRZ, such
obligations to be secured by and payable solely from the receipts from Tax Increments (as defined
in the Indenture), collected from within the TIRZ from the Participants (as defined in the Indenture)
and

WHEREAS, after the issuance of Obligations pursuant to the First Supplemental Indenture,
the City intends to issue one or more additional series of Obligations to further fund Project Costs
pursuant to additional supplemental indentures; and

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

NOW, THEREFORE BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF
ARLINGTON, TEXAS THAT:

Section 1. Findings. The findings and determinations set forth in the preamble hereof
are hereby incorporated by reference for all purposes as if set forth in full herein.

Section 2. Defined Terms. Capitalized terms not otherwise defined herein shall have
the meaning ascribed to in the Master Indenture or in the First Supplemental Indenture.

Section 3. Approval of Issuance of Obligations and Indentures of Trust. (a) The
issuance of obligations (the “Obligations”) for the purposes of providing funds for i) providing an
amount of funds that is sufficient to fund the Project Costs (as defined in the Indenture), as set
forth in the Indenture, (ii) to fund a portion of the Debt Service Reserve Requirement and/or
acquisition of a Debt Service Reserve Fund Policy, and (iii) to pay the costs of issuance relating
to each series of Obligations, is hereby authorized and approved.

(b) The Obligations shall be issued and secured under that certain City of Arlington
Master Indenture of Trust dated November 1, 2021 by and between the City and the Bank of New
York Mellon Trust Company, N.A. as trustee (the “Master Indenture”), and pursuant to
supplemental indentures for each series, as authorized by the Master Indenture. Such Master
Indenture is hereby approved in the substantially final form presented at this meeting, with such
changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Authorized Officer such approval to be evidenced conclusively by the execution and delivery of the Indenture. The Authorized Officer is hereby authorized and directed to execute the Master Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Authorized Officer.

(c) The City of Arlington Tax Increment Revenue Bonds, Series 2021 (City of Arlington Tax Increment Reinvestment Zone No. 5) (the “Series 2021 Bonds”) shall be issued and secured under the Master Indenture and under that certain first supplemental indenture of trust dated November 1, 2021 by and between the City and the Bank of New York Mellon Trust Company, N.A., as trustee (the “First Supplemental Indenture” and together, with the Master Indenture, the “Indentures”). The First Supplemental Indenture is hereby approved in the substantially final form presented at this meeting, with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Authorized Officer, such approval to be evidenced by the execution and delivery of the Indenture. The Authorized Officer is hereby authorized and directed to execute the First Supplemental Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Authorized Officer.

(d) The Obligations issued pursuant to the Master Indenture shall be dated, shall mature on the date or dates and in the principal amounts, shall bear interest, shall be issued as taxable or tax-exempt Obligations, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indentures. The Obligations shall be in substantially the form set forth in the Indentures with such insertions, omissions and modifications as may be required to conform the form of obligation to the actual terms of the Obligations. The Obligations shall be payable from and secured solely by the Tax Increments as and to the extent set forth in the Indentures, and other assets of the “Trust Estate” (as defined in the Indenture) pledged to such series, and shall never be payable from ad valorem taxes.

Section 4. Sale of Series 2021 Bonds. Obligations shall be sold pursuant to the provisions of supplemental indentures. The Series 2021 Bonds shall be sold to the Underwriters as set forth in the First Supplemental Indenture.

Section 5. Official Statement. The form and substance of the Preliminary Official Statement for the Series 2021 Bonds and any addenda, supplement or amendment thereto and the final Official Statement shall be approved in the First Supplemental Indenture. Official Statements for additional series of Obligations issued pursuant to the Master Indenture shall be approved in a supplemental indenture.

Section 6. Continuing Disclosure Agreement. The City shall provide continuing disclosure for the Series 2021 Bonds as set forth in the First Supplemental Indenture. Continuing disclosure agreement for additional series of Obligations issued pursuant to the Master Indenture shall be approved in a supplemental indenture.

Section 7. Additional Actions. The Authorized Officer and each other officer, employee and agent of the City are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Obligations, including the Series 2021 Bonds, in accordance with the terms of this
Ordinance. The Authorized Officer and each other officer, employee and agent of the City are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Obligations and the carrying out of the purposes and intent of this Ordinance. Further, in connection with the submission of the record of proceedings for each series of Obligations to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue checks of the City payable to the Attorney General of the State of Texas as nonrefundable examination fees in the amounts required by Chapter 1202, Texas Government Code (such amounts to be the lesser of (i) 1/10th of 1% of the principal amount of each series of Obligations or (ii) $9,500).

Section 8. **Effective Date.** This Ordinance shall take effect immediately upon its adoption by the City Council of the City.

FINALLY PASSED, APPROVED AND EFFECTIVE this November 30, 2021.

[Signature Page Follows]
BY:

___________________________
JIM ROSS, Mayor

ATTEST:

___________________________
ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:

___________________________
TERIS SOLIS, City Attorney
TAX INCREMENT REINVESTMENT ZONE NUMBER FIVE
MASTER INDENTURE OF TRUST

authorizing

CITY OF ARLINGTON, TEXAS
TAX INCREMENT REVENUE BONDS (CITY OF ARLINGTON TAX INCREMENT REINVESTMENT ZONE NO. 5)

By and Between
City of Arlington, Texas
And
The Bank of New York Mellon Trust Company, National Association
As Trustee

Dated November 15, 2021
TABLE OF CONTENTS

Page

Recitals .............................................................................................................................................1

ARTICLE I
DEFINITIONS, FINDINGS AND INTERPRETATIONS
Section 1.1. Short Title ................................................................................................................2
Section 1.2. Definitions................................................................................................................2
Section 1.3. Findings..................................................................................................................12
Section 1.4. Interpretation..........................................................................................................12

ARTICLE II
PURPOSES, PLEDGE AND SECURITY
Section 2.1. Purposes of Indenture, Contract with Owners, Trustee and Credit Providers ......13
Section 2.2. Pledge and Security; Assignment to Trustee .........................................................13
Section 2.3. Security Agreement ...............................................................................................14

ARTICLE III
AUTHORIZATION
Section 3.1. Authorization of Obligations .................................................................................15
Section 3.2. Authorization of Credit Agreements and Credit Agreement Obligations ..........15
Section 3.3. Conditions Precedent to Issuance of Obligations ..................................................16
Section 3.4. Other Encumbrances Prohibited ............................................................................16

ARTICLE IV
TERMS, PROVISIONS AND AUTHENTICATION OF OBLIGATIONS
Section 4.1. Form and Denominations........................................................................................16
Section 4.2. Title, Legends ........................................................................................................16
Section 4.3. Medium of Payment...............................................................................................17
Section 4.4. Obligation Terms ...................................................................................................17
Section 4.5. Appointment of Initial Paying Agent/Registrar .....................................................17
Section 4.6. Owner of the Obligation .........................................................................................18
Section 4.7. Execution and Authentication of Obligations ........................................................18
Section 4.8. Obligations in Certificated or Book-Entry-Only Form ............................................18
ARTICLE V
FUNDS AND ACCOUNTS; APPLICATION OF MONEYS

Section 5.1. Creation of Funds ................................................................. 19
Section 5.2. Pledged Revenue Fund ........................................................... 19
Section 5.3. Project Fund ......................................................................... 20
Section 5.4. Adjustments in Transfer Requirements ................................. 22
Section 5.5. Debt Service Fund ............................................................... 22
Section 5.6. Debt Service Reserve Fund .................................................... 23
Section 5.7. Restoration of Deficiencies ................................................... 24
Section 5.8. Surplus Fund ...................................................................... 24
Section 5.9. Redemption Fund ............................................................... 25
Section 5.10. ....................................................................................... Error! Bookmark not defined.
Section 5.11. Investment of Funds and Accounts .................................... 26
Section 5.12. Effect of Deposits With Trustee .......................................... 27
Section 5.13. Rebate Fund; Rebatable Arbitrage ...................................... 27

ARTICLE VI
GENERAL COVENANTS AND REPRESENTATIONS

Section 6.1. Representations as to Pledged Funds and Pledged Revenues..... 29
Section 6.2. Accounts, Periodic Reports and Certificates .......................... 29
Section 6.3. Payment of and Performance of Obligations .......................... 29
Section 6.4. Collection of Tax Increments ................................................ 29
Section 6.5. Amendment of Participant Agreements .................................. 30
Section 6.6. Termination of TIRZ Five ..................................................... 30
Section 6.7. General .............................................................................. 30
Section 6.8. City Appointment of TIRZ Board Members .......................... 30

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.1. Events of Default ............................................................... 30
Section 7.2. Remedies for Default .......................................................... 31
Section 7.3. Restriction on Owner’s Action .............................................. 32
Section 7.4. Application of Revenues and Other Moneys After Default .... 33
Section 7.5. Effect of Waiver................................................................. 35
Section 7.6. Evidence of Ownership of Obligations ................................. 35

ARTICLE VIII
AMENDMENTS OF INDENTURE

Section 8.1. Limitations on Modifications .............................................. 35
ARTICLE IX

DISCHARGE OF INDENTURE

Section 9.1. Discharge .................................................................38

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.1. Additional Obligations ................................................38
Section 10.2. Refunding Obligations ..................................................39
Section 10.3. Estimating Variable Rate Debt ........................................39
Section 10.4. Redemptions ...............................................................40
Section 10.5. Notices ......................................................................40
Section 10.6. Partial Invalidity ..........................................................40
Section 10.7. Conflicts ...................................................................40
Section 10.8. Governing Law ............................................................40

ARTICLE XI

CONCERNING THE TRUSTEE

Section 11.1. Appointment; Acceptance of Trust and Performance Thereof ........................................40
Section 11.2. Trustee May Rely upon Certain Documents and Opinions .............................................42
Section 11.3. Trustee Reliance on Electronic Means ..........................................................43
Section 11.4. Trustee Not Responsible for Indenture Statements, Validity ...........................................43
Section 11.5. Limits on Duties and Liabilities of Trustee .................................................................44
Section 11.6. Money Held in Trust ........................................................44
Section 11.7. Costs for Maintenance of Suit; Indemnification ............................................................44
Section 11.8. Intervention in Judicial Proceedings .............................................................................45
Section 11.9. Reports of Activities ......................................................45
Section 11.10. Compensation of Trustee ..........................................................................................45
Section 11.11. Trustee May Hold Obligations .................................................................................46
Section 11.12. Resignation of Trustee .............................................................................................46
Section 11.13. Removal of Trustee .................................................................................................46
Section 11.14. Appointment of Successor Trustee ...........................................................................47
Section 11.15. Merger of Trustee .................................................................................................47
Section 11.16. Transfer of Rights and Property to Successor Trustee ...............................................47
Section 11.17. Survival of Rights ..................................................................................................48
Section 11.18. Appointment of a Co-Trustee .............................................................................48

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Changes to Indenture .............................................................................................49
Section 13.2. Partial Invalidity .....................................................................................................49
Section 13.3. No Personal Liability .............................................................................................49
Section 13.4. Verification Regarding Israel Boycotts .................................................................49
Section 13.5. Sanctioned Countries Representations .................................................................50
Section 13.6. Verification Regarding Energy Company Boycotts ..............................................50
Section 13.7. Verification Regarding Firearm Entities and Firearm Trade Associations ..........51

Trustee’s Acceptance

Exhibit A – Payment Certificate
INDENTURE OF TRUST

This Master Indenture of Trust authorizing the City of Arlington, Texas Tax Increment Revenue Bonds (City of Arlington Tax Increment Reinvestment Zone No. 5) dated November 15, 2021 is by and between the City of Arlington, Texas (the “City”) and The Bank of New York Mellon Trust Company, National Association, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, Chapter 311, Texas Tax Code, as amended (the “Act”) authorizes the City of Arlington, Texas (the “City”), to issue its bonds or other obligations for the purpose of financing all or a portion of the costs of public improvements within the City of Arlington Tax Increment Reinvestment Zone No. 5 (the “TIRZ”); and

WHEREAS, the City has duly created the TIRZ pursuant to the provisions of the Act and has approved an amended project plan and financing plan (as amended, the “Project and Financing Plan”) for the TIRZ, which provides for the Tax Increment (defined herein) to be collected for the purpose of paying or reimbursing certain public improvement costs as set forth in the Project and Financing Plan; and

WHEREAS, the City intends to issue one or more series of bonds for the purpose of (i) paying or reimbursing a portion of the Project Costs (defined herein), such bonds to be secured by and payable solely from Tax Increment Revenues (defined herein), (ii) funding a debt service reserve fund and (iii) paying the costs of issuance of the Obligations (as defined herein); and

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

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Obligations by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the “Trust Estate”):

FIRST GRANTING CLAUSE

The Tax Increment Revenues, and all moneys and investments held in the Pledged Obligation Funds (as set forth herein), including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and
SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Obligations from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Obligations in accordance with their terms, and for the performance of and compliance with the obligations, covenants and conditions of this Indenture;

PROVIDED, HOWEVER, if the City or its assigns, shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Obligations at the times and in the manner stated in the Obligations, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be of no further force and effect; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Obligations issued and secured hereunder are to be issued, authenticated and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Obligations as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATIONS

Section 1.1. Short Title. This Indenture may hereafter be cited in other documents and without further description as the “City of Arlington Master Indenture” or the “Master Indenture” of the City.

Section 1.2. Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings:

“Act” means Chapter 31, Texas Tax Code, as amended.

“Additional Obligations” means Obligations issued in accordance with the terms and conditions provided in Section 10.1 hereof.
“Administrative Expenses” means the fees, expenses and indemnification liabilities payable to the Persons to whom fees and expenses incurred in connection with the Obligations and Credit Agreement Obligations issued hereunder are owed, including but not limited to the fees and expenses of the Paying Agent/Registrars, the Trustee, the Credit Providers, the rebate analyst, the remarketing agents, the tender agents, and the broker-dealers, and of which the City is given actual notice at least thirty (30) days prior to the due date thereof.

“Administrative Expenses Fund” means the fund by that name established pursuant to Section 5.1(a).

“Applicable Law” means the Act, the duly adopted home rule charter of the City, and all other laws or statutes, rules or regulations, and any amendments thereto, of the State or of the United States by which the City and its powers, securities (including the Obligations and the Credit Agreement Obligations authorized pursuant to Chapter 1371, Texas Government Code, as amended), operations and procedures are, or may be, governed or from which its powers may be derived.

“Authorized Officer” means (i) the City Manager of the City, (ii) a Deputy City Manager of the City designated by the City Manager of the City for such purpose, or (iii) the Director of Finance of the City.

“Average Annual Debt Service” means an amount which, at the time of computation, is derived by dividing the total amount of Debt Service to be paid over a period of years as the same is scheduled to become due and payable by the number of years taken into account in determining the total Debt Service, including any redemption premiums.

“Bond Counsel” means Bracewell LLP, or any other nationally recognized bond counsel law firm selected by the City.

“Bond Year” or “Fiscal Year” means the one year period beginning on October 1 in each year and ending on September 30 in the following year.

“Business Day” means any day other than a Saturday, Sunday or legal holiday or other day on which banking institutions in the City or in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are generally authorized or obligated by law or executive order to close.

“Capital Appreciation Obligations” means, collectively, the Obligations designated as Capital Appreciation Obligations in a Supplemental Indenture, if any, and with respect to which interest is accreted and compounded semiannually and is payable only at Maturity.

“Capitalized Interest Fund” means the fund by that name established pursuant to Section 5.1(a).

“Captured Appraised Value” shall mean, with respect to each Taxing Unit in each year, the total appraised value of real property taxable by the Taxing Unit and located in TIRZ Five for that year less the Tax Increment Base of the Taxing Unit.
“Certificate” means a document signed by an Authorized Officer, either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Indenture or a Supplemental Indenture.

“City” means the City of Arlington, Texas.

“City Council” means the governing body of the City, as determined by Applicable Law.

“Closing Date” means the date of initial delivery of a series of Obligations against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“College District” means the Tarrant County College District.

“College District Agreement” means that certain amended and restated Interlocal Agreement, dated November 11, 2021, as from time to time amended, by and between the City and the College District pursuant to which the College District has agreed to transfer a portion of its Tax Increment to the Tax Increment Fund.

“Costs of Issuance Account” means the Account by that name established in the City Project Fund.

“Credit Agreement” means (i) any agreement of the City entered into with a financial institution in connection with and for the purpose of (A) enhancing or supporting the creditworthiness of a series of Obligations or (B) providing liquidity with respect to Obligations which by their terms are subject to tender for purchase, and which, by its terms, creates a liability on the part of the City on a parity with the Obligations to which it relates, including a reserve fund policy, and (ii) a Swap Agreement. A determination by the City contained in a Supplemental Indenture that an agreement constitutes a Credit Agreement under this definition shall be conclusive as against all Owners.

“Credit Agreement Obligations” mean amounts payable by the City under and pursuant to a Credit Agreement other than amounts payable as an Administrative Expense.

“Credit Provider” means the issuer or provider of a Credit Agreement.

“County” shall mean Tarrant County, Texas.

“County Agreement” shall mean shall mean that certain amended and restated Interlocal Agreement, dated November 11, 2021, and as from time to time amended, by and between the City and the County pursuant to which the County has agreed to transfer a portion of its Tax Increment to the Tax Increment Fund.
“Current Interest Obligations” means, collectively, the Obligations designated as Current Interest Obligations in a Supplemental Indenture and with respect to which interest is payable on each Interest Payment Date.

“Debt Service” means (i) with respect to a series of Obligations, an amount equal to the Principal Installment, redemption premium, if any, and interest on such Obligations, (ii) with respect to a Credit Agreement other than a Swap Agreement, amounts payable as Credit Agreement Obligations, (iii) with respect to a Swap Agreement, regularly scheduled amounts payable by the City under a Swap Agreement, so long as the counterparty to such Swap Agreement is not in default, and (iv) a Termination Payment; provided, however, that payment of a Termination Payment and any Refunding Obligations issued for the purpose of paying a Termination Payment shall be subordinate to the payment of Debt Service described in (i), (ii) and (iii).

“Debt Service Fund” means the fund by that name established pursuant to Section 5.1(a).

“Debt Service Reserve Fund” means the account by that name established pursuant to Section 5.1(a).

“Debt Service Reserve Fund Policy” means any surety bond or insurance policy issued by a provider having a rating in the two highest generic rating categories (i.e., at least “AA-“or the equivalent) in effect at the time of issuance, issued to the City for the benefit of the Owners of the Obligations to satisfy any part of the Debt Service Reserve Requirement, as provided in Section 5.6(c) herein.

