

# ORANGE ECONOMIC DEVELOPMENT CORPORATION AGENDA

Orange Public Library Auditorium  
220 N. Fifth Street  
Orange, Texas

January 12, 2016  
8:30 A.M.

1. **CALL TO ORDER** President Mortimer
  
2. **MOTION**
  - a) Motion finding that the advance posting and notice requirements of Article 8.1200 of the Code of Ordinances of the City of Orange, Texas have been met in relation to all minutes and pending resolutions on this agenda and that the reading of such items be confined to the caption of the resolutions. 1 Directors
  
3. **APPROVAL OF MINUTES**
  - a) December 8, 2015 Economic Development Corporation Meeting 5 Directors
  
4. **DISCUSSION/ACTION**
  - a) Consideration and possible action to approve Financial Advisor engagement with U. S. Capital Advisors LLC. 8 Directors
  
5. **PRESENTATION**
  - a) Presentation by Jim Gilley of U.S. Capital Advisors LLC, financial advisors to the City, as to the proposed Orange Economic Development Corporation Sales Tax Revenue Refunding Bonds, Series 2016 (the "Bonds") for the purpose of refunding certain outstanding tax-exempt debt obligations of the City (the "Refunded Obligations"). Jim Gilley, U.S. Capital Advisors LLC

**6. DISCUSSION/ACTION**

- a) Consideration and possible action in accordance with the Articles of Incorporation and Bylaws of the Corporation together with §501.213, Local Government Code, as amended and §1201.002, Government Code, as amended to delegate to a designated pricing officer (the "Pricing Officer") the authority to determine the principal amount of the Bonds to be issued and negotiate the terms of the sale thereof, and to select the specific maturities, in whole or in part, of the Refunded Obligations to be refunded to (1) authorize bonds in an amount not to exceed \$1,700,000, (2) achieve a present value debt service savings of two (2%) or greater to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer and (3) have a maximum maturity for the Bonds which shall not exceed August 1, 2023.

Guy Goodson, Germer PLLC

**7. RESOLUTION**

- a) Consideration and possible action on a resolution authorizing the issuance of Orange Economic Development Corporation Sales Tax Revenue Refunding Bonds, Series 2016; specifying the terms and features of said bonds; delegating matters related to the sale and issuance of the bonds to authorized Orange Economic Development Corporation (The "Corporation") officials; providing for the redemption of certain outstanding obligations of the Corporation; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds including the approval and execution of a paying agent/registrars agreement and a private placement agreement/memorandum; and providing an effective date.

Guy Goodson, Germer PLLC

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**8. DISCUSSION/ACTION**

- a) Consideration and possible action to authorize U.S. Capital Advisors LLC as financial advisors to the City to prepare solicitations and secure pricing within the designated parameters as approved by the City for the Bonds and to be incorporated into the Pricing Certificate and within a Private Placement Agreement/Memorandum.

Guy Goodson, Germer PLLC

- b) Consideration and possible action to authorize the Orange Economic Development Corporation (the "Corporation") President, Vice President, Secretary, Assistant Secretary and other such Corporation officials to execute and deliver such certificates, agreements, affidavits, notices and documents as may be necessary to proceed with the issuance and sale of the Bonds and to take such action as may be necessary for the issuance and sale of said Bonds. Guy Goodson, Germer PLLC
  - c) Consideration and possible action to approve Bond Counsel engagement with Germer PLLC. 44 Guy Goodson, Germer PLLC
- 9. PUBLIC HEARING**
- a) Conduct a public hearing for the purpose of receiving comments regarding financial incentives for Licatino's Collision Center related to infrastructure improvements at 1001 Green Avenue in an amount not to exceed \$14,500.00 for the purpose of economic development. 47 Staff: Trahan
- 10. DISCUSSION/ACTION**
- a) Consider a motion of intent to enter into an agreement with Licatino's Collision Center for the expenditure of funds for infrastructure improvements at 1001 Green Avenue, Orange, Texas in an amount not to exceed \$14,500.00 for the purpose of economic development. 48 Staff: Trahan
- 11. RESOLUTION**
- b) Consider a resolution finding that a project involving Itex Homes, LLC as more particularly described herein promotes new or expanded business development, authorizing an expenditure of funds to undertake the project and authorizing the President of the Orange Economic Development Corporation to execute such documents as he may deem advisable to allow the Orange Economic Development Corporation to undertake the project. 49 Staff: Trahan
- 12. DISCUSSION/ACTION**
- a) Consider a motion accepting the EDC audit as presented by Charles E. Reed & Associates, P.C. for the fiscal year ending September 30, 2015. 53 Charles E. Reed & Associates, P.C.
  - b) Consider a motion electing a President, a Vice President, a Secretary and a Treasurer for the Orange Economic Development Corporation for a period of one year beginning January 12, 2016. 54 Staff: Trahan
- 13. REPORTS FROM DIRECTORS** Directors

