Marble Falls
ECONOMIC DEVELOPMENT CORPORATION

NOTICE OF MEETING
OF THE
MARBLE FALLS ECONOMIC DEVELOPMENT CORPORATION
Tuesday, December 20, 2016 – 12:15 pm

A quorum of the Marble Falls City Council may be present

Notice is hereby given that a **Special Meeting** of the Marble Falls Economic Development Corporation, a non-profit 4B Corporation, will be held at **12:15 pm** on **Tuesday, December 20, 2016** in the **City Hall Council Chambers** located at 800 Third Street, Marble Falls, Texas at which time the following subjects will be discussed:

1. **CALL TO ORDER AND ANNOUNCE QUORUM IS PRESENT.**

2. **CITIZENS COMMENTS.** *This is an opportunity for citizens to address the Board concerning an issue of community interest that is not on the agenda. Comments on a specific agenda item must be made when the agenda item comes before the Board. The President may place a time limit on all comments. Any deliberation of an issue raised during Citizen Comments is limited to a proposal to place it on the agenda for a later meeting.*

3. **PRESENTATIONS AND UPDATES.**
   - None

4. **BUSINESS DEVELOPMENT COORDINATOR'S REPORT.**
   - None

5. **EXECUTIVE DIRECTOR'S REPORT.**
   - None

6. **CONSENT AGENDA**. *The items listed are considered to be routine and non-controversial by the Board and will be approved by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which case the item will be removed from the Consent Agenda prior to a motion and vote. The item will be considered in its normal sequence on the Regular Agenda.*

   (a) Approval of the minutes of the December 7, 2016 regular meeting. ***Christina McDonald, Secretary***

7. **REGULAR AGENDA**. *The Board will individually consider and possibly take action on any or all of the following items:*

(a) Discussion and Approval of the First and Final Reading of Resolution 2016-R-12 approving a resolution of the Marble Falls Economic Development Corporation with respect to the issuance of Sales Tax Revenue Bonds, Taxable Series 2017, and approving other matters related thereto. **Christian Fletcher, Executive Director**

8. **EXECUTIVE SESSION.**
   - None

9. **RECONVENE TO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ITEMS DISCUSSED IN EXECUTIVE SESSION.**

10. **FUTURE AGENDA REVIEW.**

11. **ADJOURNMENT.**

"The Marble Falls Economic Development Corporation reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any matters listed on the agenda, *as authorized by the Texas Government Code including, but not limited to, Sections: 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), 418.183 (Deliberations about Homeland Security Issues) and as authorized by the Texas Tax Code including, but not limited to, Section 321.3022 (Sales Tax Information)."*

In compliance with the Americans with Disabilities Act, the City of Marble Falls will provide for reasonable accommodations for persons attending Economic Development Meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Ms. Christina McDonald, City Secretary, at (830) 693-3615.

Certificate of Posting

I, Christina McDonald, City Secretary for the City of Marble Falls, Texas, do certify that this Notice of Meeting was posted at City Hall, in a place readily accessible to the general public at all times, on the 7th day of December, 2016 at 3:15 pm and remained so posted for at least 72 continuous hours proceeding the scheduled time of said meeting.

/s/ Christina McDonald
Christina McDonald, TRMC
EDC Secretary

The agenda is also posted on the City's website www.marblefallstx.gov and the EDC's website www.marblefallseconomy.com.

STATE OF TEXAS
COUNTY OF BURNET
CITY OF MARBLE FALLS

On this the 7th day of December 2016 the Marble Falls Economic Development Corporation of the City of Marble Falls convened in regular session at noon at the regular meeting place in City Hall, with notice of meeting giving time, place, date, and subject having been posted as described in Chapter 551 of the Texas Government Code.

PRESENT:	Steve Reitz	President
	Jane Marie Hurst	Director
	Mark Mayfield	Director
	Judy Miller	Director
	John Packer	Director
	Lindsay Plante	Director
ABSENT:	None	
STAFF:	Christian Fletcher	Executive Director
	Midge Dockery	Business Development Coordinator
	Patty Akers	Attorney
	Christina McDonald	EDC/City Secretary
	Mike Hodge	City Manager
	Caleb Kraenzel	Asst. City Manager
	Margie Cardenas	Director of Finance/EDC Treasurer

VISITORS: Lynn Surls and John Richardson (Sawmill Partners, LLC.)

1. **CALL TO ORDER AND ANNOUNCE QUORUM IS PRESENT.** President Reitz called the meeting to order at noon and announced the presence of a quorum.

2. **CITIZENS COMMENTS.** There were no citizen comments

3. **PRESENTATIONS AND UPDATES**
   - Mike Hodge, City Manager gave an update from the City of Marble Falls business and projects.

4. **BUSINESS DEVELOPMENT COORDINATOR'S REPORT.** Midge Dockery, Business Development Coordinator gave an update on Real Estate Activity and Business Visits.

5. **EXECUTIVE DIRECTOR'S REPORT.** Christian Fletcher, Executive Director gave an update on marketing, website activity and programs.

6. **CONSENT AGENDA**

(a) **Approval of the minutes of the November 2, 2016 regular meeting.**

(b) **Approval of the 4th Quarterly Investment Report for the period July 1, 2016 through September 30, 2016 and the Annual Investment Report for Fiscal Year 2015/16.**

(c) **Approval of amendments to the Marble Falls Economic Development Corporation Investment Policy and Strategy.**

Director Hurst made a motion to approve the consent agenda. Director Mayfield seconded the motion. The motion carried by a vote of 6-0.

7. **REGULAR AGENDA**

President Reitz moved to item 7(b).

(b) **Discussion and Action on amendments to the Commercial Lease Agreement and Performance Agreement with Novak Cobalt Partners, LLC.** Executive Director Christian Fletcher addressed the board. Director Mayfield made a motion to approve the amendments to the critical date scheduled as presented. Director Hurst seconded the motion. The motion carried by a unanimous vote (6-0).

The board convened to Executive Session at 12:26 pm and returned to Open Session at 12:45 pm to take action on item 7(a).

(a) **Discussion and Action on the sale of property (4.92 acre parcel Phase III) located in the Business & Technology Park to Sawmill Partners, LLC.** Executive Director Christian Fletcher addressed the board. Director Mayfield made a motion to proceed with negotiations regarding the sale of 4.92 acres Phase III located in the Business & Technology Park as discussed in Executive Session. Director Hurst seconded the motion. The motion carried by a unanimous vote (6-0).

8. **EXECUTIVE SESSION**

Close Open Session and Convene Executive Session pursuant to §551.087 (*Economic Development*), §551.071 (*Private Consultation between the Board and its Attorney*), §551.072, and (*Deliberation Regarding the Purchase, Exchange, Lease or Value of Real Property)* of the Open Meetings Act. *Tex. Gov't Code,* Council will meet in Executive Session to discuss the following:

- Economic Development Prospects
- Hotel/Conference Center Development
- Business & Technology Park Real Estate

12:47 pm convened to Executive Session
1:10 pm returned to Open Session

9. **RECONVENE TO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ITEMS DISCUSSED IN EXECUTIVE SESSION.** No action was taken.

10. **FUTURE AGENDA REVIEW.** Items for the January regular meeting were reviewed.

11. **ADJOURNMENT.** There being no further business to discuss, Director Packer made a motion to adjourn. The motion was seconded by Director Miller and the meeting was adjourned at 1:10 pm.