“Debt Service Reserve Requirement” means, with respect to Outstanding Obligations, Maximum Annual Debt Service on the Outstanding Obligations as of the date of issuance; provided, however, that the Debt Service Reserve Requirement shall be recalculated each year on a date determined by the City and as a result of a redemption conducted pursuant to the provisions of a Supplemental Indenture or the payment of principal due in a given year, the Debt Service Reserve Requirement may be reduced to the amount calculated above; provided, however, that such reduction of the Debt Service Reserve Requirement pursuant to such redemption, shall not reduce the amount on deposit in the Debt Service Reserve Fund below an amount equal to Maximum Annual Debt Service on the Outstanding Obligations.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, or such other location as may be designated by the Paying Agent/Registrar in connection with a series of Obligations, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“Event of Default” means the occurrence of any of the events or circumstances described as such in Section 7.1.

“Federal Tax Certificate” means the Federal Tax Certificate delivered on the Closing Date for a series of Obligations setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of such Obligations will be
used in a manner that would cause the interest on such Obligations to be included in the gross income of the Owners thereof.

“Fiscal Year” means the twelve consecutive month period established from time to time by the City as its fiscal year. Until changed by the City, the Fiscal Year shall be the period commencing October 1 and ending on the following September 30.

“Force Majeure” means any act of God or the public enemy; strike, lockout, work slowdown or stoppage or other labor dispute; insurrection, riot or other civil disturbance; order of the government of the United States or of any state thereof or order of any other civil or military authority; failure of a public utility; or other condition or event beyond the reasonable control of the City, other than a financial condition, business condition or condition or event constituting frustration of purpose.

"Hospital District" shall mean Tarrant County Hospital District.

"Hospital District Agreement" shall mean that certain amended and restated Interlocal Agreement, dated November 11, 2021, and as from time to time amended, by and between the City and the Hospital District pursuant to which the Hospital District has agreed to transfer a portion of its Tax Increment to the Tax Increment Fund.

“Indenture” means this Master Indenture of Trust as it may be, from time to time, amended, modified or supplemented by Supplemental Indentures, or by amendment in accordance with Article VIII.

“Interest Payment Date” means the date or dates on which interest on Obligations or Credit Agreement Obligations is payable, as said date or dates are specified in a Supplemental Indenture.

“Investment Securities” mean any and all of the authorized investments described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, provided that such investments are at the time made included in and authorized by the City’s official investment policy approved by the City Council from time to time and are not prohibited by a Credit Agreement or Supplemental Indenture.

“Letter of Instructions” means a written letter of instructions addressed to the Trustee and signed by an Authorized Officer.

“Maturity” means the date on which the principal of the Current Interest Obligations and the Maturity Amount of the Capital Appreciation Obligations become due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“Maturity Amount” means, with respect to the Capital Appreciation Obligations, the original principal amount thereof plus the initial premium, if any, paid therefor, plus interest accreted and compounded thereon, as set forth in a Supplemental Indenture, and payable at Maturity.
“Maximum Annual Debt Service” means an amount which, at the time of computation, is the maximum amount of Debt Service due on the specified Outstanding Obligations in any future fiscal year.

“Maximum Interest Rate” means, with respect to any particular Variable Interest Rate Obligation or Credit Agreement Obligation bearing a Variable Interest Rate, a numerical or other statement of the rate of interest, which shall be set forth in the Supplemental indenture authorizing such Obligation, or in a related Credit Agreement with respect to such Credit Agreement Obligation, in each case being the maximum rate of interest such Obligation or Credit Agreement Obligation may bear at a single time or over the period during which they are Outstanding or unpaid, but in no event exceeding the maximum amount or rate of interest permitted by Applicable Law.

“Minimum Interest Rate” means, with respect to any particular Variable Interest Rate Obligation or Credit Agreement Obligation bearing a Variable Interest Rate, a numerical rate of interest which may (but need not) be set forth in the Supplemental Indenture authorizing such Obligation or Credit Agreement with respect to such Credit Agreement Obligation, that shall be the minimum rate of interest such Obligation or Credit Agreement Obligation will at any time bear.

“MSRB” means the Municipal Securities Rulemaking Board.

“Net Bond Proceeds” means the aggregate net proceeds of the Obligations (excluding any proceeds of Obligations issued to refund Obligations issued pursuant to this Indenture), net of financing costs, expenses, capitalized interest, if any, reserve funds or other deposits.

“Obligation Register” means, as to each series of Obligations, the register or registers maintained pursuant to Section 4.5.

“Obligations” mean any evidence of indebtedness, other than Credit Agreement Obligations, issued under and pursuant to this Indenture and a Supplemental Indenture, including Taxable Obligations and Tax-Exempt Obligations.

“Ordinance” means Ordinance No. _____ dated __________ approving this Indenture and authorizing the issuance of Obligations.

“Outstanding” when used with reference to Obligations, including Obligations acquired by a Credit Provider with the proceeds of a Credit Agreement, means, as of any date, Obligations theretofore or thereupon being authenticated and delivered under this Indenture or a Supplemental Indenture except:

(i) Obligations which have been fully paid at or prior to their maturity or on or prior to a redemption date;

(ii) Obligations (or portions thereof) for the payment of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption, shall be held by the Trustee or a Paying Agent/Registrar in cash in trust under Sections 5.10 or 9.1 of this Indenture and set aside for payment at maturity or redemption
on a redemption date and for which notice of redemption has been given or provision has been made therefor;

(iii) Obligations in lieu of or in substitution for which other Obligations have been authenticated and delivered pursuant to this Indenture or a Supplemental Indenture; and

(iv) Obligations for which payment has been provided by defeasance in accordance with Section 9.1.

“Outstanding Obligations” means any Outstanding Obligations issued pursuant to this Indenture that are secured by and payable from a first and senior lien on and pledge of the Pledged Revenues and are further secured by the Pledged Funds, as applicable.

“Owner” means the registered owner of an Obligation according to an Obligation Register.

“Paying Agent/Registrar” means, unless otherwise specified in a Supplemental Indenture with respect to a series of Obligations, initially the Trustee and any successor paying agent/registrar for Obligations appointed pursuant to this Indenture or a Supplemental Indenture and its successor or successors.

“Paying Agent/Registrar Agreement” means a Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar pertaining to one or more series of Obligations.

“Payment Certificate” means the certificate, received by the Trustee and approved by the City for the payment or reimbursement of invoices relating to the Project Costs as set forth in Exhibit A attached hereto.

“Participants” means the Tarrant County Hospital District, the Tarrant County College District and Tarrant County.

"Participant Agreement" shall mean, collectively, the Hospital District Agreement, the College District Agreement, and the County Agreement, and any other contracts heretofore or from time to time hereafter entered into between the City and the Participants, containing provisions with respect to the payment by Participants of Tax Increments.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Pledged Funds” mean, collectively, (a) amounts on deposit in (i) the Pledged Revenue Fund, (ii) the Debt Service Fund, (iii) the Debt Service Reserve Fund, (iv) the Surplus Fund and (v) the Redemption Fund, and (b) any Investment Securities or other investments or earnings belonging to any of the accounts and subaccounts identified in clause (a) above, and not required to be used for the other purposes permitted by the Act and this Indenture, and (c) any additional funds, accounts, revenues, or other moneys or funds of the City which hereafter may be, by Supplemental Indenture, expressly and specifically pledged to the payment of all, but not less than all, of the Outstanding Obligations.
“Pledged Revenues” means:

(i) The Tax Increments and all of the City's right, title and interest thereto under the Participant Agreements.

(ii) All moneys deposited or required to be deposited in the Pledged Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Redemption Fund and the Project Fund held by the Trustee pursuant to the provisions of this Indenture and all interest earnings and investment income therefrom, other than any amount required to be rebated to the United States under Section 148(t) of the Code and deposited to Rebate Fund.

(iii) Any and all property of every kind and nature (including without limitation, cash, obligations or securities) which may from time to time hereafter be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted, or delivered to or deposited with, the Trustee as additional security hereunder by the City, or anyone on behalf of the City, or which pursuant to any of the provisions hereof may come into the possession or control of the Trustee as security hereunder, or of a receiver lawfully appointed hereunder, all of which property the Trustee is authorized to receive, hold and apply according to the terms hereof.

“Pricing Certificate” means a certificate or certificates to be signed by an Authorized Officer in connection with the issuance of Obligation pursuant to a Supplemental Indenture.

“Principal Installment” means, with respect to Obligations or a series of Obligations, any amounts, including any Sinking Fund Installments, which are stated to be due or required to be made on or with respect to an Obligation or series of Obligations, which, when made, would reduce the amount of the Obligation or series of Obligations that remain Outstanding or would retire and pay the same in full.

“Principal Payment Date” means the date or dates upon which Principal Installments are due as specified in a Supplemental Indenture.

“Project Costs” means the project costs identified in the Project and Financing Plan as authorized by the TIRZ Act.

“Project Cost Cap” means an amount equal to $71,500,000 which a maximum amount of $49,500,000 can be funded from the proceeds of Obligations.

“Project and Financing Plan” means the final amended Project Plan and Reinvestment Zone Financing Plan for TIRZ Five adopted by the Board of Directors of TIRZ Five on August 23, 2021 and approved by the City Council by Ordinance No. 21-045 on September 7, 2021 as amended from time to time.

“Rebatable Arbitrage” means rebatable arbitrage as defined in Section 1.148-3 of the Regulations.

“Rebate Fund” means the fund by that name established pursuant to Section 5.13.
“Redemption Price” means, with respect to any Obligation, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof, plus accreted interest, if any pursuant to the terms of such Obligation or its authorizing Supplemental Indenture.

“Refunding Obligations” mean one or more series of bonds or other evidences of indebtedness issued by the City for the purpose of (i) refunding Outstanding Obligations or Credit Agreement Obligations or (ii) providing for the payment of amounts described in Section 10.2(b) pertaining to the termination of a Swap Agreement.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Reimbursement Obligation” means the annual payment of Tax Increment due pursuant to that certain Economic Development Performance Agreement dated February 20, 2020, as amended by that certain First Amendment to the Economic Development Performance Agreement, dated March 10, 2020, that certain Second Amendment to the Economic Development Performance Agreement, dated May 26, 2020, and that certain Third Amendment to Economic Development Performance Agreement, dated June 2, 2021, by and among TIRZ Five, the City and Arlington Convention Center JV, LLC, as assigned by Arlington Convention Center JV, LLC to Arlington Convention Center Hotel Owner, LLC and Arlington Convention Center Parking Owner, LLC pursuant to that certain Assignment and Assumption Agreement, dated June 2, 2021.

“Revenue Fund” means the account by that name established pursuant to Section 5.1(a).

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

“Sinking Fund Installment” means, with respect to any series of Obligations, the amount of money required by a Supplemental Indenture to be deposited to the Debt Service Fund in all events by the City on a future date to be held on deposit or applied, in either case, for the mandatory redemption or retirement, in whole or in part, of any Outstanding Obligations of said series having a stated maturity after said future date. Said future date is deemed to be the date when such Sinking Fund Installment is due and payable.

“State” means the State of Texas.

“Stated Maturity” means the date on which a principal amount of Obligations is stated to mature.

“Supplemental Indenture” means any Indenture of the City supplementing this Indenture for the purpose of authorizing and providing the terms and provisions of the Obligations, or supplementing or amending this Indenture for any of the other purposes permitted by Article VIII.

“Subordinate Lien Obligations” means any bonds, notes or other obligations, including contractual obligations incurred by TIRZ Five in accordance with the terms of the Project and Financing Plan, secured in whole or in part by liens on the Pledged Revenues that are junior and subordinate to the lien on the Pledged Revenues securing payment of the Tax Increment Revenue Obligations.
“Swap Agreement” means a Credit Agreement with respect to a series of Obligations pursuant to which the City, with the consent of the Credit Provider, if any, for the related series of Obligations, has entered into an interest rate exchange agreement or other interest rate hedge agreement for the purpose of converting in whole or in part the City’s fixed or variable interest rate liability on all or a portion of the Obligations to a fixed or variable rate liability (including converting a variable rate liability to a different variable rate liability). For the purpose of this definition, a counterparty is not qualified unless it holds, on the date of execution of a Swap Agreement, a current rating by at least two of the following three rating agencies: Moody’s Investor Services, Inc., and by S&P Global Ratings, a Division of Standard & Poor’s Financial Services LLC, and by Fitch Ratings, or their respective successors, at least equal to the rating of each such rating agency assigned to the Obligations without reference to any Credit Agreement.

“Taxable Obligations” means Obligations issued hereunder the interest on which is not excludable from the gross income of the Owners thereof for federal income tax purposes.

“Tax-Exempt Obligations” means Obligations issued hereunder with respect to which Bond Counsel has issued an opinion to the effect that the interest thereon is excludable from the gross income of the Owners thereof for federal income tax purposes.

“Tax Increment Base” shall mean the total appraised value of property in TIRZ Five as of January 1, 2001, such amount equal to $704,406,197 for the County and the Hospital District and $704,420,197 for the College District, plus the total appraised value of real property taxable by a Taxing Unit and annexed into TIRZ Five as determined on January 1 of the year in which such property was annexed into TIRZ Five.

“Tax Increments” shall mean, with respect to each Taxing Unit in each year, the amount of property taxes levied by the Taxing Unit for that year on the Captured Appraised Value of real property taxable by the Taxing Unit and located in TIRZ Five that are deposited to the Tax Increment Fund.

“Tax Increment Revenue” shall mean the total of all Tax Increments received by the City.

“Tax Increment Revenue Obligations” shall mean one or more series of bonds issued by the City pursuant to this Indenture, and in accordance with the terms of the Project and Financing Plan that the City with a parity lien on the Tax Increment Revenue.

“Tax Increment Fund” shall mean the City's TIRZ Five Tax Increment Fund created and maintained in accordance with the Creation Ordinance and the TIRZ Act.

“Taxing Unit” shall mean each Participant.

“TIRZ Act” shall mean Chapter 311, Texas Tax Code, as amended.

“TIRZ Five” shall mean Reinvestment Zone Number Five, City of Arlington, Texas, as enlarged from time to time.

“Termination Payment” means an amount owed by the City to a counterparty pursuant to a Swap Agreement incurred in connection with the termination of such Swap Agreement and
which, on the date of execution of the Swap Agreement, is not an amount representing a regularly scheduled payment thereunder.

“Trustee” means initially The Bank of New York Mellon Trust Company, National Association, or any successor thereto appointed in accordance with this Indenture at the time serving as Trustee hereunder.

“Variable Interest Rate” means an interest rate borne by Obligations or Credit Agreement Obligations that is reset from time to time as prescribed in a Supplemental Indenture or a Credit Agreement.

“Variable Interest Rate Obligations” means Obligations which bear a Variable Interest Rate.

Section 1.3. Findings. (a) The declarations, determinations and findings declared, made and found in the preambles to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

(b) The City Council further finds and declares that the meeting at which this Indenture was 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, as amended.

Section 1.4. Interpretation. (a) In this Indenture, unless the context otherwise requires:

(i) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Indenture;

(ii) Unless the context dictates otherwise, the terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Indenture, refer to this Indenture, and the term “hereafter” means after, and the term “heretofore” means before, the date of this Indenture;

(iii) Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa;

(iv) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons; and

(v) Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.
(b) Nothing in this Indenture is intended or shall be construed to confer upon, or to give to, any person, other than the City, the Owners, and any Credit Provider, any right, remedy or claim under or by reason of this Indenture or any covenant or provision hereof.

(c) If any one or more of the covenants, provisions or agreements contained herein should be contrary to law, then such covenants, provisions or agreements shall be deemed separable from the remaining covenants, provisions and agreements hereof, and shall in no way affect the validity of the remaining covenants, provisions or agreements contained in this Indenture.

ARTICLE II
PURPOSES, PLEDGE AND SECURITY

Section 2.1. Purposes of Indenture, Contract with Owners, Trustee and Credit Providers. (a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the issuance, execution and delivery of, the Obligations and the Credit Agreement Obligations and to prescribe the general rights of the Owners, the City, the Trustee, and the Credit Providers in relation thereto.

(b) In consideration of the purchase and acceptance of any or all of the Obligations by those who shall purchase and hold the same from time to time, and in consideration of the execution of Credit Agreements by Credit Providers, the provisions of this Indenture shall be a part of the contract of the City with the Owners and such Credit Providers, and shall be deemed to be and shall constitute a contract among the City, the Owners, the Trustee and the Credit Providers.

Section 2.2. Pledge and Security; Assignment to Trustee. (a) The City hereby irrevocably pledges to the payment of the Obligations and Credit Agreement Obligations incurred in connection with Obligations (i) the Pledged Revenues, such pledge being specifically made to (A) the payment of Debt Service on all Obligations which are or may be Outstanding from time to time, (B) the payment of Debt Service on all Credit Agreement Obligations incurred in connection with Obligations, and (C) the establishment and maintenance of any other special trust funds or accounts which are ordered to be created by a Supplemental Indenture, at the times and for the periods and purposes provided in a Supplemental Indenture, in this Indenture, and in any Credit Agreement.

(b) The provisions, covenants, pledge and lien on and against the Pledged Revenues, on the basis, and in the manner as herein set forth, are established and shall be for the equal benefit, protection and security of the Owners of Obligations, but solely as their rights and interests may appear according to the lien thereon, the Credit Providers, and the Persons to whom Administrative Expenses are owed, due and payable, without distinction as to priority and rights under this Indenture.

(c) The Obligations, including interest payable thereon, all Credit Agreement Obligations, and all Administrative Expenses shall constitute special obligations of the City, payable solely from, and secured solely by a pledge of and lien on, the Pledged Revenues and the Pledged Funds, as applicable, and not from any other revenues, properties or income of the City.
It is provided, however, that the City, in a Supplemental Indenture, may set aside revenues or money of the City that do not constitute Pledged Revenues as additional security for and in favor of less than all of the Obligations that are Outstanding from time to time under this Indenture. Obligations, Credit Agreement Obligations, and Administrative Expenses shall not constitute debts or obligations of the State or of the City, except to the extent provided in this Indenture or a Supplemental Indenture, and the Owners, the Credit Providers, and Persons to whom Administrative Expenses are owed shall never have the right to demand payment out of any funds raised or to be raised by any system of ad valorem taxation.

(d) For the purpose of further supporting the pledge and lien herein created, the City hereby GRANTS, CONVEYS, PLEDGES, TRANSFERS, SETS OVER and ASSIGNS to the Trustee all of the Pledged Revenues, in trust for the benefit of the Owners and the Credit Providers in each case as their rights and interests may appear. It is provided, however, that the Pledged Revenues shall be received, deposited, held, used and applied strictly in accordance with and subject to the terms and provisions of this Indenture and all Supplemental Indentures.