## 14. ADJOURNMENT

### **Texas Penal Code 30.06:**

*“Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun”*

*“De conformidad con la Sección 30.06 del código penal (entrada de persona con licencia de portar o llevar armas de mano oculta), una persona licenciada bajo el subcapítulo H, capítulo 411 del código de gobierno (ley de licenciamiento para portar o llevar armas de mano) no se permite entrar en esta propiedad con “ninguna armas de mano oculta”*

### **Texas Penal Code 30.07:**

*“Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly”*

*“De conformidad con la Sección 30.07 del código penal (entrada de una persona con licencia de portar o llevar armas de mano visible), una persona licenciada bajo el subcapítulo H, capítulo 411 del código de gobierno (ley de licenciamiento para portar o llevar armas de mano visible) no se permite entrar en esta propiedad con ninguna “armas de mano visible”*

### **No Firearms Allowed**

**No se permite ninguna armas de fuego**

STATE OF TEXAS }  
COUNTY OF ORANGE }

December 8, 2015

**BE IT REMEMBERED THAT** a meeting of the Orange Economic Development Corporation of the City of Orange, Orange County, Texas, was held in the Library Auditorium on Tuesday, December 8, 2015.

**EDC MEMBERS PRESENT:** George Mortimer President  
Dean Granger Vice-President  
David Meaux Secretary  
Ebb Moore Treasurer  
Jimmy Sims Director (arrived 8:35 A.M.)  
Mary McKenna Director  
Larry Spears Jr. Director (arrived 8:45 A.M.)

**DIRECTORS ABSENT:** None

**COUNCIL MEMBERS PRESENT:** Patrick A. Pullen Council Member  
Dr. Wayne Guidry Council Member  
Bill Mello Council Member (arrived 8:39 A.M.)

**COUNCIL MEMBERS ABSENT:** Essie Bellfield Council Member

**STAFF MEMBERS PRESENT:** Dr. Shawn Oubre City Manager  
Jay Trahan Assistant City Manager,  
Director of Economic  
Development  
Kelvin Knauf Director of Planning &  
Community Development  
Gail English Director of Finance  
Rhonda Haskins City Secretary  
Patricia Anderson Deputy City Secretary  
John Cash Smith City Attorney (arrived 8:47 A.M.)

President Mortimer called the meeting to order at 8:30 A.M.

**MOTION FINDING THAT THE ADVANCE POSTING AND NOTICE REQUIREMENTS OF ARTICLE 8.1200 OF THE CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS HAVE BEEN MET IN RELATION TO ALL MINUTES AND PENDING RESOLUTIONS ON THIS AGENDA AND THAT THE READING OF SUCH ITEMS BE CONFINED TO THE CAPTION OF THE RESOLUTIONS**

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Vice-President Granger moved to approve the motion. Second to the motion was made by Treasurer Moore which carried unanimously.

**APPROVAL OF MINUTES**

Director McKenna moved to approve the minutes of the September, 2015 Orange Economic Development Corporation Meeting. Second to the motion was made by Treasurer Moore which carried unanimously.

**DISCUSSION/ACTION**

MOTION ACKNOWLEDGING RECEIPT OF THE ORANGE ECONOMIC DEVELOPMENT CORPORATION INVESTMENT REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2015.

Secretary Meaux moved to approve the motion. Second to the motion was made by Treasurer Moore which carried unanimously.

Director Sims arrived at the meeting.

MOTION ACKNOWLEDGING RECEIPT OF THE 2015 ORANGE ECONOMIC DEVELOPMENT CORPORATION INITIAL COMMUNICATION WITH GOVERNANCE LETTER AS PRESENTED BY CHARLES E. REED & ASSOCIATES, P.C.

Secretary Meaux moved to approve the motion. Second to the motion was made by Director McKenna which carried unanimously.

**REPORTS FROM DIRECTORS**

President Mortimer hoped everyone had a Happy Thanksgiving. The Christmas Parade was a success. He wished everyone a wonderful Christmas.

**ADJOURN TO CLOSED EXECUTIVE SESSION**

- a) Deliberation Regarding Economic Development Negotiations:
  - (1) Deliberation regarding real estate development project proposal as authorized by Section 551.087 of the Texas Government Code.

The Corporation met in closed executive session at 8:37 A.M.

Director Spears, Council Member Mello and Mr. Smith arrived at the meeting.

**RECONVENE IN OPEN SESSION**

The Corporation reconvened in open session at 9:00 A.M.

TAKE ACTION AS NECESSARY REGARDING ITEM 8 a (1) ABOVE.

No action was taken.

**ADJOURNMENT**

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There being no further business before the Corporation, Vice-President Granger moved to adjourn the meeting. Second to the motion was made by Treasurer Moore which carried unanimously.

The meeting adjourned at 9:00 A.M.