_____
Steve Reitz, President

ATTEST:

_____
Christina McDonald, EDC Secretary

City of Marble Falls, Texas

Marble Falls Economic Development Corporation Agenda Item Cover Memo

December 20, 2016

Agenda Item No.: 7(a)
Presenter: Christian Fletcher, Executive Director
Department: Marble Falls Economic Development Corporation
Legal Review: ☒

AGENDA CAPTION

Discussion and Approval of the First and Final Reading of Resolution 2016-R-12 approving a resolution of the Marble Falls Economic Development Corporation with respect to the issuance of Sales Tax Revenue Bonds, Taxable Series 2017, and approving other matters related thereto.

BACKGROUND INFORMATION

The Board of Directors is asked to approve the issuance of the Marble Falls Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2017, in order to (1) provide funds for the design and construction of a conference center with a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property for the purpose of promoting new or expanded business development in the City, and (2) the payment of costs of issuance related to the issuance of the Bonds.

The financial advisors for the City and the EDC, Mark McLiney and Andrew Friedman of SAMCO Capital Markets, have recommended the sale of the Bonds by a negotiated sale to Raymond James and Associates, Inc. They will take bids on December 19, 2016 and present the results of the sale with the final version of the Bond Resolution at the December 20, 2016 meeting of the EDC and the City Council.

Staff recommends approval of the Resolution.

A draft of the Bond Resolution is attached. The final version will be provided at the December 20, 2016 meeting, after pricing.

RESOLUTION NO. 2016-R-12

RESOLUTION AUTHORIZING THE ISSUANCE OF $6,500,000 "MARBLE FALLS ECONOMIC DEVELOPMENT CORPORATION, SALES TAX REVENUE BONDS, TAXABLE SERIES 2017;" PLEDGING CERTAIN "PLEDGED REVENUES" OF THE CORPORATION, INCLUDING "GROSS SALES TAX REVENUES," TO THE PAYMENT OF THE PRINCIPAL AND INTEREST ON SUCH BONDS; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT ESTABLISHING THE TERMS OF SALE OF THE BONDS; AND ENACTING OTHER PROCEDURES AND PROVISIONS RELATING TO THE PURPOSES OF THIS RESOLUTION

WHEREAS, at an election held on May 12, 2007, a majority of the citizens of the City of Marble Falls (the "City") voting at said election authorized the City to levy a sales and use tax on the receipts at retail of taxable items within the City at a rate of one-half of one percent (1/2%); and

WHEREAS, under the authority granted by the Act (as defined herein), the City has levied a Sales Tax (as defined herein) for the benefit of the Marble Falls Economic Development Corporation (the "Corporation") for the purposes identified in the Act; and

WHEREAS, pursuant to the provisions of the Development Corporation Act of 1979, Article 5190.6, V.A.T.C.S., as amended, particularly Section 4B thereof, the City created the Corporation, a nonstock, nonprofit industrial development corporation created to act on behalf of the City to satisfy the public purposes set forth therein, specifically the purpose of promoting and encouraging employment and the public welfare, and the undertaking of certain public improvements in accordance therewith; and

WHEREAS, Article 5190.6, V.A.T.C.S, has been codified into the Texas Local Government Code, and, with respect to the Corporation, Chapters 501 and 505, Texas Local Government Code, apply to the Corporation, and for purposes of this Resolution, Chapters 501 and 505, Texas Local Government Code, are referred to collectively as the "Act"; and

WHEREAS, Section 505.158, Texas Local Government Code, provides that a "Type B Corporation" authorized to be created by a municipality with a population of 20,000 or less may determine that a project includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's board of directors to promote new or expanded business development; and

WHEREAS, the 2010 federal census reflects that the City had a population of less than 20,000, and the Corporation is a Type B Corporation as such term is used in the Act; and

WHEREAS, the Board of Directors of the Corporation (the "Board"), by adopting this Resolution, finds that the "Project" (as defined herein) will promote new and expanded business development in the City; and

WHEREAS, proceeds from the sale of the Bonds will be used to provide funds for the design and construction of a conference center with a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property (the "Project"); and

WHEREAS, the Corporation has entered into an Economic Development Performance Agreement with the Developer (as defined herein) to fund, develop and construct the conference center with a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation; and

WHEREAS, the Corporation and Developer have also entered into a Commercial Lease Agreement with Option to Purchase to lease the Corporation's land to the Developer on which the hotel and related restaurant facilities, including parking, concession services and open space improvements will be located; and

WHEREAS, as a condition to the issuance of the bonds hereinafter authorized, the provisions of Sections 505.159 and 505.160 have been satisfied; and

WHEREAS, the Board desires to have the Corporation undertake such Project according to the Act; and

WHEREAS, the City Council of the City has approved the Corporation to undertake such Project; and

WHEREAS, in satisfaction of the requirements set forth in Section 4B(a-1) of the Act (now Subchapter F of Chapter 505, Texas Local Government Code), a notice describing the projects proposed to be financed was published in the *The Highlander* on October 18, 2016, and the Corporation has not received a petition from more than ten percent (10%) of the registered voters of the City requesting that an election be held before such projects may be undertaken; and

WHEREAS, in accordance with the provisions of Section 4B of the Act (now Section 505.302, Texas Local Government Code), the City shall timely transfer to the Corporation the proceeds of the Sales Tax, in accordance with the terms and conditions of the Financing Use and Sales Tax Remittance Agreement, dated as of November 12, 2009, which is ratified and continued; and

WHEREAS, the Bonds hereinafter authorized and designated are to be issued and delivered pursuant to the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARBLE FALLS ECONOMIC DEVELOPMENT CORPORATION:

SECTION 1. Recitals; Consideration. It is hereby found and determined that the matters and facts set out in the preamble to this Resolution are true and correct.

SECTION 2. Definitions. For all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds herein authorized and the pledge and appropriation of revenues to the payment of the Bonds, the following definitions are provided:

"Act" - Development Corporation Act, Subtitle C1 of Title 12, Texas Local Government Code [formerly Article 5190.6, TEX. REV. CIV. STAT. ANN.], as amended at any time.

"Additional Parity Obligations" – Bonds, notes or other evidences of indebtedness which the Corporation reserves the right to issue or enter into, as the case may be, in the future in accordance with the terms and conditions provided in Section 37 hereof and which, together with the Previously Issued Parity Obligations and the Bonds, are equally and ratably secured by a parity pledge of and claim on the Pledged Revenues under the terms of this Resolution and a Supplemental Resolution.

"Average Annual Debt Service" - That 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. Capitalized interest payments provided from proceeds or borrowings of the Corporation shall be excluded in making the aforementioned computation.

"Board" - The Board of Directors of the Corporation.

"Bond" or "Bonds" - "Marble Falls Economic Development Corporation Sales Tax Revenue Bonds, Taxable Series 2017", dated December 15, 2016, authorized by this Resolution.

"Business Day" – Any day which is not a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close, or a legal holiday.

"City" - The City of Marble Falls, Texas.

"Closing Date" – The date of initial delivery of and payment for the Bonds.

"Commercial Lease Agreement with Option to Purchase" – The lease agreement from the Corporation as lessor to the Developer as lessee by which the Developer will lease the land for the conference center with

hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property.

"Corporation" - Marble Falls Economic Development Corporation, a non-profit industrial development corporation organized and existing under and pursuant to the laws of the State of Texas, including Chapter 505, Texas Local Government Code [formerly Section 4B of Article 5190.6, TEX. REV. CIV. STAT. ANN.] and on behalf of the City of Marble Falls, Texas.