(e) The City hereby irrevocably appoints the Trustee as its lawful agent and attorney-in-fact, for the purpose of performing those duties which consist of receiving the Pledged Revenues. The power of attorney herein conferred and the agency herein created is granted for valuable consideration and is irrevocable for so long as all or any part of the Obligations remain Outstanding, or any Credit Agreement Obligations or Administrative Expenses remain unpaid. In addition, it is intended that the power of attorney herein conferred be coupled with an interest, and in furtherance thereof the City and the Trustee confirm their specific, present and co-existing interest in the Pledged Revenues.

(f) As required by Section 5.2(a), (b) and (c), the City shall cause all amounts received representing Pledged Revenues to be transferred to the Trustee for deposit as and to the extent set forth in Section 5.2. The City shall cause amounts representing Pledged Revenues to be transferred to the Trustee five (5) Business Days following receipt thereof by the City from the Participants.

Section 2.3. Security Agreement. (a) This Indenture, certified and delivered to and accepted by the Trustee, is and shall continuously be and constitute a security agreement establishing a first lien and security interest in the Pledged Revenues pursuant to Applicable Law, with the Trustee as the secured party. The grants, assignments, lien, pledge and security interest of the Trustee created herein on and against the Pledged Revenues, and Pledged Funds, as applicable, shall become effective immediately upon and from the time of payment for and delivery of each series of Obligations and the same shall be continuously effective for so long as any Obligations are Outstanding, or any Credit Agreement Obligations or Administrative Expenses are unpaid.

(b) Such grants, assignments, lien, pledge and security interest shall be fully effective as to Pledged Revenues, and Pledged Funds on hand, and all Pledged Revenues shall be subject thereto on and as of the day or date on which they are owed to or collected by any party for the account of the City.

(c) The City shall keep a full and complete copy of this Indenture, of each Supplemental Indenture, and their authorizing proceedings at all times among the permanent
records of the City. Such records shall be open for inspection to any member of the general public and to any individual, firm, corporation, governmental entity or other person proposing to do or doing business with, or having or asserting claims against the City, at all times during regular business hours.

(d) The provisions and filings required by subsections (a), (b) and (c) of this Section are included, provided, required and made herein pursuant to the requirements of, and with the effect stated in, Chapters 1201 and 1208, Texas Government Code, as amended. Should any other Applicable Law, in the opinion of counsel to the City, ever require filings additional to the filing required by subsection (c) of this Section in order to preserve and protect the priority of the grants, assignments, lien, pledge and security interest created herein as to all Obligations and Credit Agreement Obligations, then the City shall diligently and regularly make such filings to the extent required by law to accomplish such result.

ARTICLE III
AUTHORIZATION

Section 3.1. Authorization of Obligations. (a) There are hereby authorized to be issued and secured hereunder from time to time, pursuant to one or more Supplemental Indentures, in one more or more series or subseries, Obligations for the purpose of (i) providing an amount of funds that is sufficient to fund the Project Costs, (ii) funding debt service reserves and capitalized interest, (iii) refunding any Outstanding Obligations, and (iv) paying the costs of issuance relating to each series of Obligations. The Obligations shall be issued for the purposes above or for such other purposes described in the Supplemental Indentures pursuant to which Obligations are issued. No Obligations shall be issued under this Indenture unless they are part of an issue described in a Supplemental Indenture and until the conditions contained in Section 3.3 have been satisfied.

(b) The terms and provisions of each series of Obligations shall be set forth in a Supplemental Indenture authorizing the issuance of such series of Obligations.

(c) Obligations may be issued as taxable or tax-exempt, as set forth in a Supplemental Indenture authorizing the issuance of such Obligations.

Section 3.2. Authorization of Credit Agreements and Credit Agreement Obligations. The execution and delivery of Credit Agreements and the creation of Credit Agreement Obligations relating to a series of Obligations under and pursuant to this Indenture are hereby authorized. The authorization of a Credit Agreement and Credit Agreement Obligations setting forth the terms and provisions of such Credit Agreement and Credit Agreement Obligations pertaining to a series of Obligations may be authorized pursuant to a Supplemental Indenture delivered to the Trustee. Each Credit Agreement shall be submitted to the Attorney General of the State of Texas for approval to the extent required by and in accordance with the provisions of Chapter 1371, Texas Government Code. Any Credit Agreement Obligation related to a Credit Agreement executed and delivered pursuant to the authority granted in this Section 3.2 shall be secured by and payable solely as provided in this Indenture.
Section 3.3. **Conditions Precedent to Issuance of Obligations.** Each series of Obligations shall be issued and delivered only upon delivery to the Trustee of the following:

(a) Certified copy of a Supplemental Indenture authorizing the issuance thereof and specifying the terms and provisions of such Obligations as required by this Indenture;

(b) If applicable, delivery of a Credit Agreement in connection with the issuance of the Obligations;

(c) Written consent of any Credit Provider to the extent required by a Credit Agreement;

(d) Certificate of the City stating that (i) all conditions precedent to the issuance of the Obligations specified in this Indenture and in any Supplemental Indenture have been satisfied, and (ii) the City is not in default in any covenant, representation, warranty or provisions of this Indenture or of any Supplemental Indenture unless such default will be cured by the issuance of the proposed Obligations;

(e) A Letter of Instructions executed by an Authorized Officer of the City directing the application of the proceeds of the Obligations; and

(f) Such certificates, instruction letters and opinions of counsel as may be required under a bond purchase contract or Credit Agreement.

Section 3.4. **Other Encumbrances Prohibited.** Except for the pledge of the Pledged Revenues and the Pledged Funds to the payment of the Obligations and Credit Agreement Obligations, and subject to the terms of Section 5.5, the Pledged Revenues and the Pledged Funds shall not be pledged or encumbered to or for the payment of any other obligation or liability of the City.

**ARTICLE IV**

**TERMS, PROVISIONS AND AUTHENTICATION OF OBLIGATIONS**

Section 4.1. **Form and Denominations.** Subject to the provisions of any Supplemental Indenture, Obligations and related Credit Agreements may be issued and executed in any form and manner permitted by Applicable Law and this Indenture. The form of the Obligations shall be substantially in the form set forth in or provided for in a Supplemental Indenture.

Section 4.2. **Title, Legends.** Each Obligation shall be entitled as specified in a Supplemental Indenture and may, in addition, contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture or any Supplemental Indenture as may be necessary or desirable to comply with Applicable Law or custom or otherwise as may be determined by the City Council prior to the delivery thereof. All Obligations of a series or subseries shall bear such further designation or designations, added to or incorporated in their title, as may be necessary to distinguish them from the Obligations of every other series or subseries. Obligations shall be lettered or otherwise differentiated so as to distinguish each series or subseries.
Section 4.3. **Medium of Payment.** The Debt Service on the Obligations and the Credit Agreement Obligations shall be payable in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts.

Section 4.4. **Obligation Terms.** (a) Subject to the provisions hereof, Obligations shall be dated, shall mature and be payable on such dates and in such years and amounts, shall bear interest at the rate or rates and in the manner, shall be subject to redemption on such terms and conditions as shall be specified in the Supplemental Indenture authorizing their issuance.

(b) Obligations may be issued as Current Interest Obligations and Capital Appreciation Obligations with the Interest Payment Dates and Maturity Amounts as set forth in a Supplemental Indenture.

(c) The method of computing a Variable Interest Rate shall be specified in the Supplemental Indenture authorizing a series of Variable Interest Rate Obligations and shall be calculated and determined in any manner permitted by Applicable Law. The method may include periods during which a rate may be fixed and be subject to change from time to time; provided, however, such Variable Interest Rate shall be subject to a Maximum Interest Rate and may be subject to a Minimum Interest Rate. An initial rate may be specified. The Supplemental Indenture may contain such other details as may be permitted by Applicable Law.

Section 4.5. **Appointment of Initial Paying Agent/Registrar.** (a) The Trustee is hereby appointed as the initial Paying Agent/Registrar for the Obligations. The City may appoint a different Paying Agent/Registrar with respect to one or more series of Obligations. At all times while any Obligations are outstanding, the City will maintain a Paying Agent/Registrar with respect to each series of Obligations that is qualified under this Indenture. If the Trustee is not the Paying Agent/Registrar with respect to a series of Obligations, the City Manager is hereby authorized and directed to execute a Paying Agent/Registrar Agreement with each Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar.

(b) Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas or the United States, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Obligations.

(c) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Obligations.

(d) The City, upon not less than sixty (60) days’ notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Obligations.
(e) Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Obligation Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

(f) By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Indenture and the Supplemental Indentures pursuant to which the Obligations are issued and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

(g) If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Obligation Register (or a copy thereof) and all other pertinent books and records relating to the Obligations to the successor Paying Agent/Registrar.

Section 4.6. Owner of the Obligation. The City and each Paying Agent/Registrar may deem and treat the person in whose name any Obligation shall be registered as the absolute owner of such Obligation, whether such Obligation shall be overdue or not, for the purpose of receiving payment of or on account of, the principal, Maturity Amount (if applicable) and Redemption Price, if any, of, and interest on, such Obligation and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such obligation to the extent of the sum or sums so paid, and neither the City, nor any Paying Agent/Registrar shall be affected by a notice to the contrary.

Section 4.7. Execution and Authentication of Obligations. (a) Each Obligation shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City and the City’s official seal shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the City Secretary of the City.

(b) In case any officer who shall have executed any of the Obligations shall cease to be such officer before the Obligations so signed or attested shall have been authenticated and delivered, such Obligations may nevertheless be authenticated and delivered as if the person who so signed or attested such Obligations had not ceased to be such officer. Any Obligation may be signed or attested on behalf of the City by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Obligation such person may not have held such office.

(c) Obligations shall be authenticated in the manner specified in the Supplemental Indenture authorizing the issuance thereof.

Section 4.8. Obligations in Certificated or Book-Entry-Only Form. The Obligations shall be issued in fully registered form, and may be issued in Book-Entry-Only form or certificated form, as specified in the Supplemental Indenture authorizing the issuance thereof.
ARTICLE V

FUNDS AND ACCOUNTS; APPLICATION OF MONEYS

Section 5.1. Creation of Funds. (a) The following Funds and accounts are hereby established:

(i) Pledged Revenue Fund
(ii) Project Fund
(iii) Debt Service Fund
(iv) Administrative Expenses Fund
(v) Capitalized Interest Fund
(vi) Debt Service Reserve Fund
(vii) Surplus Fund
(viii) Redemption Fund

(b) All funds, accounts and subaccounts created or confirmed under this Indenture and any Supplemental Indenture shall be held in trust as provided herein by the Trustee pursuant to the terms of this Indenture. Additional accounts and subaccounts may be established pursuant to a Supplemental Indenture.

(c) The Pledged Revenue Fund and the accounts therein are special trust accounts, to be held, to the extent pledged thereto, for the benefit of the Owners of Obligations, Credit Providers, and Persons to whom Administrative Expenses are owed, due and payable.

(d) The Debt Service Fund and the accounts therein, the Debt Service Reserve Fund and the accounts therein, and the Redemption Fund and the accounts and subaccounts therein, are special trust accounts, and they shall at all times be held for the benefit of the Owners and Credit Providers under this Indenture and all Supplemental Indentures.

(e) All funds and accounts created or confirmed in this Indenture and in any Supplemental Indenture, and the books and records of account with respect thereto, shall be kept and maintained in such manner as will record on a regular basis all deposits therein and the source thereof, withdrawals therefrom and the purpose therefor, and the earnings realized with respect thereto.

Section 5.2. Pledged Revenue Fund. (a) Within five (5) Business Days of receipt thereof, all Tax Increments shall be deposited, transferred and credited as pledged to the Pledged Revenue Fund and shall then be held in trust by the Trustee and applied in the following manner and order of priority:
(i) First, to the Debt Service Fund, amounts necessary to make the amounts on deposit in the Debt Service Fund equal to the Debt Service due and payable with respect to Obligations, and the related Credit Agreement Obligations, as applicable, for the next Bond Year;

(ii) Second, to the Debt Service Reserve Fund, the amount required to cause the amount on deposit in the Debt Service Reserve Fund to be equal to the Debt Service Reserve Requirement, plus any amount required by Section 5.9 to restore or replenish any deficiencies in the Debt Service Reserve Fund so that the amount required by Section 5.8 is on deposit therein when, as and in the amounts therein required;

(iii) Third, to the Administrative Expenses Fund, an amount necessary to pay Administrative Expenses of which the City has actual notice;

(iv) Fourth, to any funds and accounts established pursuant to a Supplemental Indenture, for the benefit of Subordinate Lien Obligations;

(v) Fifth, to the Surplus Fund in an amount not to exceed Project Cost Cap, for the use by the City for the payment of Project Costs as set forth in Section 5.8 herein;

(vi) Sixth, to the Redemption Fund for the redemption of Outstanding Obligations pursuant to the provisions of a Supplemental Indenture.

(b) In the event that there are insufficient amounts on deposit in the Debt Service Fund to pay Debt Service on all Outstanding Obligations and the respective Credit Agreement Obligations on the dates such payments are due, available Pledged Revenues shall (except as provided for in Section 5.2 below) be applied to the payment of Obligations and related Credit Agreement Obligations on a pro rata basis.

(c) Prior to each date of payment for the Obligations, the Trustee shall determine and shall notify the City in writing of (i) the amount of Debt Service then due with respect to each series of Outstanding Obligations and (ii) the basis on which such determination is made.

(d) Notwithstanding the other provisions of this Section, the City shall not be required to set aside or pay any amounts to a Credit Provider or to the Trustee with respect to Administrative Expenses except as requested by such Persons and approved by an Authorized Officer.

(e) Notwithstanding other provisions of this Indenture or in a Supplemental Indenture, payment of Termination Payments required to be paid by the City to a counterparty with respect to a Swap Agreement shall be subordinate to the payment of Debt Service on Outstanding Obligations when due.

Section 5.3. Project Fund.

(a) Project Fund. There is hereby created and established with the Trustee a fund to be designated the “Project Fund.” The Trustee, at the direction of the City, may establish and create within the Project Fund such number of accounts and subaccounts as the City deems appropriate.
The Project Fund and any accounts or subaccounts thereof shall initially be funded as provided in a Supplemental Indenture. The money and securities in the Project Funds shall be held in trust by the Trustee and applied as provided herein and until such application, the money and securities in such fund shall be subject to a lien and charge in favor of the Owners of the Tax Increment Revenue Obligations.

(A) The Trustee is hereby authorized and directed to make disbursements from the Project Fund and to issue its checks therefor or otherwise pay upon receipt of a Payment Certificate in accordance with Section 4.05(B). The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom.

(B) The Trustee shall use money in the Project Fund solely to pay or reimburse Project Costs including the repayment of any advances, loans, notes or other obligations used to finance Project Costs. Before any payment shall be made from the Project Fund, there shall be filed with the Trustee a completed Payment Certificate, in the form attached hereto as Exhibit A, signed by an Authorized Representative of the City. Upon receipt of such requisition, the Trustee shall make payment from the Project Fund in accordance with such requisition.

(b) Costs of Issuance Account. There is hereby created and established a Costs of Issuance Account within the Project Fund. On the Closing Date for a series of Obligations, the City shall direct, in a Letter of Instructions or in a Pricing Certificate, the amount of proceeds of such Obligations to be deposited to the Costs of Issuance Account. Moneys on deposit in the Costs of Issuance Account shall be disbursed to pay costs related to the issuance of Obligations to the persons, in the amounts and from the proceeds of a series of Obligations all as set forth in a Letter of Instructions or a Pricing Certificate. Upon receipt by the Trustee of a Letter of Instructions, amounts remaining in the Costs of Issuance Account following the payment of costs of issuance shall be deposited to the Debt Service Fund, as directed by the City in such Letter of Instructions.

(c) Disposition of Moneys upon Completion of Plan. Upon completion of the Project and Financing Plan, and the payment of all Project Costs, Tax Increment Revenue Obligations and Subordinate Lien Obligations has been made in full, the City shall deliver to the Trustee written letter of instructions so stating that the Project and Financing Plan is completed and such payment in full has been made. Promptly after receipt of such Letter of Instructions from the City, the Trustee shall cause any money remaining in the Pledged Revenue Fund or the Project Fund to be transferred to the City for disbursement to the City and to the Taxing Units in accordance with the provisions of the TIRZ Act. Should the City deliver the Letter of Instructions to the Trustee, but not state therein that the Project and Financing Plan has been completed, the Trustee shall cause any money remaining in the Pledged Revenue Fund or the Project Fund to be transferred to the City, in the manner provided in such Letter of Instructions.

(d) Investment of Moneys. Until expended, money on deposit in the Project Fund shall be invested in Investment Securities as directed in a Letter of Instructions, acting in accordance with Applicable Law, and subject to restrictions on investments set forth in any related Credit Agreement.
(e) **Disposition of Earnings on Investments Held in Project Fund.** Earnings on Investment Securities held in the Project Fund shall be deposited to the Debt Service Fund.

Section 5.4. **Adjustments in Transfer Requirements.** (a) The amounts required to be transferred to the Debt Service Fund by Section 5.2 shall be reduced by an amount equal to the total of (i) any moneys already on deposit in the respective accounts of the Debt Service Fund which are in excess of the amount of Debt Service due on the next Interest Payment Date or Principal Payment Date for the applicable Outstanding Obligations, after taking into account investment earnings actually realized (including accrued interest and amortization of original issue discount or premium), and money deposited therein from the proceeds of Obligations, and (ii) any moneys transferred to the subaccounts of the Debt Service Fund at the direction of the City from other funds of the City, if any, that are free of the lien of this Indenture. It is provided, however, that the amounts required to be transferred shall never be less than the amount required to pay all amounts due and owing on Outstanding Obligations and Credit Agreement Obligations when due and payable.

(b) The City agrees to require that any amounts payable by a counterparty pursuant to a Swap Agreement with respect to any funds and accounts held by the Trustee shall be paid directly to the Trustee and shall be applied as provided in a Supplemental Indenture or in a Letter of Instructions pursuant to the terms of the Swap Agreement.

Section 5.5. **Debt Service Fund.** (a) Subject to Section 5.2(b), on the due date therefor, the Trustee shall pay to the Owner out of the applicable account of the Debt Service Fund, or to a Credit Provider, as applicable, Debt Service on the Outstanding Obligations or the Credit Agreement Obligations. In the event that the Trustee is not the Paying Agent/Registrar with respect to a series of Obligations, the Trustee shall pay to the Paying Agent/Registrar for such Obligations, one Business Day prior to the date payment thereon is due, the amount of Debt Service required to be paid on such Obligations on such payment date. Such amounts paid to the Paying Agent/Registrar shall be held and applied by the Paying Agent/Registrar as directed in Section 5.12.