\_\_\_\_\_  
George Mortimer, President

**ATTEST:**

\_\_\_\_\_  
David Meaux, Secretary



**USCA AGREEMENT FOR FINANCIAL ADVISORY SERVICES**

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, 2016, by and between the **Orange Economic Development Corporation (“Issuer”)** and USCA Municipal Advisors LLC, a wholly owned subsidiary of U.S Capital Advisors LLC (“USCA” or “Financial Advisor”), located at 4444 Westheimer, Suite G500, Houston, Texas 77027, for municipal finance consulting services to be performed pursuant to the terms and provisions set out below. This Agreement pertains to all debt obligations authorized by Issuer during its effective term.

**A. Financial Advisor’s Transaction Services.**

During the term of this Agreement the Financial Advisor shall provide the following financial advisory services as requested by authorized Issuer staff:

1. Work with Issuer to review financial resources and develop a financing plan to meet Issuer’s financing goals, taking into account Issuer’s existing debt, maturity schedules, options for prepayments, and striving to achieve any issuance of new debt offering under terms and conditions favorable to Issuer while achieving a minimum effective interest rate.
2. Provide information on current bond market conditions, anticipated bond issuances, general market conditions and other economic factors that could reasonably be expected to impact any proposed financing plan and new debt offering.
3. Assist the Issuer in assembling a financing team, as necessary, including but not limited to Bond/Tax Counsel, Disclosure Counsel (generally “Counsel”), Paying Agent Registrar, Escrow Agent and Underwriters. It is agreed that Issuer will retain qualified Counsel to prepare any required proceedings and provide legal advice regarding any proposed security issuance, delivery and that appropriate Counsel will issue an opinion approving the legality of any debt offering.
4. Assist the Issuer in coordination of financing activities between representatives of Issuer offices as appropriate.
5. Prepare a time table and distribution list and update as necessary.
6. Assist with the Issuer’s preparation and analysis of cash flow statements, including conference calls with Counsel.
7. Recommend appropriate financing structure.
8. Recommend a method of sale (competitive sale, negotiated sale or private placement) and, if necessary, conduct Request for Proposals process for underwriter for a negotiated sale.



9. As necessary, prepare and/or assist with financial loan applications to local, state or federal lending agencies.
10. Assist with the preparation, coordination and review of all bond and disclosure documents, subject to final review and approval by Issuer.
11. Recommend whether credit rating should be pursued and, if advisable, prepare the necessary materials and apply for a rating from the respective rating agency. Manage the Issuer's oral presentation or telephone conference interviews with the rating analysts.
12. Coordinate direct communication between Issuer staff and prospective bidding underwriters (in the case of a competitive sale) and key institutional investors.
13. Direct the advertisement and outreach for bids for a competitive sale.
14. Review tax-exempt market supply and demand variables in connection with any issue; make recommendations regarding the timing of the pricing.
15. Conduct the bid opening and verify the lowest bidder (i.e., lowest True Interest Cost) in the case of competitive sale.
16. Conduct pricing oversight and market comparables analysis for negotiated sale. Assist the Issuer in pricing negotiations on day of sale.
17. Oversee the closing process on behalf of the Issuer. Coordinate with Counsel for delivery of securities to purchasers. Be available to the Issuer staff after the closing to answer questions regarding the issue.

**B. Compensation**

1. For transaction services specified in Section A above, Financial Advisor shall be paid the following financial advisory fees: of \$25,000, plus 0.50% of the par amount of obligations issued . The Minimum Fee for any issue of obligations shall be \$25,000.
2. Unless otherwise provided, Issuer shall reimburse Financial Advisor for expenses incurred by Financial Advisor in performing its services under this Agreement. Reimbursable expenses shall include, but are not limited to, the following:
  - a. Courier and delivery services; postage; laser, color, photographic or offset printing and reproduction costs; use of company materials and supplies; document production, copying and binding; facsimile transmission; telephone and conference calls; online posting and distribution of the POS; statistical data; data processing; and data information services. (Facsimile and calls will only be charged to Issuer when Financial Advisor incurs a separate charge for them, e.g. when traveling or when third party services are required for certain conference calls.)



## U.S. Capital Advisors

- b. Other reasonable expenses directly related to the satisfactory performance of requested work, including but not limited to third party consultants and vendors hired by Financial Advisor with Issuer approval.
3. Financial advisory fees and reimbursable expenses will be paid by Issuer to Financial Advisor when the securities are issued and delivered. There is no financial advisory fee due unless the securities are delivered. If securities are not delivered or contract is canceled all reimbursable expenses incurred are due in full within 30 days. If an election is required to authorize a bond issuance and the election is unsuccessful the Financial Advisor will not be paid the financial advisory fee, however all incurred reimbursable expenses must be paid by Issuer.
4. Compensation to Financial Advisor does not include Counsel fees and expenses, rating fees, insurance premiums, paying agent and escrow charges, underwriting/placement agent fees, attorney general fees, and similar costs incurred in connection with the Issuer's financing program, such costs shall be paid directly by the Issuer.