"Debt Service" - As of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Corporation as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear, or would have borne, interest at the maximum legal per annum rate applicable to such obligations, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to maturity, the principal amounts thereof will be redeemed prior to maturity in accordance with the mandatory redemption provisions applicable thereto.

"Defeasance Securities " - (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

"Depository" - A commercial bank or other qualified financial institution eligible and qualified to serve as the custodian of the Corporation's monetary accounts and funds.

"Designated Payment/Transfer Office" – The office of the Paying Agent/Registrar which is designated for the presentment of the Bonds.

"Developer" – Novak Cobalt Partners, LLC, a Texas limited liability corporation.

"DTC" – The Depository Trust Company, New York, New York, or any successor securities depository.

"DTC Participant" – Any broker, dealer, bank, trust company, clearing corporation or certain other organizations with bonds credited to an account maintained on its behalf by DTC.

"Economic Development Performance Agreement" – The performance agreement pursuant to Section 501.158, Texas Local Government Code, between the Corporation and the Developer by which the Developer agrees to provide funds for the a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property.

"Event of Default" – Any event of default as defined in Section 52 of this Resolution.

"Fiscal Year" - The twelve month financial accounting period used by the Corporation ending September 30 in each year, or such other twelve consecutive month period established by the Corporation.

"Gross Sales Tax Revenues" - All of the revenues or receipts due or owing to, or collected or received by or on behalf of the Corporation by the City or otherwise from the Sales Tax, less any amounts due and owed to the Comptroller of Public Accounts of the State of Texas as charges for the collection of the Sales Tax or retention by said Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law.

"Interest Payment Date" – The date or dates upon which interest on each Bond is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 1 and August 1 of each year, commencing August 1, 2017.

"Outstanding" - When used in this Resolution with respect to the Bonds or Parity Obligations, as the case may be, means, as of the date of determination, all Bonds and Parity Obligations theretofore sold, issued and delivered by the Corporation, except:

(1) those Bonds or Parity Obligations canceled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations;

(2) those Bonds or Parity Obligations paid or deemed to be paid in accordance with the provisions of Section 43 hereof or similar

provisions of any Supplemental Resolution authorizing the issuance of Additional Parity Obligations; and

(3) those Bonds or Parity Obligations that have been mutilated, destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof.

"Owner" or "Registered Owner" – The person who is the registered owner of a Bond or Bonds, as shown in the Register.

"Parity Obligations" - Collectively, the Bonds, the Previously Issued Parity Obligations and Additional Parity Obligations.
"Paying Agent" or "Paying Agent/Registrar" – Initially BOKF, NA, Austin, Texas, or any successor thereto as provided in this Resolution.

"Pledged Revenues" - Collectively (i) Gross Sales Tax Revenues from time to time deposited or owing to the Pledged Revenue Fund and (ii) such other money, income, revenue, receipts or other property as may be specifically dedicated, pledged or otherwise encumbered in a Supplemental Resolution for the payment and security of Parity Obligations.

"Previously Issued Parity Obligations" - The Corporation's Sales Tax Revenue Refunding Bond, Taxable Series 2012 and Sales Tax Revenue Bond, Taxable Series 2014.

"Project" – The providing of funds for the design and construction of a conference center with a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property for the purpose of promoting new or expanded business development in the City.

"Record Date" – The close of business on the fifteenth calendar day of the month preceding the month in which an Interest Payment Date occurs.

"Register" – The register specified in Section 8 of this Resolution.

"Registrar" – Registrar shall mean the Paying Agent/Registrar.

"Required Reserve" - The amount, if any, required to be accumulated and maintained in the Reserve Fund under the provisions of Section 32 hereof.

"Sales Tax" - The local sales and use tax authorized under Chapter 505, Texas Local Government Code [formerly Section 4B of Article 5190.6, TEX. REV. CIV. STAT. ANN.], approved at an election held on May 12, 2007,

at a rate of one-half of one percent (1/2%), and levied by the City on behalf of the Corporation.

"Supplemental Resolution" - Any resolution of the Board supplementing this Resolution for the purpose of authorizing and providing the terms and provisions of the Bonds, Previously Issued Parity Obligations or Additional Parity Obligations, or supplementing or amending this Resolution for any other authorized purpose permitted in Section 37 or 44 hereof, including resolutions authorizing the issuance of Additional Parity Obligations or pledging and encumbering income, revenues, receipts or property other than the Gross Sales Tax Revenues to the payment and security of the Parity Obligations.

"Surety Policy" means a surety bond, insurance policy, letter of credit or other agreement or instrument, including any related reimbursement or financial guaranty agreement, by which the Corporation is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument provided that the Corporation and Surety Policy shall be rated, at the time of issuance of such Surety Policy, in the highest rating category by S&P Global Ratings or Moody's Investors Service, Inc.

"Underwriter" – Raymond James & Associates, Inc.

SECTION 3. Authorization, Maturities, Interest Rates, Interest Payment Dates and Purpose.

(a) The Bonds of the Corporation shall be dated December 15, 2016 (the "Dated Date") and shall be issued pursuant to the Act as fully registered obligations, without coupons. The Bonds shall be issued in the aggregate principal amount of $6,500,000 for the purpose of (1) providing funds for the design and construction of a conference center with a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property for the purpose of promoting new or expanded business development in the City, and (2) the payment of costs of issuance related to the issuance of the Bonds, in conformity with the Constitution and laws of the State of Texas, including the Development Corporation Act, Subtitle C1 of Title 12, Texas Local Government Code [formerly Section 4B of Article 5190.6, TEX. REV. CIV. STAT. ANN.].

(b) The Bonds (other than the Initial Bond which shall be numbered T-1) shall be in denominations of $5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered "R" and numbered consecutively from One (1) upward, and principal shall become due and payable on August 1 in each of the years and in amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

Stated Maturity	Principal Amount	Interest Rate(s)
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

(c) The Bonds shall bear interest on the unpaid principal amounts from the Dated Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 1 and August 1 in each year, commencing August 1, 2017.

SECTION 4. Designation and Date. The Bonds shall be designated as the "MARBLE FALLS ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE BOND, TAXABLE SERIES 2017" and shall be dated December 15, 2016.

SECTION 5. Execution of Bonds; Seal. The Bonds shall be executed on behalf of the Corporation by its President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary to the Board of Directors of the Corporation. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Corporation had been manually impressed upon each of the Bonds. If any officer of the Corporation whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 6. Approval by Attorney General; Registration by Comptroller. The Initial Bond shall be delivered to the Attorney General of Texas for approval and shall be registered by the Comptroller. The manually executed registration certificate of the Comptroller substantially in the form provided in Section 20 of this Resolution shall be attached or affixed to the Initial Bond.

SECTION 7. Authentication. Except for the Initial Bond, which need not be authenticated by the Registrar, only such Bonds which bear thereon a certificate of authentication, substantially in the form provided in Section 20 of this Resolution, manually executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Resolution or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bonds so authenticated were delivered by the Registrar hereunder.

SECTION 8. Payment of Principal and Interest. The Registrar is hereby appointed as the Paying Agent and Registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the Designated Payment/Transfer Office of the Registrar. The interest on each Bond shall be payable on each Interest Payment Date, by check mailed by the Registrar on or before the Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Register"), or by such other method acceptable to the Registrar, requested by, and at the risk and expense of, the Owner.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

SECTION 9. Successor Registrars. The Corporation covenants that at all times while any Bonds are outstanding it will provide a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of the Registrar and Paying Agent for the Bonds. The Corporation reserves the right to change the Registrar on not less than 60 days written notice to the Registrar, so long as any such notice is effective not less than 60 days prior to the next succeeding principal or Interest Payment Date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

SECTION 10. Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the Corporation. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the date prior to the mailing of such notice.