(c) The amount accumulated in the respective accounts of the Debt Service Fund for each Sinking Fund Installment may, and if so directed and authorized by Supplemental Indenture shall, be applied by the Trustee on the Business Day preceding the due date of such Sinking Fund Installment, as fixed in the Supplemental Indenture, to:

(i) the purchase of Obligations of the series and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable from Sinking Fund Installments for such Obligations when such Obligations are redeemable by application of said installments plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as is specified in the Supplemental Indenture, or

(ii) the redemption, pursuant to the provisions of the applicable Supplemental Indenture authorizing such Obligations, if then redeemable by their terms, at a price not exceeding the Redemption Price.
(d) If a stated Interest Payment Date or a Principal Payment Date, or a date fixed for redemption of Obligations, shall not be a Business Day, then the Interest Payment Date, Principal Payment Date or redemption date shall be deemed to be the next succeeding Business Day and, payment made on such date shall have the same force and effect as if made on the original date payment was due.

(e) Amounts on deposit in the Administrative Expenses Fund shall be disbursed by the Trustee to pay Administrative Expenses as directed by the City in a Letter of Instructions.

(f) The Obligations may be subject to optional redemption, mandatory sinking fund redemption or special redemption from the Debt Service Fund, as set forth in a Supplemental Indenture.

(g) Payments received by the City pursuant to a Swap Agreement for any series of Obligations shall be deposited to the applicable subaccount of the Debt Service Account and used for the payment of Debt Service on the applicable Obligations.

Section 5.6. Debt Service Reserve Fund. (a) Moneys on deposit in the Debt Service Reserve Fund shall be used solely and exclusively for the purposes of making transfers to the Debt Service Fund in the event that the moneys on deposit in said fund are not sufficient to pay Debt Service on the Obligations when due, or to make payments to Credit Providers for the payment of Credit Agreement Obligations, on the dates and in the full amounts required by this Indenture, by any Supplemental Indenture, or by any Credit Agreement.

(b) Subject to the rights reserved in subsection (c) of this Section, the Debt Service Reserve Fund shall be established and maintained in the following amounts and in the following manner, to wit:

(i) The Debt Service Reserve Fund shall be initially funded from proceeds of Obligations and/or other lawfully available funds and subsequently, to the extent required, from transfers from the Pledged Revenue Fund as provided by Section 5.2 until the Debt Service Reserve Fund contains an amount equal to the Debt Service Reserve Requirement.

(ii) Supplemental Indentures authorizing the issuance of Obligations may specify the terms, amounts, and methods of funding any additional Debt Service Reserve Requirements in amounts greater than the amounts initially required for the Obligations.

(c) In lieu of funding the Debt Service Reserve Fund, from the proceeds of Obligations or with Pledged Revenues to the amount of the Debt Service Reserve Requirement pursuant to a Letter of Instructions the Trustee shall accept a Debt Service Reserve Fund Policy providing amounts up to the Debt Service Reserve Requirement. Such Debt Service Reserve Fund Policy must provide for the payment of the principal of and interest on the Obligations when due, and in order to avoid a default thereof, up to an amount equal to the Debt Service Reserve Requirement to the extent cash and investment in the respective subaccounts of the Debt Service Reserve Fund do not equal such Debt Service Reserve Requirement. The total dollar amount of the Debt Service Reserve Fund Policy with respect to the payment of such Obligations shall be deemed for all purposes hereof to satisfy a corresponding amount of the Debt Service Reserve Requirement. A determination by the City that the terms and provisions of a particular Debt Service Reserve Fund
Policy is in compliance with the requirements of this subsection shall be conclusive absent manifest error. To the extent Debt Service Reserve Fund Policies are entered into, the Trustee shall pay, pursuant to a Letter of Instructions, the costs thereof from amounts that would otherwise be deposited to the Debt Service Reserve Fund pursuant to Section 5.2. A Debt Service Reserve Fund Policy entered into for the purpose of providing all or a part of the amount equal to the Debt Service Reserve Requirement shall constitute a Credit Agreement hereunder.

(d) If, at any time, a transfer is required from the Debt Service Reserve Fund for the purposes stated in subsection (a) above, the Trustee shall make such transfer on the dates on which transfers are required to be made to the Paying Agent/Registrar under this Indenture or a Supplemental Indenture; provided, that cash and investments on deposit in the Debt Service Reserve Fund shall be applied for such purposes prior to making demand under a Credit Agreement for such purpose.

(e) Amounts on deposit in the Debt Service Reserve Fund shall be calculated by the Trustee as of September 1 in each fiscal year and upon the redemption of Outstanding Obligations pursuant to the provisions of a Supplemental Indenture. After such calculations, any funds on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement shall be transferred to the Pledged Revenue Fund for further deposits pursuant to Section 5.2; provided, however, that no transfers from the Debt Service Reserve Fund shall be made pursuant to this section that would reduce the amount on deposit in the Debt Service Reserve Fund to an amount that is less than the Maximum Annual Debt Service on the Outstanding Obligations.

Section 5.7. Restoration of Deficiencies. Should the Debt Service Fund or any other fund or account contain less than the amount required to be on deposit in the accounts therein, then any such deficiency shall be restored from the first available Pledged Revenues pursuant to the priority set forth in Section 5.2 and further transfers to any other accounts pursuant to Section 5.2 shall be suspended until such deficiency has been restored. If such amounts are insufficient to cure any deficiencies, amounts on deposit in the Surplus Fund, for which notice has not been given with respect to the redemption of Obligations, shall be transferred to the Debt Service Fund to restore any such deficiency.

Section 5.8. Surplus Fund. Pledged Revenues shall be deposited to the Surplus Fund in accordance with the flow of funds set forth in Section 5.2 herein. Once the total amounts deposited to the Surplus Fund plus the total amounts deposited to the Project Fund pursuant to Supplemental Indentures reach the Project Cost Cap, no additional deposits shall be made to the Surplus Fund, and no replenishment shall be made to the Surplus Fund, except in the event of a draw on the Surplus Fund for the purpose of paying debt Service on Outstanding Obligations pursuant to 5.8(a)(i)(B) below, in which event, deposits of Pledged Revenues to the Surplus Fund shall resume until there shall be deposited to the Surplus Fund the amount of funds withdrawn pursuant to 5.8(a)(i)(B).

(a) Amounts deposited to the Surplus Fund pursuant to Section 5.2 shall be used by the City for the following purposes:

(i) First, pursuant to a City Letter of Instructions, for transfer to the Debt Service Fund in the event funds on deposit in the Debt Service Fund are insufficient to pay
Debt Service on Obligations when due or to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement after a withdrawal made pursuant to Section 5.6; and

(ii) Second, an amount equal to $1,500,000 for each of the years 2022 through 2035 and $1,000,000 in the year 2036 shall be withdrawn by the City and used to pay the Reimbursement Obligation; and

(iii) Third, all remaining Pledged Revenues in the Surplus Fund shall be used for the following purposes:

(A) withdrawal by the City pursuant to a Payment Certificate for the payment of Project Costs;

(B) deposit to the Redemption Fund pursuant to a City Letter of Instructions.

Section 5.9. Redemption Fund.

(a) Amounts deposited to the Redemption Fund shall be used and applied in accordance with this Section.

(b) Until expended, money on deposit in the Redemption Fund shall be invested in Investment Securities as set forth in a Letter of Instructions, subject to any investment restrictions set forth in a Credit Agreement or Supplemental Indenture.

(i) Pursuant to a City Letter of Instructions, moneys deposited to the Redemption Fund shall be applied for the purpose of:

(A) for transfer to the Debt Service Fund in the event funds on deposit in the Debt Service Fund are insufficient to pay Debt Service on Obligations when due or to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement after a withdrawal made pursuant to Section 5.6;

(B) redeeming any Obligations that are subject to redemption prior to Stated Maturity from money on deposit therein;

(C) purchasing Obligations for cancellation, at the option of the City, at a price not to exceed the principal amount thereof plus accrued interest;

(D) to optionally redeem Obligations subject to optional redemption; and

(E) to discharge Obligations not otherwise scheduled for redemption by their terms, pursuant to the provisions of Article IX hereof.

(c) Notwithstanding any provision to the contrary herein, in the event the amount on deposit in the Debt Service Fund is insufficient to pay Debt Service on Obligations when due,
amounts on deposit in the Redemption Fund may be transferred by the City pursuant to a Letter of Instructions, to the Debt Service Fund.

Section 5.10. **Capitalized Interest Fund.**

(a) Moneys in the Capitalized Interest Fund shall be used for the payment of interest on the Obligations. Not later than five (5) Business Days before the dates identified in a Supplemental Indenture or Pricing Certificate, the Trustee shall withdraw funds from the Capitalized Interest Fund and transfer to the Debt Service Fund the amounts set forth in a Supplemental Indenture or Pricing Certificate.

(b) Any amounts on deposit to the Capitalized Interest Fund after the payment of interest on the dates and in the amounts listed in the applicable Supplemental Indenture shall be transferred, at the direction of the City, to the (i) the Project Fund, (ii) the Debt Service Fund or (iii) to the Redemption Fund and the Capitalized Interest Fund shall be closed.

Section 5.11. **Investment of Funds and Accounts.**

(a) Subject to restrictions set forth in a Credit Agreement or Supplemental Indenture, if any, amounts in any fund or account created herein may, to the extent permitted by Applicable Law, be invested in Investment Securities. All investments shall be made by the Trustee pursuant to a Letter of Instructions which Letter of Instructions shall be in accordance with Applicable Law and the City’s investment policy approved by the City Council from time to time. All investments shall mature in such amounts and at such times as may, in the judgment of the Authorized Officer executing such Letter of Instructions, be necessary to provide funds when needed to make timely payments from such fund or account. In order to avoid loss in the event of a need for funds, the City may, in lieu of a liquidation of investments in the fund or account needing funds, exchange such investments for investments in another fund or account that may be liquidated at no, or at a reduced, loss.

(b) Except as otherwise provided in this Indenture, obligations purchased as an investment of moneys in any fund or account or subaccount created in or confirmed by this Indenture shall be deemed at all times to be a part of such fund or account and, except to the extent otherwise provided in this Indenture, the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

(c) Investment Securities held in the accounts and subaccounts hereunder shall be valued by the Trustee at their book value, excluding accrued interest, as of the last Business Day of each month, unless the City’s investment policy requires otherwise, in which case the City shall notify the Trustee of such change.

(d) Except as otherwise provided in this Indenture, the Trustee shall sell or cause to be sold, or present for redemption or exchange, any Investment Security purchased as an investment pursuant to this Indenture whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made.
(e) To the extent not invested in Investment Securities, funds and accounts shall be fully secured in the same manner as is required for the public funds of the City.

(f) The Trustee may conclusively rely upon the City’s written instructions as to both the suitability and legality of the Investment Securities. In no event shall the Trustee be liable for the selection of investments or for investment losses incurred thereon. In the absence of investment instructions from the City, the Trustee shall hold the moneys held by it hereunder uninvested. Although the City recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the City agrees that confirmations of Investment Securities are not required to be issued by the Trustee for each month in which a monthly statement is rendered and that no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 5.12. Effect of Deposits With Trustee. (a) Whenever the amount required to pay all current and future Debt Service on all Outstanding Obligations shall be on deposit with the Trustee in the amounts required herein or in a Supplemental Indenture, then the Trustee (except as provided in the next following sentence) and the City shall be released from any further obligations of payment of the interest on or the principal of Obligations with respect to which the deposits and transfers were made. The Owners of the Obligations with respect to which such moneys are held shall look solely to the Trustee for payment of the interest on or the principal of the applicable Obligations from such moneys.

(b) Moneys held by the Trustee for payment to Owners or a Credit Provider or transferred to the Paying Agent/Registrar for payment to Owners shall be set aside and continuously held uninvested (unless otherwise provided in a Supplemental Indenture) in a special trust fund or account held by the Trustee or Paying Agent/Registrar, as applicable, and shall be used for the sole and exclusive purpose of paying the amounts due and owing on the Outstanding Obligations with respect to which such transfers were made and upon demand for such payment by the Owners thereof. Any moneys remaining unclaimed for a period specified in any Applicable Law relating to the escheat of property or money shall be distributed by the Paying Agent/Registrar in accordance with such law.

(c) Obligations, for the full payment of the principal amount or Redemption Price of which moneys have been provided for pursuant Applicable Law, shall no longer be deemed to be Outstanding from and after the maturity date, date of deposit or redemption date thereof and all interest thereon shall cease to accrue from and after said date.

(d) Notwithstanding the provisions of subsection (a) and (b) of this Section, a Supplemental Indenture may require the payment of amounts held by the Trustee to be paid to a Credit Provider if offsetting and comparable amounts are deposited by the Credit Provider with the Trustee for the purpose of making direct payment to the Owners of the applicable Obligations.

Section 5.13. Rebate Fund; Rebatable Arbitrage. (a) There is hereby established a special fund of the City to be designated “City of Arlington, Texas, Tax Increment Obligation Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code.
(b) The City hereby certifies and covenants that it will not, and will not direct the Trustee, to use or permit the use of any proceeds of Obligations, directly or indirectly, in any manner, and shall not take or omit to take any action, if such use, action or omission would cause the Obligations to be treated as an obligation not described in Section 103(a) of the Code. In furtherance of the foregoing, the City and the Trustee specifically covenant to comply with the provisions and procedures of the Federal Tax Certificate delivered concurrently with the delivery of each series of Obligations, which is incorporated herein by reference as if set forth in full herein. In the case of any inconsistency between this Section 5.13 and the Federal Tax Certificate, the provisions of the Federal Tax Certificate shall control. The covenants herein made and the certifications herein authorized are for the benefit of the Owners and the Credit Providers with respect to Obligations and may be relied upon by such Owners and Credit Providers and by Bond Counsel rendering opinions on the same. Within the limitations of this Article V, the City shall be permitted to transfer money from one fund, account or subaccount to another, adjust interest rates on Investment Securities or take such other actions as may be required in order to prevent the Obligations from becoming “arbitrage bonds.”

(c) The City hereby covenants to cause to be calculated, at the times and in the manner set forth in the Federal Tax Certificate and in compliance with the Code, the amount of Rebatable Arbitrage determined with respect to each series of Obligations and shall, within ten (10) Business Days of such calculation, pursuant to a Letter of Instructions, direct the Trustee to transfer to the applicable subaccount of the Rebate Fund from the subaccounts designated in such Letter of Instructions, an amount equal to the amount of the Rebatable Arbitrage determined on such date of calculation. The City hereby covenants to direct the Trustee to deposit to the Rebate Fund such amounts as will cause the amount on deposit therein to equal the Rebatable Arbitrage determined on the applicable calculation date.

(d) The City hereby covenants to direct the Trustee to pay Rebatable Arbitrage to the United States in installments as required under the Code. In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Federal Tax Certificate.

(e) The City shall keep and retain for a period of six (6) years following retirement of each series of Obligations, records of the determinations made pursuant to this Section 5.11 and the Federal Tax Certificate.

(f) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the instructions of the City and shall not be required to take any action under this Section in the absence of instructions from the City.

(g) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a Letter of Instructions, to transfer the amount in excess of the Rebatable Arbitrage to the Debt Service Fund.
ARTICLE VI

GENERAL COVENANTS AND REPRESENTATIONS

Section 6.1. Representations as to Pledged Funds and Pledged Revenues. (a) The City represents and warrants that it is authorized by Applicable Law to authorize and issue the Obligations, to adopt this Indenture and to pledge the Pledged Funds and the Pledged Revenues, in the manner and to the extent provided in this Indenture, and that the Pledged Funds, and Pledged Revenues, are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein for Obligations and Credit Agreement Obligations.

(b) The Obligations and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the City in accordance with their terms and the terms of this Indenture, subject only to any applicable bankruptcy or insolvency laws or to any Applicable Law affecting creditors’ rights generally.

(c) The City shall at all times, to the extent permitted by Applicable Law, defend, preserve and protect the pledge of the Pledged Funds and Pledged Revenues and all the rights of the Owners, the Trustee and the Credit Providers under this Indenture and all Credit Agreements against all claims and demands of all persons whomsoever.

Section 6.2. Accounts, Periodic Reports and Certificates. (a) The City shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the funds and accounts established by this Indenture and which, together with all other books and papers of the City, shall at all times be subject to inspection by any Credit Provider, and the Owner or Owners of not less than 5% in principal amount of the Obligations then Outstanding or their representatives duly authorized in writing.

(b) The City shall notify each Credit Provider immediately (i) if it becomes aware of the occurrence of any Event of Default or of any fact, condition or event that, only with the giving of notice or passage of time or both, could become an Event of Default, or (ii) of the failure of the City to observe any of its undertakings hereunder or under any Supplemental Indenture.

Section 6.3. Payment of and Performance of Obligations. The City covenants to promptly pay or cause to be paid the principal of, redemption premium, if any, and interest on the Obligations as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Obligations and the Indenture; to pay when due all fees, charges and other amounts due to the Trustee for the discharge of their duties hereunder; and to faithfully keep and perform all of its covenants, undertakings and agreements contained in this Indenture and the Obligations; provided however, the City has no obligation to provide payment from funds other than the Pledged Revenues.

Section 6.4. Collection of Tax Increments. Subject to the provisions of applicable law, the City covenants and agrees to use its best efforts to cause each Participant to pay to the City
when due, all Tax Increments to provide for the payment of principal of and interest on the Obligations.

Section 6.5. Amendment of Participant Agreements. The City covenants not to cause any amendment of the Participant Agreements that will in any manner materially impair the rights of the Owners of the Obligations.

Section 6.6. Termination of TIRZ Five. To the extent permitted by law, the City covenants that it will not terminate TIRZ Five earlier than the date of termination set forth in the ordinance creating TIRZ Five if amounts remain outstanding under the Project and Financing Plan that have not been paid or Obligations are Outstanding.

Section 6.7. General. The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture and all Supplemental Indentures.