### **C. Effective Date and Termination**

1. The term of the Agreement shall be effective at the date of acceptance by the Issuer as indicated below. At any time and without cause, this Agreement may be canceled by either party by giving thirty (30) days written notice to the other.
2. In the event of termination reimbursable expenses incurred prior to the effective date of termination will be due and must be paid by Issuer within 30 days of receipt of a final invoice from USCA. In the event of termination only the amount due to USCA for services provided and expenses incurred prior to the effective date of termination will be due. No penalty will be charged for termination.

**D. Equal Employment Opportunity** The Financial Advisor does not discriminate in its employment practice against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, age, or physical handicap. Any subcontract entered into by the Financial Advisor pursuant to, or in furtherance of, this Agreement shall contain a similar provision requiring the Financial Advisor's subcontractor to not discriminate in its employment and hiring practices.

**E. Conflict of Interest** The parties to this Agreement have read and are aware of the provisions of Chapter 171 of the Texas Local Government Code relating to conflict of interest of public officers and employees. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of the Issuer relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the Issuer may immediately terminate this Agreement by giving written notice. Other than as pertains to bona fide employees working solely for USCA, Financial Advisor has not employed or retained any person or firm or provided any consideration contingent upon or



# U.S. Capital Advisors

resulting from the making of this Agreement and it has not agreed, as an express or implied condition for obtaining this Agreement, to employ or retain the services of any individual or firm in connection with carrying out this Agreement.

**F. Modification** This Agreement may only be modified by written agreement executed by Issuer and Financial Advisor.

**G. Complete Agreement** This Agreement constitutes the complete statement of the terms and conditions of the Agreement between Issuer and Financial Advisor and it supersedes all prior representations, understandings and communications with respect to the subject matter hereof.

**H. Governing Law, Waiver of Jury Trial** This agreement is governed by and shall be construed in accordance with the laws of the State of Texas, with venue in Harris County, Texas. The parties irrevocably waive all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this agreement.

**I. Notices** All notices and communications related to this Agreement shall be in writing delivered as follows:

To the Issuer:  
Orange Economic Development Corporation  
Attn: \_\_\_\_\_  
City of Orange  
P.O. Box 520  
Orange, Texas 77631  
Telephone: (409) 833-1041  
Facsimile: (409) 883-1965

To Financial Advisor:  
USCA Municipal Advisors LLC  
Attn: David Holland  
4444 Westheimer, Suite G500  
Houston, Texas 77027  
Telephone: (713) 366-0566  
Facsimile: (713) 588-8882

**ACCEPTED AND AGREED TO:**

**Orange Economic Development Corporation**

By: \_\_\_\_\_

Title \_\_\_\_\_

**Date Accepted By Issuer:**

\_\_\_\_\_

**USCA Municipal Advisors LLC:**

David Holland  
Senior Managing Director  
Head of Municipal Securities

  
James F. Gilley  
Managing Director

**RESOLUTION AUTHORIZING THE ISSUANCE OF ORANGE ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE REFUNDING BONDS, SERIES 2016; SPECIFYING THE TERMS AND FEATURES OF SAID BONDS; DELEGATING MATTERS RELATED TO THE SALE AND ISSUANCE OF THE BONDS TO AUTHORIZED ORANGE ECONOMIC DEVELOPMENT CORPORATION (THE “CORPORATION”) OFFICIALS; PROVIDING FOR THE REDEMPTION OF CERTAIN OUTSTANDING OBLIGATIONS OF THE CORPORATION; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT AND DELIVERY OF SAID BONDS INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PRIVATE PLACEMENT AGREEMENT/MEMORANDUM; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the Orange Economic Development Corporation (the “Corporation”) is a non-profit industrial development corporation created, existing and governed by the Development Corporation Act, now codified as Chapter 501 and 505, Local Government Code previously the Development Corporation Act of 1979, Article 5190.6 Tex. Rev. Civ. Stat. Ann., as amended, including Section 4B thereof (the “Act”); and

**WHEREAS**, pursuant to the authority granted in the Act, the City of Orange, Texas (the “City”) has levied a Sales Tax (as defined herein) for the benefit of the Corporation, to be used exclusively for the purposes set forth in the Act; and

**WHEREAS**, the Corporation currently has outstanding obligations (hereinafter collectively called the “Refunded Obligations”), to wit:

Orange Economic Development Corporation Sales Tax Revenue Bonds, Series 2007 dated December 1, 2007;

**WHEREAS**, pursuant to the provisions of Chapter 501, Subchapter E, inclusive of §501.213, Texas Local Government Code, as amended, the Corporation is authorized to issue refunding bonds and deposit the proceeds of sale directly with any place of payment for the Refunded Obligations, or other authorized depository, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