SECTION 11. Ownership; Unclaimed Principal and Interest. The Corporation, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the Corporation nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section 11 shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

SECTION 12. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep the Register at its Designated Payment/Transfer Office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Resolution.

Each Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond for transfer, the Registrar shall, to the extent possible and under reasonable circumstances, authenticate and deliver in exchange therefor, within 72 hours after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the Designated Payment/Transfer Office of the Registrar for a Bond or Bonds of the same

maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 12. Each Bond delivered in accordance with this Section 12 shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The Corporation or the Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the Corporation.

SECTION 13. Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the Corporation, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The Corporation or the Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The Corporation or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

(1) furnish to the Corporation and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

(2) furnish such security or indemnity as may be required by the Registrar and the Corporation to save them harmless;

(3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and

(4) meet any other reasonable requirements of the Corporation and the Registrar.

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 Corporation and the 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 Corporation or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Corporation in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section 13 shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

SECTION 14. 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 15 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Corporation 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 Resolution. Without limiting the immediately preceding sentence, the Corporation 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 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 Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Corporation and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the 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 transfers 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 Register as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Corporation's obligations with respect to payment of, 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 Register, shall receive a certificate evidencing the obligation of the Corporation to make payments of amounts due pursuant to this Resolution. 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 Resolution 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 Resolution shall refer to such new nominee of DTC.

SECTION 15. Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the Corporation or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter by and between the Corporation, the Paying Agent/Registrar and DTC (the "Representation Letter"), and that it is in the best interest of the Owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Corporation or the Paying Agent/Registrar 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 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 Resolution.

SECTION 16. Payments to Cede & Co. Notwithstanding any other provision of this Resolution 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.

SECTION 17. Pledge. The Corporation hereby covenants and agrees that the Pledged Revenues are hereby irrevocably pledged to the payment and security of the Bonds, Previously Issued Parity Obligations and Additional Parity Obligations, if issued, including the establishment and maintenance of the special funds created and established in this Resolution and any Supplemental Resolution, all as hereinafter provided. The Corporation hereby resolves the Parity Obligations shall constitute a lien on the Pledged Revenues in accordance with the terms of this Resolution and any Supplemental Resolution, which lien shall be valid and binding without any further action by the Corporation and without any filing or recording with respect thereto except in the records of the Corporation.

SECTION 18. Effect of Pledge. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues thereof granted by the Corporation under Section 17 of this Resolution, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Corporation under Section 17 of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the Corporation agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 19. Redemption.

(a) *Optional Redemption.* The Bonds maturing on and after August 1, 2026 shall be subject to optional redemption, in whole or from time to time in part, in integral multiples of $5,000, on August 1, 2025, or any date thereafter at a price of par plus accrued interest to the redemption date.

Bonds may be redeemed only in integral multiples of $5,000. If a Bond subject to redemption is in a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in integral multiples of $5,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 12 hereof, shall authenticate and deliver in exchange therefore a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

(b) *Partial Redemption.* If less than all of the Bonds are to be redeemed and if less than all of a maturity is to be redeemed, the Registrar shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed.

(c) *Notice of Redemption to Owners.* Notice of any redemption identifying the Bonds to be redeemed shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by United States mail, first class, postage prepaid, to the Owner of each Bond to be redeemed in whole or in part at the address of the Registered Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing such notice. Such notices 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 of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of that maturity to be redeemed. Any notice given as provided in this Section 19 shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part and due provision has

been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

The Corporation reserves the right to give notice of its election or direction to optionally 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 Corporation retains the right to rescind such notice at any time prior to the scheduled redemption date if the Corporation delivers a certificate of the Corporation 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.

SECTION 20. Forms.

(a) *Form Generally.* The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Authentication 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 Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, 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 Corporation or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) *Placement of Text.* 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) *Definitive Bonds.* The definitive Bonds shall be typed, printed, lithographed, 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.

(d) *Initial Bond.* The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

(e) *Form of the Bonds.* The form of the Bonds, including the form of the Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller, which shall be attached or affixed to the Bonds initially issued, shall be, respectively, substantially as follows, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Resolution:

REGISTERED
NO. R-__

REGISTERED PRINCIPAL
AMOUNT $_____

UNITED STATES OF AMERICA
STATE OF TEXAS
MARBLE FALLS ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BOND
TAXABLE SERIES 2017

Dated Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
December 15, 2016	_____%	_____	_____

Registered Owner:

Principal Amount: _____ DOLLARS

THE MARBLE FALLS ECONOMIC DEVELOPMENT CORPORATION (hereinafter referred to as the "Corporation"), a non-profit industrial development corporation organized and existing under the laws of the State of Texas, including Chapter 505, Texas Local Government Code [formerly Section 4B of Article 5190.6, TEX. REV. CIV. STAT. ANN.], as amended, (the "Act"), with its principal office located in Burnet County, Texas, for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, solely from the revenues and sources pledged under the Resolution identified below, the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) on the Stated Maturity date specified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid Principal Amount hereof from the Dated Date (specified above) at the per annum rate of interest specified above; such interest being payable on February 1 and August 1 of each year, commencing August 1, 2017. Principal of this Bond is payable at its Stated Maturity or redemption to the Registered Owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the Registered Owner of this Bond whose name appears on the "Register" maintained by

the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth calendar day of the month next preceding each Interest Payment Date, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. All payments of principal of and interest on this Bond shall be without exchange or collection charges to the Registered Owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

THIS BOND is one of the series specified in its title issued in the aggregate amount of $6,500,000 (the "Bonds"), issued for the purpose of (1) providing funds for the design and construction of a conference center with a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property for the purpose of promoting new or expanded business development in the City of Marble Falls, Texas (the "City"), and (2) the payment of costs of issuance related to the issuance of the Bonds, in conformity with the Constitution and laws of the State of Texas, including the Act, and pursuant to a resolution adopted by the governing body of the Corporation on December 20, 2016 (herein referred to as the "Resolution").

THE BONDS maturing on and after August 1, 2026, may be redeemed prior to their Stated Maturities, at the option of the Corporation, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on August 1, 2025 or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption and upon 30 days prior written notice being sent by United States mail, first class postage prepaid, to the Registered Owners of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Resolution.

THE BONDS maturing in the years, 20___ (the "Term Bonds") are subject to mandatory redemption prior to maturity at the price of par and accrued interest and shall be redeemed, in part, on the date and in the principal amount set forth below:

$_____ Term Bonds Due August 1, 20___

August 1, 20__	$_____	
August 1, 20__	$_____	(Maturity)

At least forty-five (45) days prior to each mandatory redemption date specified above that the Term Bonds are to be mandatorily redeemed, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds within the applicable maturity to be redeemed on the next following August 1 from moneys set aside for that purpose in the Bond Fund. Any Term Bonds not selected for prior redemption shall be paid on the date of their stated maturity.

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the Corporation, by the principal amount of the Term Bonds of the same maturity which at least fifty (50) days prior to a mandatory redemption date (i) shall have been defeased or acquired by the Corporation at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Corporation with money in the Bond Fund.