Section 6.8. City Appointment of TIRZ Board Members. The City covenants to timely appoint such individuals from time to time as necessary for the Board of TIRZ Five to consist of nine (9) members, the composition of which shall include two (2) County representatives, one (1) Hospital District representative and one (1) College District representative.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.1. Events of Default. Except as may be otherwise provided in Supplemental Indentures, each of the following occurrences or events shall be and is hereby declared to be an “Event of Default,” to wit:

(i) The failure to make payment of Debt Service on any of the Obligations when the same is due and payable;

(ii) Any default under the terms and provisions of any Credit Agreement after written notice thereof to the City by the Credit Provider;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture or under any Supplemental Indenture (other than a default described in subsection (i) above), and such default (a) materially and adversely affects the rights of the Owners, including but not limited to their prospect or ability to be repaid in accordance with their terms, and (b) continues for a period of 60 days after written notice specifying such default by either (A) the Owners of not less than 25% in aggregate principal amount of the Outstanding Obligations or (B) by any Credit Provider that is granted the right to give and withdraw such notices in a Supplemental Indenture (or a Pricing Certificate), and in each such case requesting that the failure be remedied; provided that such 60 day period shall not include any period of time during which the City is prevented by reason of Force Majeure from performing or observing the covenant, agreement or condition with respect to which any default exists but during which the City is diligently attempting to cure such default; or
(iv) (A) An order of relief shall be issued by the Bankruptcy Court of the United States District Court having jurisdiction, granting the City any relief under any Applicable Law, or any other court having valid jurisdiction shall issue an order or decree under applicable federal or state law providing for the appointment of a receiver, liquidator, assignee, trustee, sequestrator, or other similar official for the City or any substantial part of its property, affairs or assets, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days, or (B) the City shall commence a suit or proceeding seeking any such order or decree.

Section 7.2. Remedies for Default. (a) Except as may be otherwise provided in Supplemental Indentures or in a Credit Agreement, upon the happening and continuance of any of the Events of Default described in Section 7.1 and pursuant to the provisions of 7.4 herein:

(i) The Trustee shall transfer all amounts representing Pledged Revenues to the Debt Service Fund immediately as received, and shall discontinue transfers to any other funds, accounts or subaccounts under Section 5.2 until such default has been cured in full and all payments of Debt Service on Outstanding Obligations and Credit Agreement Obligations are made current; in the event Pledged Revenues are not adequate to cure each and every default, the available Pledged Revenues shall be applied first, on a pari passu basis, to the payment of Debt Service on the Obligations and related Credit Agreement Obligations;

(ii) After the transfers and payments set forth in (i) above, to the extent required to cure a default in the payment of Debt Service, the Trustee shall transfer all amounts on deposit in the Surplus Fund (for which notice of redemption has not been given), on a pari passu basis, to the payment of Obligations.

(iii) After the transfers and payments set forth in (i) and (ii) above, to the extent required to cure a default in the payment of Debt Service, the Trustee shall transfer all amounts on deposit in the Debt Service Reserve Fund, on a pari passu basis, to the payment of Obligations; and

(iv) A Credit Provider or the Owners of at least 25% of the Obligations then Outstanding acting jointly, may proceed against the City for the purpose of protecting and enforcing the rights of the Credit Provider or the Owners under this Indenture, by action seeking mandamus or by other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Law, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that the maturity of Obligations or Credit Agreement Obligations shall not be subject to acceleration upon the occurrence of an Event of Default hereunder or under a Credit Agreement. Notwithstanding the above, no actions taken by the Owners of Subordinate Lien Obligations shall have a material adverse effect on the rights or remedies of the Owners of Obligations.

(b) Upon the happening and continuance of any Event of Default described in Section 7.1, no Owner shall have the right to seek the appointment of a receiver or administrator of the affairs and assets of the City and such right is expressly denied.
(c) From and after the 30th day after an Event of Default (for which a remedy is required or is sought under either subsection (a)(i) or (a)(ii) of this Section 7.2, above) has been cured, the City shall be restored to its former position under this Indenture or under any Credit Agreement prior to the occurrence of such Event of Default. Any proceedings theretofore commenced for relief shall be abandoned and dismissed within 30 days after such Event of Default has been cured.

(d) Notwithstanding any provision herein, upon the occurrence of an Event of Default hereunder or an event of default or an event of termination under a Credit Agreement, amounts on deposit in the Project Fund, and any earnings thereon, shall be maintained in the Project Fund and shall be applied to the payment or reimbursement of Project Costs in accordance with Section 5.2 and Section 5.5.

(e) The right to accelerate the maturity of any Obligation is not granted herein, and no right of acceleration shall be granted to any Owners of Obligations or the payees of Credit Agreement Obligations and to the payees of all Credit Agreement Obligations theretofore and thereafter issued or executed.

Section 7.3. Restriction on Owner’s Action. (a) Except to enforce the rights given under Section 7.3(b), no Credit Provider and Owner of any Obligation shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (a) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1(b), or of which by such Section it is deemed to have notice, (b) such default has become an Event of Default and a Credit Provider or the Owners of 25% of the aggregate principal amount of the Obligations then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) a Credit Provider or the Owners have offered to the Trustee indemnity as provided in Section 11.7, (d) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, (e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Obligations then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (f) notice of such action, suit or proceeding is given to the Trustee; however, no Credit Provider and no one or more Owners of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Obligations then Outstanding and the Credit Providers. The notification, request and offer of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Nothing in this Indenture shall affect or impair the right of any Owner or any Credit Provider to enforce, by action at law, payment of any Obligation or Credit Agreement Obligation at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Obligation issued hereunder to the respective Owners thereof or to pay each Credit
Agreement Obligation to the Credit Provider therefor at the time, place, from the source and in the manner expressed herein and in the Obligations or the Credit Agreement Obligation, respectively.

(c) In case the Trustee or any Owners or any Credit Provider shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners or any Credit Provider, then and in every such case the City, the Trustee, the Owners and the Credit Providers shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.4. Application of Revenues and Other Moneys After Default. (a) All money received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such money, the expenses (including its counsel), liabilities and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, subject to the terms of a Supplemental Indenture providing instructions, during the continuance of an Event of Default, the Trustee, on behalf of the City, notwithstanding Section 5.2 hereof, shall apply such moneys, securities, funds and Pledged Revenues and the income therefrom as follows and in the following order:

(i) to the payment of Debt Service then due on Obligations and related Credit Agreement Obligations having the highest priority lien, as follows:

(A) Unless the principal or maturity amount of all of the Outstanding Obligations and related Credit Agreement Obligations shall have become due and payable,

FIRST: To the payment to the Owners and the Credit Providers entitled thereto, other than the Credit Providers of Swap Agreements, all installments of interest then due, and to the Credit Providers of Swap Agreements entitled thereto, all payments of Debt Service then due to Credit Providers of Swap Agreements (excluding any Termination Payments), in the direct order of maturity of such installments and Debt Service; and, if the amount available shall not be sufficient to pay in full any installment of interest or Debt Service then due to the Credit Provider of a Swap Agreement, then to the payment thereof ratably, according to the amounts due on such installment of interest (or Debt Service with respect to a Swap Agreement), to the Owners and the Credit Providers, without any discrimination or preference; and

SECOND: To the payment to the Owners and the Credit Providers entitled thereto, other than Credit Providers of Swap Agreements, of the unpaid principal or maturity amount of Outstanding Obligations and related Credit Agreement Obligations, or Redemption Price of any Obligations which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Obligations and related Credit Agreement
Obligations due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners and Credit Providers entitled thereto, without any discrimination or preference;

(B) If the principal of all of the Obligations and related Credit Agreement Obligations shall have become due and payable, to the payment of Debt Service without preference or priority of any amount due on the Obligations or related Credit Agreement Obligations (excluding Termination Payments), ratably, according to the amounts due respectively to the Persons entitled thereto without any discrimination or preference;

(ii) to (1) the payment of Obligations issued with a subordinate lien on the Pledged Revenues and related Credit Agreement Obligations, in the same priority as set forth in (i)(A) and (B) above, and (2) to the Credit Providers of Swap Agreements any amounts representing Termination Payments and (3) Debt Service on Refunding Obligations issued to pay Termination Payments, in the order of such lien priority; provided however, that Termination payments are junior and subordinate to the payment of Debt Service on Obligations issued with a subordinate lien on the Pledged Revenues; and

(iii) If the principal of all of the Obligations issued with a subordinate lien on the Pledged Revenues and any related Credit Agreement Obligations shall have become due and payable, to the payment of Debt Service without preference or priority of any amount due on the Obligations issued with a subordinate lien on the Pledged Revenues or related Credit Agreement Obligations (excluding Termination Payments), ratably, according to the amounts due respectively to the Persons entitled thereto without any discrimination or preference

(iv) subject to any provisions of a Supplemental Indenture regarding priority of amounts payable to Credit Providers, to the payment of any amounts payable to the Credit Providers under the Credit Agreements (to the extent not otherwise payable under clauses (i), (ii) and (iii) above), ratably according to the amounts due to the Credit Providers entitled thereto.

(b) Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners and Credit Providers pursuant to this Section 7.4.

(c) In the event funds are not adequate to cure any of the Events of Default described in paragraphs (i), (iii) or (iv) of Section 7.1, the available funds shall be allocated to the Obligations and Credit Agreement Obligations that are outstanding in proportion to the quantity of Obligations and Credit Agreement Obligations that are currently due and in default under the terms of each Supplemental Indenture.

(d) The restoration of the City, the Trustee or any Credit Provider to its prior position after any and all defaults have been cured, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.
Section 7.5. **Effect of Waiver.** No delay or omission of the Trustee, any Owner or Credit Provider to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee, the Owners, and the Credit Providers, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 7.6. **Evidence of Ownership of Obligations.** (a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Obligations may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any person of the Obligations shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution by any Owner of Obligations or his attorney of such instruments may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of registered Obligations and the amount, numbers and other identification and date of holding the same shall be proved by the applicable Obligation Register.

(b) Except as otherwise provided in Section 8.4 with respect to revocation of a consent, any request or consent by an Owner of Obligations shall bind all future Owners of the same Obligation in respect of anything done or suffered to be done by the City, the Trustee or the Paying Agent/Registrar in accordance therewith.

**ARTICLE VIII**

**AMENDMENTS OF INDENTURE**

Section 8.1. **Limitations on Modifications.** This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article.

Section 8.2. **Supplemental Indentures Without Owners’ Consent.** (a) Subject to any limitations contained in a Supplemental Indenture, the City may, from time to time and at any time, adopt and implement Supplemental Indentures without consent of or notice to the Owners but with the written consent of each Credit Provider, for the following purposes:
(i) To cure any formal defect, omission or ambiguity in this Indenture or in any
description of the Pledged Revenues or the Pledged Funds, if such action is not adverse to
the interest of the Owners;

(ii) To grant to or confer upon the Owners of any series of Obligations any
additional rights, remedies, powers, authority or security which may lawfully be granted
or conferred and which are not contrary to or inconsistent with this Indenture as theretofore
in effect;

(iii) To add to the covenants and agreements of the City in this Indenture, other
covenants and agreements to be observed by the City or the Trustee which are not contrary
to or inconsistent with this Indenture as theretofore in effect;

(iv) To add to the limitations and restrictions in this Indenture, other limitations
and restrictions to be observed by the City or the Trustee which are not contrary to or
inconsistent with this Indenture as theretofore in effect;

(v) To confirm, as further assurance, any pledge or lien created or to be created
by this Indenture, of the Pledged Funds and the Pledged Revenues, or to subject to the lien
or pledge of this Indenture additional revenues, properties or collateral;

(vi) To authorize the issuance of the Obligations and to prescribe the terms,
forms and details thereof not inconsistent with this Indenture and, in connection therewith,
to create such additional funds and accounts, and to effect such amendments of this
Indenture as may be necessary for such issuance, provided, that, no Supplemental Indenture
shall be inconsistent with the limitations set forth in Section 8.3; or

(vii) To make modifications in this Indenture or in a Supplemental Indenture that
are necessary in the opinion of Bond Counsel to conform to requirements of the Code,
securities law, the Attorney General of the State or the Act and that do not, in the opinion
of Bond Counsel, adversely affect the rights and security of the Owners to be paid in full
when due.

(b) A Supplemental Indenture adopted for any of the purposes permitted by this
Section 8.2, in order to be valid, shall be accepted by the Trustee. A copy of each Supplemental
Indenture, as accepted by the Trustee, shall be delivered to each Credit Provider.

Section 8.3. Powers of Amendment. Any modification or amendment of this Indenture
and of the rights and obligations of the City and of the Owners may be made by a Supplemental
Indenture, only with the written consent of each Credit Provider and if not authorized by
Section 8.2, only with the written consent (given as provided in Section 8.4), (i) of the Owners of
more than fifty percent (50%) of the combined principal amount of the Obligations then
Outstanding, or (ii) in case less than all of the several series of Obligations then Outstanding are
affected by the modification or amendment, of the Owners of more than fifty percent (50%) in
principal amount of the Obligations of each series so affected and Outstanding at the time such
consent is given; provided, however, no such modification or amendment shall permit a change in
the terms of redemption or maturity of the principal of any Outstanding Obligation, or of any
installment of interest thereon, or a reduction in the principal amount of the Redemption Price
thereof, or in the rate of interest thereon, or in the security thereof, without the consent of the Owner of such Obligation, and provided further that no such modification or amendment may be made without the prior written consent of all Credit Providers. The City may obtain and receive an opinion of counsel selected by the City, as conclusive evidence as to whether Obligations of any particular series or maturity would be so affected by any such modification or amendment of this Indenture.

Section 8.4. Consent of Owners. (a) The City may at any time adopt a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 8.3, to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto), together with a request for consent, addressed to each Credit Provider and to each Owner whose consent is required, shall promptly after adoption be mailed by the City to the appropriate Owners and to each Credit Provider (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as herein provided). Such Supplemental Indenture shall not be effective unless and until the City shall have received the written consents of each Credit Provider and the proper Owners having the percentages specified in Section 8.3. Any such consent shall be continuously binding upon the Credit Provider and upon the Owner giving such consent and upon any subsequent Owner thereof and of any Obligations issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner thereof by filing with the City, prior to the time action is taken in response to such consents. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture adopted by the City on a stated date) has been consented to by the Credit Providers and the Owners of the required percentages of Obligations and will be effective as hereinafter provided, shall be given to the Owners (whose consent was required) by the City by mailing such notice to such Owners (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding). The Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the City, the Trustee, each Credit Provider and all Owners at the expiration of 30 days after the mailing by the City of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 30 day period; provided, however, that the City and the Trustee during such 30 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

(b) This Indenture and each Supplemental Indenture relating to Outstanding Obligations and outstanding Credit Agreement Obligations may be amended under Section 8.3 and this Section 8.4 of this Indenture without the consent of any Owners if such amendment is approved by each Credit Provider existing at the time the amendment is proposed.

Section 8.5. Mailing of Notice. Any provision in this Article for the mailing of a notice or other document to Owners and to Credit Providers shall be fully complied with if it is mailed, first class postage prepaid, only (i) to each registered owner of Owners at the address, if any, appearing upon the Obligation Registers, and (ii) to each Credit Provider.
Section 8.6. **Amendments by Unanimous Consent.** Subject to any limitations contained or rights reserved in a Supplemental Indenture, the rights and obligations of the City, the Credit Providers and the Owners of each series of Obligations, and the terms and provisions of this Indenture and any Supplemental Indenture may be modified or amended in any respect upon the adoption of a Supplemental Indenture by the City with the consent of all Owners of each series of Obligations Outstanding and each Credit Provider, such consent to be given as provided in Section 8.4.

Section 8.7. **Exclusion of Obligations.** Obligations owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Obligations provided for in this Indenture, and the City shall not be entitled with respect to such Obligations to give any consent or take any other action provided for in this Indenture.

Section 8.8. **Supplemental Indentures.** Notwithstanding anything to the contrary contained in Sections 8.2, 8.3 and 8.4 hereof, before the City and the Trustee enter into any Supplemental Indenture pursuant to Sections 8.2, 8.3 or 8.4 hereof, there shall have been delivered to the City and the Trustee an opinion of Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and the Act, complies with their respective terms, and will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms.

**ARTICLE IX**

**DISCHARGE OF INDENTURE**

Section 9.1. **Discharge.** (a) The Obligations and the Credit Agreement Obligations may be defeased, refunded and discharged in any manner permitted by Applicable Law.

(b) Upon receipt by the Trustee of a Letter of Instructions confirming the payment in full of all Obligations, the Trustee shall discharge and release the lien of this Indenture and execute and deliver to the City such releases or other instruments as shall be required to release the lien thereof.

**ARTICLE X**

**MISCELLANEOUS PROVISIONS**

Section 10.1. **Additional Obligations.** The City reserves the right to issue Additional Obligations under and in accordance with this Section 10.1, for the purposes set forth in Section 3.1 herein.

(a) The Additional Obligations shall be issued only if:

(i) The City is not then in default as to any covenant, condition or obligation prescribed by any Indenture authorizing the issuance of Outstanding Obligations or such Additional Obligations;
(ii) The Director of Finance of the City has executed a certification that (A) the Pledged Revenues for either the completed fiscal year next preceding the date of issuance of the Additional Obligations or (B) the Pledged Revenues billed (but not yet received) by the City to the Participants on the billing date that is immediately prior to the date of issuance of the Additional Obligations, is equal to at least 1.25 times the Maximum Annual Debt Service (calculated on a fiscal year basis and net of capitalized interest to be used in that year, if any) of all Obligations which will be outstanding after the issuance of the proposed Additional Obligations, and

(iii) The Director of Finance of the City has prepared a forecast of Pledged Revenues demonstrating that in no fiscal year during which the Additional Obligations will be Outstanding are the Pledged Revenues forecasted to be less than 1.25 times the Annual Debt Service in each forecast year (calculated on a fiscal year basis and net of capitalized interest to be used in that year, if any) of all Obligations which will be outstanding after the issuance of the proposed Additional Obligations.

(b) Additional Subordinate Lien Obligations may be issued pursuant to the terms and conditions set forth in a Supplemental Indenture authorizing Subordinate Lien Obligations.

Section 10.2. Refunding Obligations. The City reserves the right to issue hereunder Refunding Obligations for the purpose of refunding Outstanding Obligations or related outstanding Credit Agreement Obligations in principal amount, after giving effect to any premiums received on the sale thereof, sufficient to provide for the payment thereof.

(a) Each series of Refunding Obligations shall be authorized and issued pursuant to a Supplemental Indenture which shall prescribe the terms of such Refunding Obligations and the security therefor. Refunding obligations shall not be subject to the provisions of Section 10.1 herein if they produce a net present value savings or reduce the Maximum Annual Debt Service.

(b) The City may issue Refunding Obligations secured hereunder for the purpose of obtaining funds to pay a Termination Payment due to the counterparty to a Swap Agreement in connection with the termination thereof. The lien of this Indenture and payment of Refunding Obligations issued pursuant to this subparagraph (b) shall be subordinate to the lien and payment of Obligations or Credit Agreement Obligations issued hereunder for any purpose specified in Section 3.1(a).