**WHEREAS**, the Corporation shall by this Resolution, in accordance with the provisions of §501.213, Local Government Code, as amended, and pursuant to the Articles of Incorporation and Bylaws of the Corporation, as amended, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Bonds to be issued and negotiate the terms of sale thereof and to select the specific maturities, in whole or in part, of the Refunded Obligations to be refunded; and

**WHEREAS**, the Board of Directors of the Corporation hereby finds and determines that it is a public purpose and in the best interests of the Corporation (i) to refund the Refunded Obligations in order to achieve a present value debt service savings, with such savings, among other information and terms to be included in a pricing certificate (the “Pricing Certificate”) to be executed by the Pricing Officer (hereafter designated) and (ii) to delegate authority to the Pricing Officer as herein named; and

**WHEREAS**, §501.204, Local Government Code provides that the City Council must adopt a resolution concurring in the issuance by the Corporation of the Bonds; and

**WHEREAS**, the City has duly adopted its Resolution dated January 12, 2016, approving this Resolution by the Corporation, providing for the issuance of the Bonds and authorizing and designating a Pricing Officer (as herein defined) to execute a Pricing Certificate (as herein defined) and further finds and determines that (i) the issuance of the refunding bonds and (ii) delegation of authority to the Pricing Officer provide a public purpose and are in the best interest of the Corporation; and

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

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CORPORATION:**

**SECTION 1: Definitions.**

(a) Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Resolution the following terms shall have the meanings specified below:

**“Additional Bonds”** means the additional sales tax revenue bonds the Corporation reserves the right to issue on a parity with the Bonds.

**“Board”** means the Board of Directors of the Corporation.

**“Bonds”** means the Corporation’s bonds entitled “Orange Economic Development Corporation Sales Tax Revenue Refunding Bonds, Series 2016” authorized to be issued by this Resolution.

**“Closing Date”** means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor and from which interest on the Bonds accrues as designated in the Pricing Certificate.

**“Comptroller”** means the Comptroller of Public Accounts of the State of Texas and any successor officer or official that may be charged by law with the duty of collecting Sales Tax Revenues for the account of, and remitting the same to, the City for the account of the Corporation.

**“Fiscal Year”** means October 1 through September 30.

**“Debt Service Fund”** means the debt service fund established by this Resolution.

**“Initial Bond”** means the Bond described in this Resolution.

**“Interest Payment Date”** means the date or dates upon which interest on the Bonds is scheduled to be paid until the maturity or prior redemption of the Bonds, such dates being February 1 and August 1 of each year commencing August 1, 2016.

**“Owner”** means any person who is the registered owner of any Parity Bonds.

**“Parity Bonds”** mean the Bonds and each series of Additional Bonds from time to time hereafter issued, but only to the extent such bonds remain outstanding within the meaning of this Resolution.

**“Paying Agent/Registrar”** means an entity which is appointed as and assumes the duties of Paying Agent/Registrar as provided in the Pricing Certificate.

**“Pledged Revenues”** means (a) the Sales Tax Revenues and (b) interest and earnings from investment of funds on deposit in the Revenue Fund, the Debt Service Fund and the Reserve Fund.

**“Pricing Certificate”** means the certificate duly executed by the Pricing Officer as defined herein for the purpose of evidencing all matters relating to the issuance, sale and delivery of the Bonds.

**“Pricing Officer”** means the Corporation’s duly authorized officer designated in Section 4 of this Resolution.

**“Private Placement Agreement/Memorandum”** means that agreement and/or letter executed in a form and content as required by the purchaser and the Corporation in a form and content approved by the Pricing Officer to evidence the terms of the issuance, sale and delivery of the Bonds.

**“Record Date”** means, for any Interest Payment Date, the close of business on the fifteenth day of the preceding month.

**“Register”** means the Register Paying Agent as designated in this Resolution.

**“Reserve Fund”** means the reserve fund established by this Resolution.

**“Reserve Fund Requirement”** means an amount equal to the lesser of (i) the maximum principal and interest requirements on the Parity Bonds; (ii) 125% of the average annual principal and interest requirements on the Parity Bonds or (iii) 10% of the stated principal amount of the Parity Bonds outstanding on such date, which may be determined and redetermined each year by the Corporation but in no event less frequently than upon the issuance of each series of Parity Bonds.

**“Reserve Fund Surety Policy”** means an insurance policy or credit agreement with the characteristics described in this Resolution.

**“Resolution”** means this Resolution.

**“Revenue Fund”** means the special fund so designated in this Resolution.

**“Sales Tax”** means the local sales and use tax authorized by the Act, approved by the voters of the City on May 4, 2002 effective October 1, 2002, at a rate of one-half of one percent ( $\frac{1}{2}\%$ ), and collected by the City on behalf of the Corporation.

**“Sales Tax Revenues”** means all of the revenues collected or received by the City on behalf of the Corporation, from or by reason of the levy of the Sales Tax.