IN THE EVENT OF A PARTIAL REDEMPTION of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Registered Owner only upon presentation and surrender of this Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office, and there shall be issued to the Registered Owner hereof, without charge, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Corporation and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Registered Owner within 45 days of the redemption date therefore; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

THE BOND, together with the outstanding Previously Issued Parity Obligations, is payable solely from and equally and ratably secured by a pledge of the "Pledged Revenues" (as defined in the Resolution) received by the Corporation, including the receipts from a Sales Tax levied for the benefit of the Corporation pursuant to the Act and an election held in the City. The Bond does not constitute a legal or equitable, pledge, charge, lien or encumbrance upon any property of the Corporation or the City except with respect to the "Pledged Revenues." This Bond may not be paid in whole or in part from any property taxes raised or to be raised by the City and is not a debt of and does not give rise to a claim for payment against the City, except as to the sales and use tax revenues held by the City and required under the Act to be paid over to the Corporation. Neither the State of Texas, the City nor any political corporation, subdivision or agency of the State of Texas shall be obligated to pay this Bond or the interest hereon and neither the faith and credit nor the taxing power of the State, the City or any other political corporation, subdivision or agency thereof is pledged to the payment of the principal of and interest on this Bond except as noted above.

SUBJECT TO SATISFYING THE TERMS AND CONDITIONS prescribed therefor, the Corporation has reserved the right to issue additional revenue obligations payable, in whole or in part, from the "Pledged Revenues" and equally and ratably secured in like manner and effect as the Bond and the Previously Issued Parity Obligations.

THIS BOND, subject to certain limitations contained in the Resolution, may be transferred on the Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Registered Owner hereof, or his duly authorized agent. When a transfer on the Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations of $5,000 or any integral multiple thereof, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

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

IT IS HEREBY CERTIFIED, recited, represented and covenanted that the Corporation is a non-profit industrial development corporation duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas, including the Act; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bond to render the same lawful and valid special obligations of the Corporation have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; and that due provision has been made for the payment of the principal of and interest on the Bond from the sources and in the manner provided in the Resolution. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Corporation has caused this Bond to be signed with the manual of facsimile signature of the President of the Board of Directors of the Corporation and countersigned with the manual of facsimile

signature of the Secretary to the Corporation, and has caused the official seal of the Corporation to be duly impressed or placed in facsimile on this Bond.

MARBLE FALLS ECONOMIC
DEVELOPMENT CORPORATION

_____
President, Board of Directors

ATTEST:

_____
Secretary

Form of Registration Certificate
of Comptroller of Public Accounts

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

WITNESS MY SIGNATURE AND SEAL this _____.

xxxxxxxxxx
Comptroller of Public Accounts
of the State of Texas

(SEAL)

Form of Registrar's Authentication Certificate

The following Authentication Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been delivered pursuant to the Resolution described in the text of this Bond.

BOKF, NA
Austin, Texas
as Paying Agent/Registrar

By: _____
Authorized Signature

Date of Authentication _____

Form of Assignment

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

_____/
(Please print or typewrite name and address, including zip code, of Transferee)

_____
(Please insert Social Security or Taxpayer Identification Number)

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

Dated: _____

Signature Guaranteed:

_____	_____
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240-17Ad-15).	NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(f) *Form of the Initial Bond.* The Initial Bond shall be in the form set forth therefor in paragraph (e) of this Section, except as follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED
No. T-1 $_____

UNITED STATES OF AMERICA
STATE OF TEXAS
MARBLE FALLS ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BOND
TAXABLE SERIES 2017

Dated Date: CUSIP No.:

December 15, 2016

Registered Owner:

Principal Amount: DOLLARS

THE MARBLE FALLS ECONOMIC DEVELOPMENT CORPORATION (hereinafter referred to as the "Corporation"), a non-profit industrial development corporation organized and existing under the laws of the State of Texas, including Chapter 505, Texas Local Government Code [formerly Section 4B of Article 5190.6, TEX. REV. CIV. STAT. ANN.], as amended, (the "Act"), with its principal office located in Burnet County, Texas, for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, solely from the revenues and sources pledged under the Resolution identified below, the Principal Amount stated above on August 1 in the years and in principal installments in accordance with the following schedule:

STATED MATURITY	PRINCIPAL AMOUNT	INTEREST RATE(S)

[information to be inserted from Section 3(b) hereof]

(or so much principal thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal installments hereof from the Dated Date at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year, commencing August 1, 2017. Principal installments of this Bond are payable in the year of maturity or on a prepayment date to the Registered Owner hereof by BOKF, NA (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated office in Austin, Texas (the "Designated Payment/Transfer Office"). Interest is payable to the Registered Owner of this Bond whose name appears on the "Register"

maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth calendar day of the month next preceding each Interest Payment Date, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the Registered Owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(g) *Form of Statement of Insurance.* A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on each Bond.

SECTION 21. Further Proceedings. After the Bonds to be initially issued shall have been executed, it shall be the duty of the President and other appropriate officials and agents of the Corporation to deliver the Bonds to be initially issued and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Bonds to be initially issued shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Upon registration of the Bonds to be initially issued, the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

SECTION 22. Legal Opinion. The obligation of the Underwriter to accept delivery of the Bonds is subject to being furnished a final opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, Austin, Texas, approving such Bonds as to their validity, said opinion to be dated and delivered as of the Closing Date and payment for such Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on or attached to the definitive Bonds.

SECTION 23. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the Corporation nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 24. Sale of the Bonds.

The Bonds are hereby sold and shall be delivered to the Underwriter at a price of $_____ (representing the principal amount of the Bonds, plus a net original issue premium of $_____ and less an Underwriters' discount of $_____), plus accrued interest from the Dated Date of the Bonds to the Closing Date, in accordance with the terms of a Bond Purchase Agreement of even date herewith, presented to and

hereby approved by the Board of Directors of the Corporation, which price and terms are hereby found and determined to be the most advantageous and reasonably obtainable by the Corporation. The President is authorized to execute the Bond Purchase Agreement. In addition, other appropriate officials of the Corporation are hereby authorized and directed to execute such Bond Purchase Agreement on behalf of the Corporation. The President and all other officers, agents and representatives of the Corporation 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 Initial Bond shall be registered in the name of Cede & Co.

SECTION 25. Proceeds of Sale. Proceeds of the sale of the Bonds less cost of issuance shall be deposited in the Project Fund and expended only for the purpose of providing funds for the design and construction of a conference center with a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property. Pending expenditure for the Project, such proceeds of sale may be invested in authorized investments and any investment earnings realized shall be expended for the Project or deposited in the Bond Fund. Proceeds representing accrued interest shall be deposited into the Bond Fund. All surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of the Project shall be deposited to the credit of the Bond Fund.

SECTION 26. Control and Custody of Bonds. The President of the Board shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Underwriter.

Furthermore, the President and Vice President of the Board of Directors, and the Secretary and Treasurer to the Corporation, individually, jointly or collectively, are hereby authorized and directed to furnish and execute such documents and certifications relating to the Corporation and the issuance of the Bonds, as may be necessary for the approval of the Attorney General, registration by the Comptroller of Public Accounts and delivery of the Bonds to the Underwriter and, together with the Corporation's financial advisor, general counsel, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Underwriter and the initial exchange thereof for definitive Bonds.

SECTION 27. Paying Agent/Registrar. The form of agreement setting forth the duties of the Paying Agent/Registrar is hereby approved, and the appropriate officials of the Corporation are hereby authorized to execute such agreement for and on behalf of the Corporation.

SECTION 28. Approval of Official Statement. The form and substance of the Official Statement for the Bonds and any addenda, supplement or amendment thereto (the "Official Statement") presented to and considered at this meeting is hereby in all

respects approved and adopted. The President and Secretary of the Board of Directors are hereby authorized and directed to execute the same and deliver appropriate numbers of executed copies thereof and of any closing certificates to the Underwriter. The use and distribution of the Preliminary Official Statement by the Underwriter is hereby ratified, approved and confirmed and is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, by the Board. The Underwriter is hereby authorized to use and distribute the Official Statement in the reoffering, sale, and delivery of the Bonds to the public. The Secretary of the Board is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting.