Section 10.3. Estimating Variable Rate Debt. Whenever in an Indenture a calculation of Debt Service with respect to each series of Variable Interest Rate Obligations is required, the Debt Service shall be computed by assuming that such Variable Interest Rate Obligations will bear interest at the highest of (i) the actual rate on the date of calculation, or, if such Obligations are not yet Outstanding, the initial rate, if established and binding, (ii) if the Variable Interest Rate Obligations have been Outstanding for at least twelve (12) months, the average rate of the Variable Interest Rate Obligations over the twelve (12) months immediately preceding the date of calculation, or (iii) (A) if the Variable Interest Rate Obligations are tax-exempt Obligations, the most recently published “Revenue Bond Index,” published by the financial news publication presently known as The Bond Buyer, or by a comparable index if the Bond Buyer is no longer published, plus fifty basis points, or (B) if the Variable Interest Rate Obligations are taxable
Obligations, the interest rate on direct obligations of the United States with comparable maturities, plus fifty basis points or (C) if the Variable Interest Rate Obligations are Credit Agreement Obligations, such rate as is specified in the Supplemental Indenture creating such Credit Agreement Obligations.

Section 10.4. Redemptions. Obligations issued pursuant to this Indenture may be subject to optional, mandatory sinking fund and/or special redemption, as provided in a Supplemental Indenture.

Section 10.5. Notices. Any notice, request, demand, communication or other paper hereunder shall be sufficiently given and shall be deemed given to the respective party when addressed and actually delivered, as follows:

To the City: City of Arlington, City Hall
101 W. Abrams
Arlington, Texas 76010
Attention: City Manager

To the Trustee: The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 10th floor
Dallas, Texas 75201
Attention: Corporate Trust Services

Each party may designate further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.6. Partial Invalidity. If any section, paragraph, clause or provision of this Indenture shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Indenture.

Section 10.7. Conflicts. All ordinances, orders, actions or other proceedings of the City hereto adopted or taken which are in conflict herewith are repealed to the extent of any such conflict.

Section 10.8. Governing Law. This Indenture shall be governed by the laws of the State of Texas.

ARTICLE XI

CONCERNING THE TRUSTEE

Section 11.1. Appointment; Acceptance of Trust and Performance Thereof. (a) The City hereby appoints The Bank of New York Mellon Trust Company, National Association, to serve as Trustee hereunder and the Trustee, as evidenced by its due execution of the Acceptance of Trustee attached to this Indenture, hereby accepts the trusts and obligations imposed upon it by this Indenture and agrees to perform and observe faithfully all of the duties, conditions and
requirements imposed upon it in this Indenture. Except during the continuance of an Event of Default, the Trustee undertakes to perform such functions and duties and only such functions and duties as are specifically set forth in this Indenture, and no implied duties or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers, as a prudent person would exercise or use under the circumstances in the conduct of such person’s own affairs, subject to the limitations on liability set forth in Sections 11.1(c), 11.2, 11.3, 11.4, 11.5 and 11.6 and subject to the provisions of Sections 7.3.

(b) All notices or other instruments required by this Indenture to be delivered in writing to the Trustee, in order to be effective, must be delivered at the address for notices to the Trustee set forth in Section 10.4, or at such other location as the Trustee may designate to the City in writing. With respect to an Event of Default other than pursuant to Section 7.1(i), the Trustee shall not be deemed to have notice of any such Event of Default (other than failure by the City to file with the Trustee any documents required by the Indenture to be so filed) unless and until it shall have received actual notice thereof, and in the absence of such notice so received, the Trustee may conclusively assume that there is no such Event of Default. Nonetheless, the Trustee may in its sole discretion take notice of an Event of Default without specific notification thereof. In such case, the Trustee shall proceed as if it had received such specific notification.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken hereunder except for its own negligence or willful misconduct; except that

(i) this Section will not be construed to limit the effect of the second sentence of Section 11.1(a); the Trustee shall be obligated to take only such actions as are specifically set forth herein or as are specifically required to be taken by the Trustee when requested in writing from time to time in accordance with this Indenture by the City or by the Owners of not less than the aggregate principal amount of Outstanding Obligations specified herein with respect to the action in question (subject to the restrictions set forth in Section 7.3); and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may rely, without any independent investigation or inquiry, as to the truth of the statements and to the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the procedural requirements of this Indenture; but in the case of any such certificate or opinion which by any provision is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the procedural requirements of this Indenture; and

(iii) the Trustee shall not be liable for any error of judgment made in good faith by the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iv) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Owners of not less than a majority in aggregate principal amount of the Obligations Outstanding (or such
lesser amount as may be specified herein) or otherwise in accordance with the express provisions of this Indenture.

(v) No provision of this Indenture or any Supplemental Indenture shall require the Trustee to risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 11.2. Trustee May Rely upon Certain Documents and Opinions. (a) Subject to Section 11.1(c)(ii), the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request, direction, election, order, certification or demand of the City shall be sufficiently evidenced by an instrument signed by an Authorized Officer (unless specifically prescribed otherwise in this Indenture), and any resolution or Indenture of the City may be evidenced to the Trustee by a certified resolution or Indenture.

(c) The Trustee may, in its sole discretion and at the expense of the City, consult with its counsel (either in-house or outside), counsel to the City (unless the City is in default hereunder) or Bond Counsel, and the legal advice or opinion of such counsel or Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in accordance with such legal advice or opinion of counsel or Bond Counsel.

(d) Subject to Section 11.1(a) regarding the Trustee’s obligations during the continuance of an Event of Default, whenever, in the administration of the trust created by this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed herein) may, in the absence of bad faith on the part of the Trustee, be deemed to be proved and established by a certificate of an Authorized Representative; and, in the absence of bad faith on the part of the Trustee, such certificate shall constitute full authority for any action taken, suffered or omitted by the Trustee under the provisions of this Indenture in reliance thereon.

(e) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any money which shall be released or withdrawn in accordance with the provisions hereof.

(f) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, accountants, agents or receivers and may, in all cases, pay, and be reimbursed for, the reasonable fees and expenses thereof. The Trustee shall not be responsible for the conduct of such attorneys, accountants, agents or receivers it appointed with due care.
(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners of the Obligations pursuant to this Indenture, unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

Section 11.3. **Trustee Reliance on Electronic Means.** The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture or a Supplement Indenture and delivered using Electronic Means; provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the City to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. “Electronic Means” for purposes of this section shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

Section 11.4. **Trustee Not Responsible for Indenture Statements, Validity.** The Trustee shall not be responsible for any recital or statement in this Indenture, any Supplemental Indenture, the Obligations, a Credit Agreement or a Credit Agreement Obligation or any official statement or other disclosure document prepared or distributed in connection with the Obligations or for the validity of the execution by the City of this Indenture, any Supplemental Indenture or the Obligations, or for the validity of the execution of any other or supplemental instrument by the City, or for the validity or sufficiency of the security for the Obligations issued hereunder or intended to be secured hereby, or for the value of or title to the security for the Obligations and
Credit Agreement Obligations pledged hereunder or for the creditworthiness of the City or any Credit Provider. Except as otherwise expressly provided herein, the Trustee shall have no duty to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or in a Supplemental Indenture, or as to the existence of an Event of Default hereunder or thereunder, but the Trustee may require of the City full information and advice as to the performance of such covenants, conditions and agreements set forth herein and in a Supplemental Indenture, a Federal Tax Certificate or a Credit Agreement.

Section 11.5. Limits on Duties and Liabilities of Trustee. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as an obligation or duty of the Trustee. The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder or otherwise in respect of the premises.

Nothing contained herein or in the Obligations shall be construed to impose any duties upon the Trustee beyond those expressly contained in this Indenture or in a Supplemental Indenture. All immunities, indemnities and other provisions of this Indenture as related to the duties and liabilities of the Trustee shall apply to the Obligations and to any Credit Agreement Obligations.

Section 11.6. Money Held in Trust. All money held by the Trustee hereunder is held in trust for the purposes set forth herein and shall be segregated and kept apart from other funds held by it in accordance with its general practices and procedures in effect from time to time.

Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by any Obligations or this Indenture, a Supplemental Indenture or any Credit Agreement. In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and, except as otherwise provided herein, all persons, including without limitation the Owners, the City and any Credit Provider, having any claim against the Trustee arising from this Indenture shall look for payment only from the funds and accounts held by the Trustee hereunder.

Section 11.7. Costs for Maintenance of Suit; Indemnification. (a) Other than to the extent described herein with respect to making the payments of Debt Service on the Obligations and the Credit Agreement Obligations and paying the Administrative Expenses when due from money held by the Trustee hereunder, and with respect to the redemption (other than optional redemption) of the Obligations, the Trustee shall be under no obligation to institute any suit, to take any proceeding under this Indenture, to enter any appearance in or in any way defend any suit in which it may be defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be assured to its satisfaction that repayment of all costs and expenses, including the reasonable fees and disbursements of its in-house and outside counsel, will occur in a timely manner, and until adequate indemnity against all risk and liability is assured to its satisfaction. However, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without assurance of reimbursement or indemnity, and in such case the Trustee shall be reimbursed or indemnified by the Owners for all costs and expenses, liabilities, outlays and fees of its in-house and/or outside counsel and other reasonable disbursements properly incurred in connection therewith, unless such liability or disbursement is adjudicated to have resulted from the negligence
or willful misconduct of the Trustee. If the Owners shall fail to make such reimbursement or indemnification, the Trustee may reimburse itself from any money in its possession under the provisions of this Indenture subject only to the prior lien of the Obligations for the payment of the principal thereof, premium, if any, and interest thereon, except as otherwise provided in Section 7.4.

(b) The City hereby covenants and agrees, to the extent permitted by Applicable Law and solely from the amounts held or required to be held hereunder, to indemnify the Trustee for any loss, liability, outlays and reasonable fees of its in-house and/or outside counsel, other reasonable disbursements, expenses or advances reasonably incurred or made, without negligence or willful misconduct on the part of the Trustee, arising out of or in connection with its acceptance or administration of the trust or performance of its duties hereunder, and shall reimburse the Trustee for any amounts paid to the Trustee by the Owners pursuant to Section 11.7(a) which the Trustee has spent for the purposes of that Section and which the Trustee has subsequently been required to return to the Owners.

(c) All indemnifications and releases from liability granted to the Trustee hereunder shall extend to its directors, officers, employees, officials and agents.

Section 11.8. Intervention in Judicial Proceedings. In any judicial proceeding to which the City is a party and which, in the opinion of the Trustee in its sole discretion, has a substantial bearing on the interest of the Owners of the Obligations, the Trustee may intervene on behalf of the Owners, and must do so if requested in writing by the Owners of not less than a majority in aggregate principal amount of Outstanding Obligations upon written assurance from such Owners satisfactory to the Trustee of indemnity and reimbursement for costs and expenses, including reasonable fees and disbursements of its in-house and/or outside counsel, incurred in so intervening. The rights and obligations of the Trustee under this Section are subject to the approval of the court having jurisdiction in the premises.

Section 11.9. Reports of Activities. The Trustee shall keep and maintain accurate and complete records of fund balances, any investments thereof and all transactions involving any part of the assets held in trust hereunder by the Trustee pursuant to this Indenture and to furnish monthly reports thereof to the City, if requested. The City and its agents shall have the right to inspect all such records at all reasonable times during regular business hours and upon reasonable notice and to make such copies and extracts, at their expense, as they may desire.

Section 11.10. Compensation of Trustee. All advances, in-house and/or outside counsel fees and other expenses reasonably made or incurred by the Trustee or its agents, directors, officials, officers and employees in and about the execution of the trust hereby created; any and all reasonable compensation to the Trustee for its services in the premises; any and all claims, damages, demands, expenses, liabilities and taxes of any character or nature whatsoever (including but not limited to claims for loss or damage to any property or injury to or death of any person) asserted by or on behalf of any person arising out of, resulting from, or in any way connected with the Project or the real property and improvements thereon; and any and all costs and expenses (including reasonable fees and disbursements of its in-house and/or outside counsel, agents and other experts) incurred by or on behalf of the Trustee in defending any such claims, damages, demands, liabilities or claims for taxes of any character whatsoever (unless such claims, damages,
demands or liabilities are adjudicated to have resulted from the negligence or willful misconduct of the Trustee), shall be paid by the City but solely from amounts on deposit or required to be deposited hereunder in accordance herewith. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust. The Trustee shall have a lien against all money and other property or security held pursuant to this Indenture, with right of payment therefrom, subject only to the prior lien of the Obligations and the Credit Agreement Obligations for the payment of, in full and when due, the principal thereof, premium, if any, and interest thereon, but also subject to Section 7.4, for (1) the Trustee’s reasonable compensation, expenses, advances and fees and disbursements of its in-house and/or outside counsel, incurred on and about the execution of the trusts created hereby and the exercise and performance of the powers and duties of the Trustee hereunder; and (2) any and all claims, damages, demands, expenses, liabilities and taxes incurred by the Trustee or its agents, directors, officials, officers and employees, and any and all costs and expenses incurred by or on behalf of the Trustee in defending against the same, of any character whatsoever (unless such damage or liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee).

Section 11.11. Trustee May Hold Obligations. The Trustee and its officers and directors may acquire and hold or become pledgees of Obligations and other obligations of the City and otherwise may deal with the City in the same manner and to the same extent and with like effect as though it were not Trustee hereunder, and may act as depository for and permit any of its officers and directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee represents the Owners of the majority in aggregate principal amount of the Obligations then Outstanding.

Section 11.12. Resignation of Trustee. The Trustee may resign and be discharged from the trusts created by this Indenture by giving to the City and to each Credit Provider at least 60 days’ advance written notice. Such resignation shall take effect on the day specified in such notice, but the Trustee shall not be discharged from the trusts hereby created until a successor Trustee has been approved and appointed. Subsequent to such date, the Trustee shall have no further duties and obligations under this Indenture.

Section 11.13. Removal of Trustee. (a) The Trustee may be removed with thirty (30) days’ prior notice, either with or without cause, with the consent of each Credit Provider, by the City (provided that an Event of Default has not occurred and is then continuing hereunder) or the Owners of a majority in aggregate principal amount of Outstanding Obligations, provided that all fees and expenses of the Trustee that are due and owing pursuant to Section 11.10 shall first be paid.

(b) Any removal of the Trustee pursuant to this Section shall be effected by delivery to the Trustee of a written instrument to that effect signed by an Authorized Representative.

(c) Such removal shall take effect on the day specified in such notice, but the Trustee shall not be discharged from the trusts hereby created until a successor Trustee has been approved and appointed. Subsequent to such date, the Trustee shall have no further duties and obligations under this Indenture.
Section 11.14. **Appointment of Successor Trustee.** (a) In case at any time the Trustee shall resign, be removed or otherwise become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Trustee or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Trustee hereunder, and the City shall promptly appoint a successor trustee. Any such appointment shall be made by a written instrument executed by an Authorized Representative with the written consent of each Credit Provider. The City shall direct the successor Trustee to mail notice by first class mail, postage prepaid, at least once within 30 days of such appointment, to each Credit Provider, the Tenant and the Owners of all Outstanding Obligations at their addresses on the Obligation Register.

(b) If, in a proper case, no appointment of a successor Trustee shall be made pursuant to Section 11.12 within 60 days after the receipt by the City of the Trustee’s notice of resignation given pursuant to Section 11.12 or of removal of the Trustee pursuant to Section 11.13, the retiring Trustee, at the expense of the City, or any Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(c) There shall at all times be a Trustee hereunder which shall be an association or a corporation organized and doing business under the laws of the United States or any state thereof, authorized under such laws to exercise corporate trust powers. Any successor Trustee shall have a combined capital and surplus of at least $50,000,000 and assets under trust of at least $50,000,000, and be subject to supervision or examination by federal or state authority, or shall have been appointed by a court of competent jurisdiction pursuant to Section 11.13(b). If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to above, then for the purposes of this Section, the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time any successor Trustee shall cease to be eligible in accordance with the provisions of this Section and another association or corporation is eligible, the Trustee shall resign immediately in the manner and with the effect specified in Section 11.12.

Section 11.15. **Merger of Trustee.** Any person into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and shall be vested with all of the title to the funds, accounts and assets held hereunder and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any person, anything herein to the contrary notwithstanding, but only if such resulting entity is entitled under state or federal law to exercise corporate trust powers.

Section 11.16. **Transfer of Rights and Property to Successor Trustee.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City a written instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with the rights,
powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request from an Authorized Representative execute and deliver a written instrument transferring to such successor all the funds, accounts and assets hereunder and the rights, powers, trusts, duties and obligations of such predecessor hereunder, and every predecessor trustee shall deliver all funds held by it as Trustee hereunder to its successor. Should any assignment, conveyance or written instrument from the City be required by any successor Trustee for more fully and certainly vesting in such successor Trustee the Trust Estate and rights, powers, trusts, duties and obligations hereby vested or intended to be vested in the predecessor Trustee, any and all such assignments, conveyances and written instruments shall, on request, be executed, acknowledged and delivered by the City. Each successor Trustee shall give, or cause the Paying Agent/Registrar to give, notice of its appointment to all Owners appearing on the Obligation Register as of the date of appointment and to each Credit Provider. The City shall reimburse the predecessor Trustee for any expenses (including fees and disbursements of its in-house or outside counsel) incurred under this Section as an Administrative Expense.

Section 11.17. Survival of Rights. The Trustee’s rights to immunity and protection from liability hereunder, its right to receive payment of its fees and expenses and its rights to indemnification hereunder shall survive its removal or resignation and the final payment, defeasance or discharge of the Obligations and the termination of the lien of this Indenture.

Section 11.18. Appointment of a Co-Trustee. It is the intent of the City and the Trustee that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and, in particular, in case of the enforcement of any of them on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted herein to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint, with the consent of the City, an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies herein granted to the Trustee or to hold title to the funds, accounts and assets hereunder or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or vested in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vested in such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such separate trustee or co-trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the City, the Trustee, and to each Credit Provider.
Should any instrument in writing from the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. If the City shall fail to deliver the same within 15 days of such request, the Trustee is hereby appointed attorney-in-fact for the City to execute, acknowledge and deliver such instruments in the City’s name and stead. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder, nor will the act or omission of any trustee hereunder be imputed to any other trustee.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Changes to Indenture.

The Authorized Officer, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Indenture if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 13.2. Partial Invalidity.

If any section, paragraph, clause or provision of this Indenture shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Indenture.

Section 13.3. No Personal Liability.

No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Indenture, against any official or employee of the City or any person executing any Bonds.