(b) Other Definitions. The terms “Act,” “Corporation” and “City” shall have the respective meanings assigned in the preamble to this Resolution.

(c) 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.

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

(e) Interpretation. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Resolution.

**SECTION 2: Authorization - Series Designation - Principal Amount - Purpose - Bond Date.** Sales tax revenue refunding bonds of the Corporation shall be and are hereby authorized to be issued in the maximum aggregate principal amount hereinafter set forth to be designated and bear the title “ORANGE ECONOMIC DEVELOPMENT CORPORATION SALES TAX

REVENUE REFUNDING BONDS, SERIES 2016” for the purpose of providing funds for the discharge and final payment of certain obligations of the Corporation (described in the preamble hereof [and finally identified in the Pricing Certificate] and referred to as the “Refunded Obligations”) and to pay the costs and expenses of issuance, in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, the Articles of Incorporation and Bylaws of the Corporation and Chapter 501, Subchapter E, inclusive of §501.213, Texas Local Government Code, as amended. The Bonds shall be dated (the “Bond Date”) as provided in the Pricing Certificate.

**SECTION 3: Fully Registered Obligations - Terms.** The Bonds shall be issued as fully registered obligations, without coupons, and (other than the Initial Bonds referenced in this Resolution) 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 a date certain in each of the years and in amounts (the “Stated Maturities”) and bear interest at the rate(s) per annum in accordance with the details as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

**SECTION 4: Delegation of Authority to Pricing Officer.** (a) The President and Vice President (either, a “Pricing Officer”) is hereby authorized to act on behalf of the Corporation in selling and delivering the Bonds and carrying out the other procedures specified in this Resolution, including selection of the specific maturities or series in whole or in part of the Refunded Obligations to be refunded, determining the aggregate principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount or Maturity Amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, as well as any mandatory sinking fund redemption provisions, the designation of a paying agent/registrars, the approval of a Private Placement Agreement/Memorandum, the terms of any bond insurance, inclusive of a reserve fund surety bond, applicable to the Bonds, the inclusion of exhibits and/or addendum to this Resolution and all other matters relating to the issuance, sale, and delivery of the Bonds all of which shall be specified in the Pricing Certificate, provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$1,700,000;
- (ii) the refunding must produce a net present value debt service savings of at least 2.00%, net of any contribution by the Corporation; and
- (iii) the maximum maturity date for the Bonds shall not exceed August 1, 2023.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the Corporation to the Purchaser (hereinafter defined).

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire, if not exercised by the Pricing Officer, within 180 days of the date hereof. The Bonds shall be sold pursuant to a public sale to the bidder named in the Pricing Certificate (the "Purchaser"), at such bid declared to be the best bid received producing the lowest true interest cost rate to the Corporation and with and subject to such terms as set forth in the Pricing Certificate. The Pricing Officer is hereby delegated the authority to designate the Purchaser, which delegation shall be evidenced by the execution of the Pricing Certificate.

**SECTION 5: Terms of Payment - Paying Agent/Registrar.** The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the Corporation by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached to the Pricing Certificate and such reasonable rules and regulations as the Paying Agent/Registrar and the Corporation may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The Corporation covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Corporation agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The Bonds shall be payable at their Stated Maturities or upon their earlier redemption, only upon the presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices provided in the Pricing Certificate (the "Designated Payment/Transfer Office"). Interest shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the Record Date (which shall be set

forth in the Pricing Certificate) and such interest payments shall be made (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities of the Bonds 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 past due 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 fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of the Bonds appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

**SECTION 6: Registration - Transfer - Exchange of Bonds - Predecessor Bonds.** A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the Corporation at the Designated Payment/Transfer Office of the Paying Agent/Registrar, as provided herein and in accordance with the provisions of the Paying Agent/Registrar Agreement and such rules and regulations as the Paying Agent/Registrar and the Corporation may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Bonds issued under and pursuant to the provisions of this Resolution, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of like kind, maturity, and amount and in authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for assignment or transfer of any Bond (other than the Initial Bonds authorized in this Resolution) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds, executed on behalf of and furnished by the Corporation, shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be of authorized denominations, of like Stated Maturity, and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bonds authorized in this Resolution) may be exchanged for other Bonds of authorized denominations and having the

same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of and furnished by the Corporation, to the Holder requesting the exchange.

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

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

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

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

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

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or

obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided herein, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

**SECTION 8: Initial Bond.** The Bonds herein authorized shall be initially issued as fully registered Bonds as specified in the Pricing Certificate, being a single, fully registered Bond in the aggregate principal amount noted and principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1 (the “Initial Bond”), and the Initial Bond shall be registered in the name of the Purchaser as designated in the Pricing Certificate or its designee. The Initial Bond shall be submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of like kind and of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

**SECTION 9: Forms.**

(a) **Forms Generally.** The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and, with the Bonds to be completed and modified with the information set forth in the Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Corporation or determined by the Pricing Officer. The Pricing Certificate shall set forth the final and controlling forms and terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse thereof; with an appropriate reference thereto on the face of the Bond.