Section 29. Special Funds.

A. Funds Confirmed. The following special funds have been or are hereby created and are confirmed, established, maintained, and accounted for as hereinafter provided so long as any of the Parity Obligations remain Outstanding:

(i) Pledged Revenue Fund (the " Pledged Revenue Fund");

(ii) Bond Fund (the "Bond Fund"); and

(iii) Reserve Fund (the "Reserve Fund").

The Funds shall constitute special funds which shall be held for the benefit of the Owners, and the income from the investment of which shall be and is hereby pledged to the payment of the Parity Obligations. All of the Funds shall be used solely as herein provided so long as any Parity Obligations remain Outstanding.

SECTION 30. Pledged Revenue Fund. The Corporation hereby agrees and covenants to establish and maintain a fund or account at a Depository for the deposit of the Pledged Revenues as received by the Corporation, which fund or account shall be known on the books and records of the Corporation as the "Pledged Revenue Fund". All Pledged Revenues deposited to the credit of such Fund shall be accounted for separate and apart from all other revenues, receipts and income of the Corporation and, with respect to the Gross Sales Tax Revenues, the Corporation shall further account for such funds separate and apart from the other Pledged Revenues deposited to the credit of the Pledged Revenue Fund. All Pledged Revenues deposited to the credit of the Pledged Revenue Fund shall be appropriated and expended to the extent required by this Resolution and any Supplemental Resolution for the following uses and in the order of priority shown:

First: To the payment of the amounts required to be deposited in the Bond Fund for the payment of Debt Service on the Parity Obligations as the same becomes due and payable;

Second: To the payment of the amounts required to be deposited in the Reserve Fund to establish and maintain the Required Reserve in accordance with the provisions of this Resolution and any Supplemental Resolution;

Third: To the payment of amounts required to be deposited in any other fund or account required by any Supplemental Resolution authorizing the issuance of Parity Obligations; and

Fourth: To any fund or account held at any place or places, or to any payee, required by any other resolution of the Board which authorized the issuance of obligations or the creation of debt of the Corporation having a lien on the Pledged Revenues subordinate to the lien created herein on behalf of the Parity Obligations.

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

SECTION 31. Bond Fund. For the purpose of providing funds to pay the principal of and interest on Parity Obligations, the Corporation agrees and covenants to maintain a separate and special account or fund on the books and records of the Corporation known as "Marble Falls Economic Development Corporation Debt Service Account" (the "Bond Fund"), and all monies deposited to the credit of such Fund shall be held in a special banking fund or account maintained at a Depository of the Corporation. The Corporation covenants that there shall be deposited into the Bond Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred percent (100%) of the interest on and the principal of the Bonds then falling due and payable, and such deposits to pay principal and accrued interest on the Bonds shall be made in substantially equal monthly installments on or before the 20th day of each month, beginning on or before the 20th day of the month next following the delivery of the Bonds to the initial purchaser(s).

The required deposits to the Bond Fund for the payment of principal of and interest on the Bonds shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Bond Fund and Reserve Fund is equal to the amount required to fully pay and discharge all Parity Obligations (principal and interest) then Outstanding or (ii) the Bonds are no longer Outstanding.

SECTION 32. Reserve Fund.

(a) The Corporation shall establish a "Reserve Fund" for the Bonds on or before the Closing Date of the Bonds. Concurrently with the delivery of the Bonds to the initial purchaser(s) thereof, the Corporation shall transfer to the Reserve Fund an

amount equal to an amount equal to the average annual principal and interest requirements of the Bonds (the "Required Reserve"). The average annual debt service requirements of the Bonds shall be calculated by the Corporation on the date of issuance of the Bonds and on each October 1 thereafter, and the Required Reserve to be maintained in the Reserve Fund after each such calculation shall be the amount determined by such calculation. When and for so long as the cash, investments and reserve fund surety policy in the Reserve Fund equal the Required Reserve, no deposits need be made to the credit of the Reserve Fund.

(b) If the Reserve Fund at any time contains less than the Required Reserve, the Corporation covenants and agrees that the Corporation shall cure the deficiency in the Reserve Fund by making deposits to such Fund from the Pledged Revenues, in the order of priority described above, by monthly deposits and credits in amounts equal to not less than 1/60th of the Required Reserve with any such deficiency payments being made on or before the last day of each month until the Required Reserve has been fully restored; provided, however, that no such deposits shall be made into the Reserve Fund during any six-month period beginning on August 1 and February 1 until there has been deposited into the Bond Fund the full amount required to be deposited therein by the next following August 1 and February 1, as the case may be. If the Reserve Fund at any time contains less than the Required Reserve, the Corporation covenants and agrees that the Corporation shall cure the deficiency in the Reserve Fund by making deposits to such Fund from the Pledged Revenues, in the order of priority described above, by monthly deposits and credits in amounts equal to not less than 1/60th of the Required Reserve with any such deficiency payments being made on or before the last day of each month until the Required Reserve has been fully restored; provided, however, that no such deposits shall be made into the Reserve Fund during any six-month period beginning on August 1 and February 1 until there has been deposited into the Bond Fund the full amount required to be deposited therein by the next following August 1 and February 1, as the case may be. In addition, in the event that a portion of the Required Reserve is represented by a reserve fund surety policy (see "Surety Policy" in subparagraph (d) below), the Required Reserve and deposits to the Reserve Fund shall take into account such value of the reserve fund surety policy. The Corporation has further covenanted and agreed that, subject only to the prior deposits and credits to be made to the Bond Fund, the Pledged Revenues shall be applied, appropriated and used to establish and maintain the Required Reserve, including by paying payments under a reserve fund surety policy when due, and any reserve established for the benefit of any issue or series of Additional Parity Obligations and to cure any deficiency in such amounts as required by the terms of this Resolution and any other resolution pertaining to the issuance of Additional Parity Obligations.

(c) Notwithstanding anything to the contrary contained in the Resolution, as herein described, the requirements described above to fund the Reserve Fund in the amount of the Required Reserve shall be suspended for such time as the Pledged Revenues for each fiscal year are equal to at least 110% of the average annual debt service requirements. In the event that the Pledged Revenues for any two consecutive Fiscal Years are less than 110% (unless such percentage is below 100% of the average

annual debt service requirements in any fiscal year, in which case the herein specified requirements to restore the Required Reserve will commence after such fiscal year) of the average annual debt service requirements, the Corporation will be required to commence making the deposits to fund the Reserve Fund as provided above, and to continue making such deposits until the earlier of (i) such time as the Reserve Fund contains the Required Reserve or (ii) the Pledged Revenues for a fiscal year have been equal to not less than 110% of the average annual debt service requirements.

(d) *Surety Policy.* Notwithstanding the above (and with the consent of the Holders), the Corporation reserves the right to provide for the Required Reserve by use of a surety bond in lieu of cash, or a combination of cash and surety bond, as the Corporation deems reasonable and appropriate; provided, however, that the amount of any such cash and/or the coverage by any surety bond when added together shall at least equal the Required Reserve. Any such surety bond provided in lieu of cash shall be issued by an insurance company or association of companies whose insured obligations are rated at the time of issuance by a nationally recognized rating agency in its highest rating categories. On the first day following the use of proceeds or amounts available for withdrawal on deposit in the Reserve Fund and continuing each month thereafter for a total of not less than 60 payments, the Corporation shall repay all amounts drawn on the surety bond and then replenish any cash required in the Reserve Fund to restore the Required Reserve. In the event a reserve fund surety policy causes the amount then on deposit in the Reserve Fund to exceed the Required Reserve, such excess amount may be transferred to any fund or account established for the payment or security of the Bonds or used for any lawful purpose; provided, however, to the extent that such excess amount represents bond proceeds, then such amount must be transferred to the Bond Fund.