Section 13.4. Verification Regarding Israel Boycotts. To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott Israel,” a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1),
Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. As used in this Section, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 13.5. Sanctioned Countries Representations. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,  
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or  
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or Texas law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 13.6. Verification Regarding Energy Company Boycotts. To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session (“SB 13”)), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by SB 13) by reference to Section 809.001, Texas Government Code (as enacted by SB 13), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Trustee understands “affiliate” to mean an entity that
controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 13.7. Verification Regarding Firearm Entities and Firearm Trade Associations. To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session (“SB 19”)), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions, (a) “discriminate against a firearm entity or firearm trade association,” a term defined in Section 2274.001(3), Texas Government Code (as enacted by SB 19), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association, (b) “firearm entity,” a term defined in Section 2274.001(6), Texas Government Code (as enacted by SB 19), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by SB 19, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by SB 19, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by SB 19, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and (c) “firearm trade association,” a term defined in Section 2274.001(7), Texas Government Code (as enacted by SB 19), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an
organization described by Section 501(c) of that code. As used in this Section, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.
PRESENTED, PASSED AND APPROVED, AND EFFECTIVE on the _____ day of ____________, 2021, by a vote of ____ ayes and ___ nays at a regular meeting of the City Council of the City of Arlington, Texas.

By: ____________________________________
   JIM ROSS, Mayor

ATTEST:

______________________________
ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

By: ________________________________
TRUSTEE’S ACCEPTANCE OF TRUST AND DUTIES

The Trustee, acting by and through the below named duly authorized officer, hereby accepts the trusts imposed by this Indenture and agrees to perform the duties of Trustee hereunder, but only upon and subject to the express terms and conditions herein.

Dated: ________________

The Bank of New York Mellon Trust Company,
National Association, as Trustee

By: _______________________
Title: _______________________

#6100178.10
EXHIBIT A
FORM OF PAYMENT CERTIFICATE

No. ___
[date]

The Bank of New York Mellon Trust,
as Trustee
2001 Bryan Street, 10th Floor
Dallas, Texas 75201

Ladies and Gentlemen:

This certificate is provided to you pursuant to Section ___ of the Trust Indenture, dated as of _________ (the "Indenture"), between the City of Arlington (the "Issuer") and The Bank of New York Mellon, as Trustee. The capitalized terms used in this certificate have the same meanings given such terms in the Indenture.

On behalf of the Issuer, I, the undersigned authorized officer of the Issuer, do hereby certify as follows:

(i) There has been expended, or will be expended within 90 days, on account of Project Costs, the following amounts which is (are) hereby requisitioned for disbursement:

Project Costs: $ ___ 

(ii) No other certificate in respect of the expenditures set forth in clause (i) above is being or has previously been delivered to the Trustee;

(iii) All amounts previously disbursed plus the amounts hereby requested to be disbursed from the Project Fund have been and will be used to pay the costs of Project Costs; and

(iv) No Event of Default under the Indenture has occurred and is continuing;

(vi) The amount requested is to be used to pay Project Costs which are qualifying costs;

You are hereby directed to pay the amounts (which total the amount requisitioned by clause (i) above) set forth on Attachment I hereto from the Project Fund to the City in accordance with the payment instructions set forth on Attachment I hereto.

CITY OF ARLINGTON, TEXAS

By: _____________________________
Authorized Representative

Exhibit A-1
<table>
<thead>
<tr>
<th>Amount</th>
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Exhibit A-2
FIRST SUPPLEMENTAL INDENTURE

authorizing

CITY OF ARLINGTON, TEXAS
TAX INCREMENT REVENUE BONDS, SERIES 2021 (CITY OF ARLINGTON TAX INCREMENT REINVESTMENT ZONE No. 5 )

Dated: November 15, 2021
# TABLE OF CONTENTS

ARTICLE I
DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1. Short Title ................................................................. 2
Section 1.2. Definitions ............................................................... 2
Section 1.3. Table of Contents, Titles and Headings ....................... 3
Section 1.4. Interpretation ........................................................... 3
Section 1.5. Declarations and Additional Rights and Limitations Under Master Indenture .................................................. 4

ARTICLE II
PURPOSES, PLEDGE AND SECURITY FOR BONDS

Section 2.1. Purposes of Indenture ............................................... 5
Section 2.2. Pledge, Security for, Sources of Payment of Bonds ........ 5

ARTICLE III
AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization ......................................................... 5
Section 3.2. Date, Denomination, Stated Maturity Dates, Interest Rates .................. 5
Section 3.3. Medium, Method and Place of Payment ........................ 6
Section 3.4. Execution and Initial Registration .............................. 7
Section 3.5. Ownership .............................................................. 7
Section 3.6. Registration, Transfer and Exchange .......................... 7
Section 3.7. Cancellation and Authentication ................................ 9
Section 3.8. Replacement Bonds ................................................ 9
Section 3.9. Book-Entry Only System ......................................... 10
Section 3.10. Successor Securities Depository ............................... 11
Section 3.11. Payments to Cede & Co ......................................... 11

ARTICLE IV
REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption ........................................ 11
Section 4.2. Optional, Mandatory and Special Redemption .............. 12
Section 4.3. Partial Redemption .................................................. 12
Section 4.4. Notice of Redemption to Owners ............................... 12
Section 4.5. Payment Upon Redemption ...................................... 13
Section 4.6. Effect of Redemption.................................................................13
Section 4.7. Conditional Notice of Redemption...........................................13

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally........................................................................14
Section 5.2. Form of Bonds..........................................................................14
Section 5.3. CUSIP Registration.................................................................20
Section 5.4. Legal Opinion..........................................................................20
Section 5.5. Statement of Insurance...........................................................21

ARTICLE VI

SALE, CONTROL AND DELIVERY OF THE BONDS

Section 6.1. Sale of Bonds; Official Statement...........................................21
Section 6.2. Control and Delivery of Bonds..................................................22

ARTICLE VII

GENERAL PROVISIONS

Section 7.1. Deposit and Uses of Bond Proceeds.........................................23
Section 7.2. Payment of the Bonds..............................................................23
Section 7.3. Representations and Covenants.................................................23
Section 7.4. Tax Increment Revenue Obligations.........................................24
Section 7.5. Remedies..................................................................................24

ARTICLE VIII

Section 8.1. Annual Reports......................................................................26
Section 8.2. Disclosure Event Notices.........................................................26
Section 8.3. Limitations, Disclaimers and Amendments..............................28

ARTICLE IX

FEDERAL INCOME TAX MATTERS.

Section 9.1. General....................................................................................29
Section 9.2. No Private Activity Bonds.......................................................29
Section 9.3. No Federal Guarantee.............................................................29
Section 9.4. No Hedge Bonds...................................................................29
Section 9.5. No Arbitrage Bonds...............................................................29
### ARTICLE X

#### MISCELLANEOUS

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Changes to Indenture</td>
<td>30</td>
</tr>
<tr>
<td>10.2</td>
<td>Partial Invalidity</td>
<td>30</td>
</tr>
<tr>
<td>10.3</td>
<td>No Personal Liability</td>
<td>30</td>
</tr>
<tr>
<td>10.4</td>
<td>Verification Regarding Israel Boycotts</td>
<td>30</td>
</tr>
<tr>
<td>10.5</td>
<td>Sanctioned Countries Representations</td>
<td>31</td>
</tr>
<tr>
<td>10.6</td>
<td>Verification Regarding Energy Company Boycotts</td>
<td>31</td>
</tr>
<tr>
<td>10.7</td>
<td>Verification Regarding Firearm Entities and Firearm Trade Associations</td>
<td>32</td>
</tr>
</tbody>
</table>
This City of Arlington First Supplemental Indenture of Trust authorizing the City of Arlington, Tax Increment Revenue Bonds, Series 2021 dated November 15, 2021, is by and between the City of Arlington, Texas (the “City”) and The Bank of New York Mellon Trust Company, National Association, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, the City of Arlington, Texas (the “City”) and The Bank of New York Mellon Trust Company, National Association, as Trustee have entered into that certain City of Arlington Master Indenture of Trust (the “Master Indenture”), authorizing the issuance of obligations pursuant to one or more supplemental indentures. Capitalized terms used in this First Supplemental Indenture (this “Indenture”) and not otherwise defined shall have the meaning assigned thereto in the Master Indenture; and

WHEREAS, this Indenture is adopted for the purpose of, among others, authorizing the issuance of a series of Bonds to be issued pursuant to the terms and provisions of and secured under the Master Indenture; and

WHEREAS, the Bonds authorized herein are to be issued and delivered pursuant to Chapter 311 and in accordance with the general laws of the State of Texas; and

WHEREAS, the City is authorized to issue and deliver the Bonds authorized herein in a single series; and

WHEREAS, it is hereby found and determined that the Bonds authorized herein shall constitute Bonds under the Master Indenture and shall be entitled to all of the benefits of the Master Indenture; and

WHEREAS, pursuant to Chapter 1371, Texas Government Code, as amended, the City Council desires to delegate the authority to effect the sale of the Bonds from time to time to an Authorized Officer; and

WHEREAS, pursuant to Chapter 1371, the City has found and determined that the Bonds authorized herein shall mature on the dates, bear interest at the rates and have such other terms and provisions specified in the Pricing Certificate within the parameters set forth in this Indenture; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Indenture is approved is open to the public, and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Indenture, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;
ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.1. Short Title.

This Indenture may hereafter be cited in other documents and without further description as the “First Supplemental Indenture.”

Section 1.2. Definitions.

The capitalized terms used herein and not otherwise defined shall have the same meanings and definitions as are applied to such terms, respectively, in the Master Indenture. Additionally, unless otherwise expressly provided or unless the context clearly requires otherwise, the following additional terms shall have the respective meanings specified below:

“Authorized Denomination” means $5,000 or any integral multiple thereof.

“Authorized Officer” means (i) the City Manager, (ii) a Deputy City Manager of the City designated by the City Manager for such purpose, or (iii) the Director of Finance of the City.

“Bond” means any of the Bonds.

“Bond Date” means the dated date of the Bonds as set forth in the Pricing Certificate.

“Bonds” means the City’s bonds entitled “City of Arlington, Texas, Tax Increment Revenue Bonds, Series 2021 (City of Arlington Tax Increment Reinvestment Zone No. 5).”

“Closing Date” means the date of initial delivery of and payment for the Bonds.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among such parties.

“Indenture” means this First Supplemental Indenture.

“Initial Bond” means the Initial Bond described in Section 3.4.

“Insurer” means that certain Insurer pursuant to the Policy, if any, as set forth in the Pricing Certificate.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is to be paid until their Stated Maturity or prior redemption, as set forth in the Pricing Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.
“Ordinance” means Ordinance No. _____ of the City dated ______________, 2021, authorizing the Master Indenture and this Indenture and the issuance of Obligations.

“Policy” means, to the extent authorized in the Pricing Certificate, a municipal bond insurance policy guaranteeing the payment of the principal of and interest on the Bonds when due issued by the Insurer.

“Pricing Certificate” means a certificate or certificates setting forth the terms of the Bonds within the parameters herein authorized executed by an Authorized Officer.

“Purchase Contract” means the bond purchase contract approved in Section 6.1, pursuant to which the Bonds are sold to the Underwriters.

“Purchasers” means the initial purchasers of the Bonds in a competitive sale.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date, unless specified otherwise in the Pricing Certificate.

“Representation Letter” means the “Blanket Letter of Representations” between the City and DTC.

“Representative” means the representative of the Underwriters as set forth in the Purchase Contract.

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

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

“Stated Maturity Date” means the respective dates on which the Bonds are stated to mature as set forth in the Pricing Certificate.

“Underwriters” means those underwriters named in the Purchase Contract.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.
(b) Article and section references shall mean references to articles and sections of this Indenture unless designated otherwise.

(c) Nothing in this Indenture is intended or shall be construed to confer upon, or give to, any person, other than the City, the Owners, and the Insurer, any right, remedy, or claim under or by reason of this Indenture or any covenant or provisions hereof.

(d) If any one or more of the covenants, provisions or agreements contained herein should be contrary to Applicable Law, then such covenants, provisions or agreements shall be deemed separable from the remaining covenants, provisions, and agreements hereof, and shall in no way affect the validity of the remaining covenants, provisions, and agreements contained in this Indenture.

Section 1.5. Declarations and Additional Rights and Limitations Under Master Indenture.

(a) For all purposes of the Master Indenture, the City declares and provides as follows:

(i) The Bonds Tax Increment Revenue Obligations authorized by Section 3.1 of the Master Indenture.

(ii) To the extent approved in the Pricing Certificate, the Insurer is a Credit Provider; and any amount owed to the Insurer, other than as an Owner, is a Credit Agreement Obligation.

(iii) Administrative Expenses shall include the fees and expenses owed to the Trustee and the Paying Agent/Registrar.

(b) For all purposes of the Master Indenture, the following additional rights and limitations are granted and imposed:

(i) Whenever in the Master Indenture and this Indenture the right is granted to redeem Bonds in advance of a Stated Maturity Date, any such redemption may be accomplished with any lawfully available money. The Bonds may be redeemed according to their respective terms and pro rata redemptions are not required. All money delivered to the Paying Agent/Registrar for the purpose of redeeming Bonds shall be held uninvested by the Paying Agent/Registrar or shall be held pursuant to the terms of an escrow agreement.

(ii) In the event of the occurrence of an Event of Default under Section 7.1 of the Master Indenture, the right of acceleration of the Stated Maturity Date, and the payment date of all Credit Agreement Obligations, is not granted as a remedy thereunder and the right of acceleration is expressly denied.
ARTICLE II
PURPOSES, PLEDGE AND SECURITY FOR BONDS

Section 2.1. Purposes of Indenture.

The purposes of this Indenture are to authorize the award and sale of the Bonds to the Underwriters in accordance with the terms and provisions hereof, to establish parameters with respect to certain terms and provisions of the Bonds to be specified in the Pricing Certificate, and to extend expressly the pledge, lien and security of the Master Indenture to and for the benefit of the Owners and the Insurer, if any, as a Credit Provider.

Section 2.2. Pledge, Security for, Sources of Payment of Bonds.

(a) The pledge, the security and the filing provisions of Sections 2.3 and 2.4, respectively, of the Master Indenture are hereby expressly restated, fixed, brought forward and granted to the Owners and the Insurer.

(b) The Bonds issued hereunder are Bonds under the Master Indenture and, together with the Credit Agreement Obligations pertaining to the Bonds, if any, shall be and are secured in the manner and to the extent provided in the Master Indenture with respect to the Bonds. The Bonds shall be and are on a parity with other Bonds issued under the Master Indenture.

ARTICLE III
AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds, to be designated “City of Arlington, Texas, Tax Increment Revenue Bonds, Series 2021 (City of Arlington, Texas Tax Increment Reinvestment Zone No. 5),” are hereby authorized to be issued and delivered in accordance with Act and other Applicable Law. The Bonds shall be issued in the original principal amount of not to exceed $11,000,000 for the purpose of (i) providing funds for Project Costs including water, sanitary sewer and storm water facilities and improvements, street and intersection improvements, open space improvements and public parking facilities and improvements within TIRZ Five, (ii) to fund a portion of the Debt Service Reserve Requirement and/or acquisition of a Debt Service Reserve Fund Policy, (iii) to pay capitalized interest on the Bonds and (iii) to pay the City’s costs incurred in connection with the issuance of the Bonds.

Section 3.2. Date, Denomination, Stated Maturity Dates, Interest Rates.

(a) The Bonds shall be dated as of the Bond Date set forth in the Pricing Certificate. The Bonds shall be in fully registered form, without coupons, in Authorized Denominations, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered T-1.
(b) The Bonds shall mature on the dates and in the years and in the Principal Installments set forth in the Pricing Certificate.

(c) Interest shall accrue and be paid on each Bond, respectively, until the payment of the principal amount thereof shall have been made or provided for, from the later of the date of delivery to the Underwriters (unless modified by the Pricing Certificate) or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the Pricing Certificate as provided in Section 6.1. Such interest shall be payable semiannually on each Interest Payment Date until maturity or prior redemption. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Section 3.3. Medium, Method and Place of Payment.

(a) Debt Service on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners whose names appear in the Obligation Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be at least 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on the Bonds shall be paid by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar to the Owner entitled to such payment, United States mail, first class postage prepaid, to the address of the Owner as it appears in the Obligation Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the Owner on the due date thereof (whether at the Stated Maturity Date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If a date for the payment of Debt Service on the Bonds is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Subject to any applicable escheat, unclaimed property, including without limitation Title 6, Texas Property Code, or similar and Applicable Law, unclaimed payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be paid to the City and thereafter neither the City, the Paying
Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds.

Section 3.4. Execution and Initial Registration.

(a) The Bonds shall be executed in accordance with the Section 4.7 of the Master Indenture.

(b) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Indenture, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Closing Date shall have attached thereto the Comptroller’s Registration Certificate substantially in the form provided in this Indenture, manually executed by the Comptroller of Public Accounts of the State or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(c) On the Closing Date, one Initial Bond, representing the entire principal amount of the Bonds, payable in stated installments to the Underwriters or its designee, executed by manual or facsimile signature of the Mayor and attested by manual or facsimile signature of the City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State, will be delivered to the representative of the Underwriters or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the Underwriters registered definitive Bonds as described in Section 3.9(a).

Section 3.5. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat each Owner as the absolute owner of such Bond for the purpose of making and receiving payment of Debt Service thereon (subject to the provisions herein that interest is to be paid to each Owner on the Record Date), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.6. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to maintain the Obligation Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the Master Indenture.
(b) Ownership of any Bond may be transferred in the Obligation Register only upon the presentation and surrender thereof at the Paying Agent/Registrar’s Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in Authorized Denominations, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Obligation Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Bond. To the extent possible the Paying Agent/Registrar will issue such new Bond or Bonds in not more than three Business Days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar together with a written request therefor duly executed by the Owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in Authorized Denominations, at the request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds shall be delivered by the Paying Agent/Registrar to the Owner of the Bond or Bonds in not more than three Business Days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned or transferred shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such substitute Bond is delivered.

(e) The City will pay, as an Administrative Expense, the Paying Agent/Registrar’s reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Bonds, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. In addition, the City hereby covenants with the Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of Debt Service on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Bonds as provided herein.
(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer,
or exchange any Bond called for redemption, in whole or in part, where such redemption is
scheduled to occur within 45 calendar days after the transfer or exchange date; provided, however,
such limitation shall not be applicable to an exchange by the Owner of the uncalled principal
balance of a Bond.

Section 3.7. Cancellation and Authentication.

All Bonds paid or redeemed before their Stated Maturity Dates in accordance with this
Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated
and delivered in accordance with this Indenture, shall be canceled upon the making of proper
records regarding such payment, redemption, exchange or replacement. The Paying
Agent/Registrar shall dispose of the canceled Bonds in accordance with Applicable Law.