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

(b) Form of Bonds.

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

**PRINCIPAL AMOUNT**  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF TEXAS  
ORANGE ECONOMIC DEVELOPMENT CORPORATION  
SALES TAX REVENUE REFUNDING BONDS, SERIES 2016**

**Bond Date:**

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

**Stated Maturity:**  
August 1, 20\_\_

**Registered Owner:**

**Principal Amount:** DOLLARS

Orange Economic Development Corporation (the "Corporation"), a non-profit industrial development corporation governed by the Development Corporation Act, now codified as Chapter 501 and 505, Local Government Code previously the Development Corporation Act of 1979, Article 5190.6 Tex. Rev. Civ. Stat. Ann., as amended, including Section 4B thereof (the "Act"), in the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the Closing Date of the Bonds at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on August 1 and February 1 in each year, commencing August 1, 2016, until maturity or prior redemption. 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 (or one or more Predecessor Bonds, as defined in the Resolution hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the fifteenth (15<sup>th</sup>) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of; the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of

principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount specified in the Pricing Certificate (herein referred to as the “Bonds”) for the purpose of providing funds for the discharge and final payment of certain outstanding obligations of the Corporation and to pay the costs and expenses of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, the Articles of Incorporation and Bylaws of the Corporation and Chapter 501, Subchapter E, inclusive of §501.213, Texas Local Government Code, as amended, and pursuant to an Resolution adopted by the Board of Directors of the Corporation and ratified by the City Council of Orange, Texas (the “City”) (herein referred to as the “Resolution”).

The Bonds are not subject to redemption prior to maturity.

This Bond and all the bonds of the series of which it is a part constitute special obligations of the Corporation and together with the additional parity bonds which the Corporation has reserved the right to issue are payable as to both principal and interest solely from a first lien on and pledge of the Pledged Revenues, as described in the Resolution, including sales tax revenues to be paid to the Corporation by the City from the economic development sales tax levied by the City pursuant to Section 4B of the Act.

NEITHER THE STATE OF TEXAS, THE CITY NOR ANY POLITICAL CORPORATION, SUBDIVISION, OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THE BONDS OR THE INTEREST THEREON 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 OR THE INTEREST ON SUCH BONDS.

The Corporation expressly reserves the right to issue additional sales tax revenue bonds on a parity with the Bonds; provided, however, that any and all such additional bonds may be issued only in accordance with and subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution, to which reference is hereby made for full particulars.

Reference is hereby made to the Resolution, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Corporation and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder;

and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Resolution.

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

The Corporation and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal 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 fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the Corporation is a non-profit industrial development corporation governed by the Development Corporation Act, now codified as Chapter 501 and 505, Local Government Code previously the Development Corporation Act of 1979, Article 5190.6 Tex. Rev. Civ. Stat. Ann., as amended, including Section 4B thereof (the "Act"), in the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the Corporation have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas, and the Resolution; and that due provision has been made for the payment of the principal of and interest on the Bonds from the Pledged Revenues as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the 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 duly executed under the official seal of the Corporation.

**Orange Economic Development Corporation**

COUNTERSIGNED:

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

(SEAL)

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

**REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS**

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

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

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

(SEAL)

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

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

**REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR**

This Bond has been duly issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Resolution; the bond or bonds of the above entitled and designated series originally delivered having been approved by the

Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar at the Designated Payment/Transfer Office for this Bond.

Registration Date:

\_\_\_\_\_

\_\_\_\_\_  
as Paying Agent/Registrar

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

(e) Form of Assignment.

**ASSIGNMENT**

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

(Social Security or other identifying number: \_\_\_\_\_)  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

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

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

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

(f) The Initial Bond shall be in the respective forms set forth therefor in paragraph (b) of this Section, except as follows:

**[INITIAL BOND]**

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

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

**UNITED STATES OF AMERICA  
STATE OF TEXAS  
ORANGE ECONOMIC DEVELOPMENT CORPORATION  
SALES TAX REVENUE REFUNDING BONDS, SERIES 2016**

**Bond Date:**

**Registered Owner:**

**Principal Amount:** DOLLARS

Orange Economic Development Corporation (the "Corporation"), a non-profit industrial development corporation governed by the Development Corporation Act, now codified as Chapter 501 and 505, Local Government Code previously the Development Corporation Act of 1979, Article 5190.6 Tex. Rev. Civ. Stat. Ann., as amended, including Section 4B thereof (the "Act"), in the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on August 1 in the years and in principal installments in accordance with the following schedule:

<u>Stated</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate(s)</u>
----------------------------------	-----------------------------------	-----------------------------------

(Information to be inserted from Pricing Certificate).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the Closing Date of the Bonds 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 August 1, 2016, and each February 1 and August 1 thereafter, until maturity or prior redemption. Principal installments of this Bond are payable in the year of maturity or on a redemption date to the registered owner hereof by the Paying Agent/Registrar designated in the Pricing Certificate executed by the Pricing Officer pursuant to the Resolution authorizing the issuance of the Bonds, upon presentation and surrender, at its designated offices (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth (15<sup>th</sup>) day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. 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. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

**SECTION 10: Security for the Parity Bonds.**

(a) Confirmation and Levy of Sales Tax. The Corporation hereby confirms the earlier levy by the City of the Sales Tax, and the Corporation hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they maybe expanded from time to time pursuant to applicable law.