SECTION 33. Deficiencies. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Bond Fund or Reserve Fund, such deficiency shall be cured as soon as possible from the next available Pledged Revenues, or from any other sources available for such purpose.

SECTION 34. Payment of Bonds. While the Bond is Outstanding, the Treasurer of the Corporation (or other designated financial officer of the Corporation) shall cause to be transferred to the Paying Agent/Registrar, from funds on deposit in the Bond Fund, and, if necessary, in the Reserve Fund, amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Bonds accrues or matures; such transfer of funds to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Bonds at the close of the Business Day next preceding the date of payment for the Bonds.

SECTION 35. Project Fund. The amount of $_____ from the proceeds of the sale of the Bonds shall be deposited in a separate account entitled the "Project Fund" at the time of the delivery of the Bonds. The funds deposited in the Project Fund shall be held and used for payment of costs of issuance and the remainder representing $_____ will be disbursed to the Developer, as provided in the Economic

Development Performance Agreement for the purpose of providing funds for the design and construction of a conference center with a hotel and related restaurant facilities, including parking, concession services and open space improvements on Corporation owned property for the purpose of promoting new or expanded business development in the City.

SECTION 36. Investments - Security of Funds.

(a) Money in any Fund required to be maintained pursuant to this Resolution may, at the option of the Corporation, be invested in obligations and in the manner prescribed by the Public Funds Investment Act, Chapter 2256, Texas Government Code, including investments held in book-entry form; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund will be available at the proper time or times and provided further the maximum stated maturity for any investment acquired with money deposited to the credit of the Reserve Fund shall be limited to five (5) years from the date of the investment of such money. Such investments shall be valued in terms of current market value within 45 days of the close of each Fiscal Year and, with respect to investments held for the account of the Reserve Fund, within 45 days of the date of passage of each authorizing document of the Board pertaining to the issuance of Additional Parity Obligations. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the appropriate account of the Bond Fund. All interest and interest income derived from deposits in and investments of the Reserve Fund shall, subject to the limitations provided in Section 32 hereof, be credited to and deposited in the Pledged Revenue Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

(b) That money deposited to the credit of the Pledged Revenue Fund, Bond Fund and Reserve Fund, to the extent not invested and not otherwise insured by the Federal Deposit Insurance Corporation or similar agency, shall be secured by a pledge of direct obligations of the United States of America, or obligations unconditionally guaranteed by the United States of America.

SECTION 37. Issuance of Additional Parity Obligations. Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the Corporation reserves the right to issue, from time to time as needed, Additional Parity Obligations for any lawful purpose. Such Additional Parity Obligations may be issued in such form and manner as the Corporation shall determine, provided, however, prior to issuing or incurring such Additional Parity Obligations, the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(1) The Treasurer of the Corporation (or other officer of the Corporation then having the primary responsibility for the financial affairs of the Corporation) shall have executed a certificate stating that, to the best of his or her knowledge

and belief, the Corporation is not then in default as to any covenant, obligation or agreement contained in the Resolution or a Supplemental Resolution.

(2) The Corporation has secured from a certified public accountant a certificate or opinion to the effect that, according to the books and records of the Corporation, the Gross Sales Tax Revenues received by the Corporation for either (i) the last completed Fiscal Year next preceding the adoption of the Supplemental Resolution authorizing the issuance of the proposed Additional Parity Obligations or (ii) any twelve (12) consecutive months out of the previous eighteen (18) months next preceding the adoption of the Supplemental Resolution authorizing the Additional Parity Obligations were equal to not less than 1.50 times the maximum annual Debt Service for all Parity Obligations then Outstanding after giving effect to the issuance of the Additional Parity Obligations then being issued.

(3) The Required Reserve to be accumulated and maintained in the Reserve Fund is increased to the extent required by Section 32.

SECTION 38. Refunding Bonds. The Corporation reserves the right to issue refunding bonds to refund all or any part of the Parity Obligations (pursuant to any law then available) upon such terms and conditions as the Board may deem to be in the best interest of the Corporation, and if less than all such Parity Obligations then Outstanding are refunded, the conditions precedent prescribed (for the issuance of Additional Parity Obligations) set forth in Section 37 hereof shall be satisfied, and shall give effect to the refunding.

SECTION 39. Right to Create Subordinate Debt. Except as may be limited by a Supplemental Resolution, the Corporation shall have the right to issue or create any debt payable from or secured by a lien on all or any part of the Pledged Revenues for any lawful purpose without complying with the provisions of Section 37 or 38 hereof, provided the pledge and the lien securing such debt is subordinate to the pledge and lien established, made and created in Section 17 of this Resolution with respect to the Pledged Revenues to the payment and security of the Parity Obligations.

SECTION 40. Confirmation and Levy of Sales Tax.

(a) The Board hereby represents the City has duly complied with the provisions of the Act for the levy of the Sales Tax at the rate voted at the election held by and within the City on May 12, 2007, and such Sales Tax is being imposed within the corporate limits of the City and the receipts of such Sales Tax are being remitted to the City by the Comptroller of Public Accounts on a monthly basis.

(b) While any Bond is Outstanding, the Corporation covenants, agrees and warrants to take and pursue all action permissible to cause the Sales Tax, at said rate or at a higher rate if legally permitted, to be levied and collected continuously, in the manner and to the maximum extent permitted by law, and to cause no reduction,

abatement or exemption in the Sales Tax or rate of tax below the rate stated, confirmed and ordered in subsection (a) of this Section to be ordered or permitted while any Bond shall remain Outstanding.

(c) If hereafter authorized by law to apply, impose and levy the Sales Tax on any taxable items or transactions that are not subject to the Sales Tax on the date of the adoption hereof, to the extent it legally may do so, the Corporation agrees to use its best efforts to cause the City to take such action as may be required to subject such taxable items or transactions to the Sales Tax.

(d) The Corporation agrees to take and pursue all action legally permissible to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by Chapter 505, Texas Local Government Code, at the earliest and most frequent times permitted by law.

(e) The Corporation agrees to use its best efforts to cause the City to comply with Chapter 505, Texas Local Government Code, and shall cause the Gross Sales Tax Revenues to be deposited to the credit of the Pledged Revenue Fund in their entirety immediately upon receipt by the City. In the alternative and if legally authorized, the Corporation shall, by appropriate notice, direction, request or other legal method, use its good-faith efforts to cause the Comptroller of Public Accounts of the State of Texas (the "Comptroller") to pay all Gross Sales Tax Revenues directly to the Corporation for deposit to the Pledged Revenue Fund.

SECTION 41. Records and Accounts. The Corporation hereby covenants and agrees that while any of the Bonds are Outstanding, it will keep and maintain complete records and accounts in accordance with generally accepted accounting principles, and following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Each such audit, in addition to whatever other matters may be thought proper by the accountant shall particularly include the following:

(1) A statement in reasonable detail regarding the receipt and disbursement of the Pledged Revenues for such Fiscal Year, and

(2) A balance sheet for the Corporation as of the end of such Fiscal Year.