Section 3.8. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the
Designated Payment/Transfer Office, of a mutilated Bond, the Paying Agent/Registrar shall
authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal
amount, bearing a number not contemporaneously outstanding. The City or the Paying
Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or
other governmental charge that is authorized to be imposed in connection therewith and any other
expenses connected therewith.

(b) In the event any Bond is lost, apparently destroyed or wrongfully taken, the Paying
Agent/Registrar, pursuant to the Applicable Law and in the absence of notice or knowledge that
such Bond has been acquired by a bona fide Underwriters, shall authenticate and deliver a
replacement Bond of like tenor and principal amount, bearing a number not contemporaneously
outstanding, provided that the Owner first:

   (i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her
       ownership of and the circumstances of the loss, destruction or theft of such Bond;

   (ii) furnishes such security or indemnity as may be required by the Paying
        Agent/Registrar and the City to save them harmless;

   (iii) pays all expenses and charges in connection therewith, including, but not
        limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other
        governmental charge that is authorized to be imposed; and

   (iv) satisfies any other reasonable requirements imposed by the City and the
        Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original
Bond in lieu of which such replacement Bond was issued presents for payment such original Bond,
the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from
the Person to whom it was delivered or any person taking therefrom, except a bona fide purchaser,
and shall be entitled to recover upon the security or indemnity provided therefor to the extent of
any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.9. Book-Entry Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.10, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Indenture. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Obligation Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Obligation Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Obligation Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Obligation Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to payment of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Obligation Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered
Owner at the close of business on the Record Date, the word “Cede & Co.” in this Indenture shall refer to such new nominee of DTC.

(c) The “Representation Letter” previously executed and delivered by an Authorized Officer and made applicable to the City’s obligations delivered in book-entry-only form to DTC as securities depository for said obligations, is hereby ratified and approved for the Bonds.

Section 3.10. Successor Securities Depository.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Obligation Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

The Owners of a Bond shall also provide or cause to be provided to the Paying Agent/Registrar all information necessary to allow it to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Paying Agent/Registrar may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 3.11. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds shall be subject to redemption before their respective Stated Maturity Dates only as provided in this Article IV.
Section 4.2. **Optional, Mandatory and Special Redemption.**

(a) The City reserves the option to redeem Bonds on the dates, in the principal amounts, in the manner, on the terms and at the redemption prices stated in the Pricing Certificate.

(b) The Bonds shall be subject to mandatory sinking fund redemption and special redemption as provided in the Pricing Certificate.

(c) The Bonds shall be redeemed in principal amounts of $5,000 or any integral multiple thereof.

(d) The City, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed and the redemption price therefor.

(e) With respect to any mandatory sinking fund redemption, the principal amount of Bonds required to be redeemed on any redemption date pursuant to this section shall be reduced, at the option of the City, by the principal amount of any Bonds which, at least 45 days prior to the redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory redemption.

Section 4.3. **Partial Redemption.**

(a) If less than all of the Bonds are to be redeemed pursuant to an optional redemption, the City shall have the right to determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption as determined by the City in its sole discretion.

(b) A portion of a single Bond of a denomination greater than $5,000 may be redeemed, but only in a principal amount equal to $5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each $5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.6 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.4. **Notice of Redemption to Owners.**

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Obligation Register.
(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.5. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

(c) The provisions of this Section 4.5 are subject to the provision of Section 4.7.

Section 4.6. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.4 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same by the City.

Section 4.7. Conditional Notice of Redemption.

The City reserves the right to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice.
of redemption to the affected Owners. Any Bonds subject to conditional redemption and for which such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an Event of Default.

ARTICLE V
FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the Authorized Officers executing such Bonds.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The Bonds, including the Initial Bond submitted to the Attorney General of Texas and any temporary Bonds, shall be typed, printed, lithographed, photocopied or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

Section 5.2. Form of Bonds.

The form of Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially in the following form, subject to such changes as are required to conform the form of the Bond to the terms and provisions contained in the Pricing Certificate pertaining to the interest rates, principal amounts, maturity dates, redemption provisions, and other specific terms set forth in the Pricing Certificate.
The City of Arlington, Texas (the “City”), for value received, hereby promises to pay to

_____________________________________

or registered assigns, on the Maturity Date, as specified above, the sum of

______________________________ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Delivery Date, as specified above, or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on _____________ 2 and ____________ 3 of each year, commencing ___________ 4, 20__ 5.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in __________ (the “Designated Payment/Transfer Office”), of

1 To be inserted from Pricing Certificate.
2 To be inserted from Pricing Certificate.
3 To be inserted from Pricing Certificate.
4 To be inserted from Pricing Certificate.
5 To be inserted from Pricing Certificate.
or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the “Record Date,” which shall be the last Business Day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City or in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of $__________ pursuant to the Master Indenture (the “Master Indenture”) and the First Supplemental Indenture (the “First Supplemental Indenture”), each dated ______________, 2021, between the City and the Trustee, and the Pricing Certificate executed as provided in the First Supplemental Indenture. The Master Indenture, the First Supplemental Indenture and the Pricing Certificate are herein collectively referred to as the “Indenture.” This Bond is a Tax Increment Revenue Obligation authorized by the Indenture and is subject to the terms and provisions thereof. The Indenture and the respective terms and provisions thereof are incorporated herein for all purposes.

The Bonds are issued by the City for the purpose of (i) providing an amount of funds that is sufficient to fund the Project Costs, (ii) to fund a portion of the Debt Service Reserve Requirement and/or acquisition of a Debt Service Reserve Fund Policy, and (iii) to pay the City’s costs incurred in connection with the issuance of the Bonds.

The Bonds and the interest thereon are payable from, and are secured by a first lien on and pledge of the Pledged Revenues and the Pledged Accounts, all as described in the Indenture.

The lien on and pledge of the Pledged Revenues and the Pledged Accounts created and granted in the Indenture in favor of the Bonds is on a parity with the lien and pledge thereof granted by the City in favor of additional obligations to be issued by the City pursuant to the Master Indenture and one or more supplemental indentures. The City has reserved the right in the Master
Indenture to issue obligations with a parity lien on the Pledged Revenues and the Pledged Accounts. The City has also reserved the right in the Indenture to issue Tax Increment Revenue Obligations with a subordinate lien on the Pledged Revenues and Pledged Accounts.

Optional Redemption

If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

Mandatory Sinking Fund Redemption

Special Redemption

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

The City reserves the right to give notice of its election or direction to redeem Bonds subject to optional or special redemption conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice of redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding.

As provided in the Indenture, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized

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6 Optional redemption provisions to be inserted from Pricing Certificate.
7 Mandatory redemption provisions to be inserted from Pricing Certificate.
8 Special redemption provisions to be inserted from Pricing Certificate.
denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly imprinted or placed in facsimile on this Bond.

City Secretary, City of Arlington, Texas

Mayor, City of Arlington, Texas

[Seal]
(b) [Form of Certificate of Paying Agent/Registrar]

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Bonds referred to in the within mentioned Indenture. The series of Bonds of which this Bond is a part was originally issued as one Initial Bond which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

________________________________________
as Paying Agent/Registrar

Dated: _________________________ By: ________________________________
Authorized Signatory

(c) [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 hereunder and hereby irrevocably constitutes and appoints ___________________ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: ____________________________

Signature Guaranteed By: ________________________________

Authorized Signatory

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 and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(d) Initial Bond Insertions.

(i) The Initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

   (A) immediately under the name of the Bond, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and “CUSIP NO. _____” deleted;
(B) in the first paragraph:

the words “on the Maturity Date” shall be deleted and the following will be inserted:

“on _______ in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Installment</th>
<th>Interest Rate</th>
</tr>
</thead>
</table>

(C) (Information to be inserted from the Pricing Certificate.)

(ii) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO._____________

THE STATE OF TEXAS §

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this ________________.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

Section 5.3. CUSIP Registration.

The City may secure identification numbers through the CUSIP Global Services, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 5.4. Legal Opinion.

The approving legal opinion of Bracewell LLP, Bond Counsel, may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.
Section 5.5. Statement of Insurance.

A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

ARTICLE VI
SALE, CONTROL AND DELIVERY OF THE BONDS


(a) The Bonds shall be sold in a negotiated sale or a competitive sale in accordance with the terms of this Indenture, including this Section 6.1(a). As authorized by Chapter 1371, Texas Government Code, as amended, the Authorized Officer is authorized to act on behalf of the City in selling and delivering the Bonds and in carrying out the other procedures specified in this Indenture, including determining the price at which each of the Bonds will be sold, the number and designation of Bonds to be issued, the form in which the Bonds shall be issued, the years and dates on which the Bonds will mature, to mature in each of such years, the aggregate principal amount of the Bonds to be issued by the City to refund the Refunded Bonds, the first interest payment date for Bonds, the Interest Payment Dates, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption or special redemption, whether the Bonds shall be issued as taxable or tax-exempt, acquisition of the Policy, if any, and a Debt Service Reserve Fund Policy, if any, the selection of an escrow agent, selection of a verification agent, and all other matters relating to the issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds, all of which shall be specified in the Pricing Certificate; provided that the following conditions can be satisfied:

(i) the Bonds shall not bear interest at a rate greater than the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;

(ii) the aggregate principal amount of the Bonds authorized to be issued for the purposes described in Section 3.1 shall not exceed the maximum amount authorized in Section 3.1 hereof ($11,000,000);

(iii) no Bond shall mature after August 15, 2051;

(iv) all such terms and determinations pertaining to the pricing of the Bonds shall be based on bond market conditions and available interest rates for the Bonds on the date of the sale of the Bonds and taking into account any municipal bond insurance policy, net of the cost of said municipal bond insurance policy, all as set forth in the Pricing Certificate.

If sold in a negotiated sale, the Authorized Officer is hereby authorized and directed to execute and deliver, and the City Secretary is hereby authorized and directed to attest, a bond purchase contract (the “Purchase Contract”) which Purchase Contract is hereby accepted, approved and authorized in substantially the form submitted to the City and upon completion of
the terms of the Purchase Contract in accordance with the terms of the Pricing Certificate and this Indenture, the Authorized Officer and other appropriate officials of the City are hereby authorized and directed to execute such Purchase Contract on behalf of the City and the Authorized Officer and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Bonds shall initially be registered in the name of the Representative or its designee.

The authority granted to the Authorized Officer under this Section 6.1(a) shall expire on a date that is 365 days from the date of this Indenture unless otherwise extended by the City Council by separate action.

(b) The City hereby approves the preparation and distribution of a Preliminary Official Statement and Notice of Sale, if applicable, for use in the initial offering and sale of the Bonds, each in the form and with such addenda, supplements or amendments as may be approved by the Authorized Officer. The Preliminary Official Statement and Notice of Sale, if applicable, (in the form and with such addenda, supplements or amendments as are approved by the Authorized Officer) is hereby deemed final within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities and Exchange Act of 1934. The City hereby authorizes the preparation of a final Official Statement reflecting the terms of the sale of the Bonds and other relevant information. The use of such final Official Statement by the Underwriters or Purchasers (in the form and with such appropriate variations as shall be approved by the Authorized Officer and the Underwriters or Purchasers) is hereby approved and authorized.

(c) The Authorized Officer and all other officers of the City are authorized to take such actions, to obtain such consents or approvals and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds, to pay the costs of issuance of the Bonds, and to effectuate the terms and provisions of this Indenture. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the District is hereby authorized and directed to issue a check of the District payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed $9,500).

(d) A bond engagement letter with Bracewell LLP for bond counsel services relating to the Bonds is hereby approved and the Authorized Officer is hereby authorized to execute such engagement letter.

(e) The obligation of the Underwriters to accept delivery of the Bonds is subject to, among other conditions specified in the Purchase Contract, the Underwriters being furnished with the final, approving opinion of Bracewell LLP, Bond Counsel for the City, which opinion shall be dated and delivered on the Closing Date.

Section 6.2. Control and Delivery of Bonds.

(a) The Authorized Officer, is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination
and approval of the Attorney General of the State, registration by the Comptroller of Public Accounts of the State, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriters under and subject to the general supervision and direction of the Authorized Officer, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor, City Secretary or City Manager is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem, the Assistant City Secretary, or a Deputy City Manager, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem and the Assistant City Secretary, and a Deputy City Manager shall, for the purposes of this Indenture, have the same force and effect as if such duties were performed by the Mayor, City Secretary, and City Manager, respectively.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1. Deposit and Uses of Bond Proceeds.

(a) All amounts received on the Closing Date as accrued interest, if any, on the Bonds from the Bond Date to the Closing Date, shall be deposited to the Debt Service Fund.

(b) The remaining proceeds of the Bonds shall be deposited as set forth in the Pricing Certificate.

Section 7.2. Payment of the Bonds.

While any of the Bonds are outstanding and unpaid, the City shall make available to the Paying Agent/Registrar, from the Pledged Accounts, in the amounts and at the times required by this Indenture and the Master Indenture, money sufficient to pay when due all amounts required to be paid by this Indenture and the Master Indenture.

Section 7.3. Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Master Indenture and this Indenture; the City will promptly pay or cause to be paid Debt Service on each Bond on the dates and at the places and in the manner prescribed in each Bond; and the City will, at the times and in the manner prescribed by this Indenture, deposit or cause to be deposited the amounts of money specified by the Master Indenture and this Indenture.

(b) The City is duly authorized under the laws of the State to issue the Bonds; all action on its part for the issuance of the Bonds has been duly and effectively taken; and the Bonds in the
hands of the Owners are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 7.4. Tax Increment Revenue Obligations.

The Bonds authorized herein are designated as “Tax Increment Revenue Obligations” under the Master Indenture.

Section 7.5. Remedies.

The City, the Owners and the Insurer shall have all rights, remedies, duties and obligations set forth and applicable to them in the Master Indenture and this Indenture.

Section 1.01. Federal Income Tax Matters. In the event the Bonds are issued as Tax-Exempt Obligations, the following provisions shall apply:

(a) **General.** The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Bonds.

(b) **No Private Activity Bonds.** The City covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) **No Federal Guarantee.** The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) **No Hedge Bonds.** The City covenants not to take any action or omit to take action that, if taken or omitted, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) **No Arbitrage Bonds.** The City covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) **Required Rebate.** The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, be rebated to the United States.
(g) **Information Reporting.** The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

(h) **Record Retention.** The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Refunded Bonds and the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) **Registration.** If the Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Bonds will be issued in registered form.

(j) **Favorable Opinion of Bond Counsel.** Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(k) **Continuing Compliance.** Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes...
ARTICLE VIII
CONTINUING DISCLOSURE UNDERTAKING

Section 8.1. Annual Reports.

(l) The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement, being information described in the Pricing Certificate, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles prescribed by the Generally Accepted Accounting Principles or such other accounting principles as the City may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(m) 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.

(n) 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 (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 8.2. Disclosure Event Notices.

(a) The City shall notify the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) 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;

(vii) Modifications to rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

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

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into 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;

(xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;

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

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

Any event described in (xii), is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person in a proceeding under the U.S. 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 obligated person, 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 obligated person; and the City intends the words used in the immediately preceding paragraphs (xv) and (xvi) and the definition of financial obligations in those sections to have the same meanings as when they are used in rule and sec release no. 34-83885, dated August 20, 2018.
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 Section 9.1 of this Indenture by the time required by such Section.

Section 8.3. Limitations, Disclaimers and Amendments.

(a) The City shall be obligated to observe and perform the covenants specified in this Article 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 notice of any Bond calls and any defeasances that cause the City to be no longer an “obligated person.”

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, 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 Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER 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 ARTICLE, 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.

(c) No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under the Indenture for purposes of any other provisions of this Indenture.

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

(e) The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (i) the provisions of this Article, 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 (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Indenture that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) an entity or individual
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 Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 9.1 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.

ARTICLE IX
FEDERAL INCOME TAX MATTERS.

Section 9.1. General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Bonds.

Section 9.2. No Private Activity Bonds. The City covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

Section 9.3. No Federal Guarantee. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

Section 9.4. No Hedge Bonds. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

Section 9.5. No Arbitrage Bonds. The City covenants that it will make such use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

Section 9.6. Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, be rebated to the United States.

Section 9.7. Information Reporting. The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

Section 9.8. Record Retention. The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Refunded Bonds and the
Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

Section 9.9. **Registration.** If the Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Bonds will be issued in registered form.

Section 9.10. **Favorable Opinion of Bond Counsel.** Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Section 9.11. **Continuing Compliance.** Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest on the Bonds from gross income for federal income tax purposes...

**ARTICLE X**

**MISCELLANEOUS**

Section 10.1. **Changes to Indenture.**

The Authorized Officer, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Indenture if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 10.2. **Partial Invalidity.**

If any section, paragraph, clause or provision of this Indenture shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Indenture.

Section 10.3. **No Personal Liability.**

No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Indenture, against any official or employee of the City or any person executing any Bonds.

Section 10.4. **Verification Regarding Israel Boycotts.** To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. The foregoing verification is made
solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott Israel,” a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. As used in this Section, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 10.5. Sanctioned Countries Representations. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:


The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or Texas law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 10.6. Verification Regarding Energy Company Boycotts. To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session (“SB 13”)), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by SB 13) by reference to Section 809.001, Texas Government Code (as enacted by SB 13), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described
by (A) above. As used in this Section, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 10.7. Verification Regarding Firearm Entities and Firearm Trade Associations. To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session (“SB 19”)), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. The foregoing verification is made solely to enable the [City] to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions, (a) “discriminate against a firearm entity or firearm trade association,” a term defined in Section 2274.001(3), Texas Government Code (as enacted by SB 19), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association, (b) “firearm entity,” a term defined in Section 2274.001(6), Texas Government Code (as enacted by SB 19), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by SB 19, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by SB 19, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by SB 19, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and (c) “firearm trade association,” a term defined in Section 2274.001(7), Texas Government Code (as enacted by SB 19), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt
from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. As used in this Section, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.
PRESENTED, PASSED AND APPROVED, AND EFFECTIVE on the _____ day of
____________, 2021, by a vote of ____ ayes and ___ nays at a regular meeting of the City
Council of the City of Arlington, Texas.

By: ____________________________________
   JIM ROSS, Mayor

ATTEST:

__________________________
ALEX BUSKIN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

By:______________________________
TRUSTEE’S ACCEPTANCE OF TRUST AND DUTIES

The Trustee, acting by and through the below named duly authorized officer, hereby accepts the trusts imposed by this Indenture and the Master Indenture and agrees to perform the duties of Trustee hereunder, but only upon and subject to the express terms and conditions herein.

Dated: __________________

The Bank of New York Mellon Trust Company,
National Association, as Trustee

By:  _______________________
Title: _______________________

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