Such annual audit of the records and accounts of the Corporation shall be in the form of a report and be accompanied by an opinion of the accountant to the effect that such examination was made in accordance with generally accepted auditing standards and contain a statement to the effect that in the course of making the examination necessary for the report and opinion, the accountant obtained no knowledge of any default of the Corporation on the Bond or in the fulfillment of any of the terms, covenants or provisions of this Resolution, or under any other evidence of indebtedness, or of any event which, with notice or lapse of time, or both, would

constitute a failure of the Corporation to comply with the provisions of this Resolution or if, in the opinion of the accountants, any such failure to comply with a covenant or agreement hereof, a statement as to the nature and status thereof shall be included.

Copies of each annual audit report shall be furnished upon written request, to any Holders of any of the Bonds. The audits herein required shall be made within 120 days following the close of each Fiscal Year insofar as is possible.

The Holders of any Bonds or any duly authorized agent or agents of such Holders shall have the right to inspect such records, accounts and data of the Corporation during regular business hours.

SECTION 42. Representations as to Security for the Bond.

(a) The Corporation represents and warrants that, except for the Parity Obligations, the 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 Resolution except as expressly provided herein.

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

(c) The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Holders against all claims and demands of all persons whomsoever, and shall take such action necessary to protect the priority of the pledge of the Pledged Revenues.

(d) The Corporation will take, and use its best efforts to cause the City to take, all steps reasonably necessary and appropriate to collect all delinquencies in the collection of the Sales Tax to the fullest extent permitted by the Act.

(e) The provisions, covenants, pledge and lien on and against the Pledged Revenues, as herein set forth, are established and shall be for the equal benefit, protection and security of the Owners and Holders of Parity Obligations without distinction as to priority and rights under this Resolution.

(f) The Parity Obligations shall constitute special obligations of the Corporation, payable solely from, and equally and ratably secured by a parity pledge of and lien on, the Pledged Revenues, and not from any other revenues, properties or income of the Corporation. The Bonds may not be paid in whole or in part from any property taxes raised or to be raised by the City and shall not constitute debts or obligations of the State or of the City, and the Holders, shall never have the right to

demand payment out of any funds raised or to be raised by any system of ad valorem taxation.

SECTION 43. Satisfaction of Obligation of Corporation. If the Corporation shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenues under this Resolution and all other obligations of the Corporation to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

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

Any moneys so deposited with the Paying Agent/Registrar or an authorized escrow agent and all income Defeasance Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section in excess of the amount required for the payment of the Bonds shall be remitted to the Corporation or deposited as directed by the Corporation. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of four (4) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Corporation, be remitted to the Corporation against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Corporation shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 44. Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Corporation, and shall not be amended or repealed by the Corporation while any Bonds remain Outstanding except as permitted in this Section. The Corporation, may, without the consent of or notice to any Holders, from time to time and at any time, amend this

Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Corporation may, with the written consent from the owners holding a majority in aggregate principal amount of the Parity Obligations then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the written consent of all Holders of Outstanding Bonds effected, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds or Parity Obligations, as the case may be, required to be held for consent to any such amendment, addition, or rescission.

SECTION 45: Covenants Regarding Tax Exemption. The Corporation does NOT intend to issue the Bonds as tax-exempt obligations described in section 103 of the Code.

SECTION 46. Notices to Holders - Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder as it appears in the Register.

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

SECTION 47. Cancellation. All Bonds surrendered for payment, redemption, transfer or exchange, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Corporation, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Corporation may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Corporation may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Corporation.

SECTION 48. Reserved.

SECTION 49. Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the

Corporation, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Corporation, the Paying Agent/Registrar and the Holders; provided, however, any insurer of the Bonds shall be a third-party beneficiary under the Resolution.

SECTION 50. Continuing Disclosure Undertaking.

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

"EMMA" means the Electronic Municipal Market Access System established by the MSRB.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

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

(b) *Annual Reports.* The Corporation shall provide certain updated financial information and operating data annually to the MSRB through EMMA. The information to be updated includes financial information and operating data with respect to the Corporation of the general type included in the Official Statement authorized by Section 28 of this Resolution under Tables 1 through 8 of Appendix A of the Official Statement (the "Annual Financial Information"). The Corporation shall additionally provide financial statements of the Corporation (the "Financial Statements") that will be (1) prepared in accordance with the accounting principles described in Appendix E thereto or such other accounting principles as the Corporation may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in Appendix E thereto and (2) audited, if the Corporation commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The Corporation shall update and provide the Annual Financial Information within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2016. The Corporation may provide the Financial Statements earlier, including at the time it provides its Annual Financial Information, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the Corporation 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 Financial Statements becomes available.

If the Corporation changes its fiscal year, it will notify the MSRB through EMMA of the change (and of the date of the new fiscal year end) prior to the next date by which

the Corporation otherwise would be required to provide financial information and operating data pursuant to this Section.

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

(c) *Event Notices.* The Corporation shall notify the MSRB through EMMA, in a timely manner not in excess of ten Business Days after the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax-exempt status of the Bonds;

7. Modifications to rights of holders of the Bonds, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

(d) *Limitations, Disclaimers, and Amendments.* The Corporation shall be obligated to observe and perform the covenants specified in this Section with respect to the Corporation and the Bonds while, but only while, the Corporation remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Corporation in any event will give notice required by subsection (c) of this Section of any bond calls and defeasances that cause the Corporation to no longer be such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and Beneficial Owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Corporation undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the Corporation or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Corporation 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 CORPORATION BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CORPORATION, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

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

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise

limit the duties of the Corporation under federal and state securities laws.

The provisions of this Section may be amended by the Corporation from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Corporation, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Corporation (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and Beneficial Owners of the Bonds. If the Corporation so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 51. Defeasance of Bonds.

(a) *Defeased Bonds.* Any Bond and the interest thereon shall be deemed to be paid, retired and no longer Outstanding (a "Defeased Bond"), except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other similar instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Corporation with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) *Investment in Defeasance Securities.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Corporation be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which

such money has been so deposited, shall be turned over to the Corporation, or deposited as directed in writing by the Corporation. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsections (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Corporation or deposited as directed in writing by the Corporation.

(c) *Paying Agent/Registrar Services.* Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Corporation shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) *Selection of Bonds for Defeasance.* In the event that the Corporation elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

SECTION 52. Default and Remedies.

(a) *Events of Default.* Each of the following occurrences or events for the purpose of this Resolution is hereby declared to be an "Event of Default," to-wit: (i) the failure to make payment of the principal of or interest on the Bonds when the same becomes due and payable; or (ii) default in the performance or observance of any other covenant, agreement or obligation of the Corporation, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Resolution, and the continuation thereof for a period of 30 days after notice of such default is given by any Owner to the Corporation.

(b) *Remedies for Default.* Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the Corporation for the purpose of protecting and enforcing the rights to the Owners under this Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies. It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

(c) *Remedies Not Exclusive.* No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided however, that notwithstanding any other provision of this Resolution, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Resolution. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

SECTION 53. Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 54. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 55. Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 56. Construction of Terms. If appropriate in the context of this Resolution, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 57. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Resolution are hereby adopted, restated and made a part of the operative provisions hereof.

SECTION 58. Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 59. Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

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PASSED AND ADOPTED, this 20th day of December, 2016.

MARBLE FALLS ECONOMIC
DEVELOPMENT CORPORATION

_____
President, Board of Directors

ATTEST:

_____
Secretary

[CORPORATION SEAL]

00957265;2

[SIGNATURE PAGE]