If the City shall be authorized hereafter by applicable 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, the Corporation, to the extent it legally may do so, hereby covenants and agrees to use its best efforts to cause the City to take such action as may be required by applicable law to subject such taxable items or transactions to the Sales Tax.

The Corporation agrees to take and pursue all action permissible under applicable law to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by the Act, at the earliest and most frequent times permitted by applicable law.

(b) Pledge. The Corporation hereby irrevocably pledges the Pledged Revenues, to the payment of the principal of, and the interest and any premiums on, the Parity Bonds and to the establishment and maintenance of the Reserve Fund.

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 of the Parity Bonds without distinction as to priority and rights.

The Parity Bonds, including interest payable thereon, shall constitute special obligations of the Corporation, payable solely from and secured by a first lien on and pledge of the Pledged Revenues, and not from any other revenues, properties or income of the Corporation. The Parity Bonds are not a debt of the City and do not give rise to a claim for payment against the City except as to Sales Tax Revenues held by the City and required by the Act to be paid over to the Corporation.

(c) Resolution as Security Agreement. An executed copy of this Resolution shall constitute a security agreement pursuant to applicable law, with the Owners as the secured parties. The lien, pledge, and security interest of the Owners created in this Resolution shall become effective immediately upon the Closing Date of the Bonds, and the same shall be continuously effective for so long as any Parity Bonds are outstanding.

A fully executed copy of this Resolution and the proceedings authorizing it shall be filed as a security agreement among the permanent records of the Corporation. Such records shall be open for inspection to any member of the general public and to any person proposing to do or doing business with, or asserting claims against, the Corporation, at all times during regular business hours.

The provisions of this section are prescribed pursuant to the Act, the Texas Public Securities Procedures Act (Chapter 1201, Texas Government Code, as amended), and other applicable laws of the State. If any other applicable law, in the opinion of counsel to the Corporation, requires any filing or other action additional to the filing pursuant to this section in order to preserve the priority of the lien, pledge, and security interest of the Owners created by this Resolution, the Corporation shall diligently make such filing or take such other action to the extent required by law to accomplish such result.

**SECTION 11: Security and Source of Payment for All Parity Bonds.**

(a) Pledge and Source of Payment. The Corporation hereby covenants and agrees that all Pledged Revenues shall be deposited and paid into the special funds established for Parity Bonds, as provided in this Resolution, and shall be applied in the manner set out herein, to provide for the payment of principal, interest and any redemption premium of the Parity Bonds and all expenses of paying, securing and insuring the same. The Parity Bonds are special obligations of the Corporation and shall be payable solely from, and equally and ratably secured by a first lien on the Pledged Revenues, as collected and received by the Corporation, which Pledged Revenues are hereby pledged to the payment of the Parity Bonds and shall be set aside in the Debt Service Fund and Reserve Fund as hereinafter provided. The Parity Bonds shall be in all respects on a parity with and of equal dignity with one another.

(b) Special Funds. The following special funds are hereby established and shall be maintained and accounted for as hereinafter provided, so long as any Parity Bonds remain outstanding:

- (i) Orange Economic Development Corporation Sales Tax Revenue Fund (the “Revenue Fund”);
- (ii) Orange Economic Development Corporation Sales Tax Revenue Bonds Debt Service Fund (the “Debt Service Fund”); and
- (iii) Orange Economic Development Corporation Sales Tax Revenue Bonds Reserve Fund (the “Reserve Fund”).

The Revenue Fund shall be maintained as a separate account on the books of the Corporation.

The Debt Service Fund and the Reserve Fund (i) shall be maintained at an official depository bank of the Corporation separate and apart from all other funds and accounts of the Corporation, (ii) shall constitute trust funds which shall be held in trust for the benefit of the Owners of the Parity Bonds, and (iii) the proceeds of which shall be and are hereby pledged to the payment of the Parity Bonds. All of the funds named above shall be used solely as provided in this Resolution so long as any Parity Bonds remain outstanding.

(c) Flow of Funds. All Pledged Revenues (other than interest and income derived from the investment of money in the Debt Service Fund and Reserve Fund) shall be deposited upon receipt into the Revenue Fund. Money from time to time on deposit in the Revenue Fund shall be applied as follows in the following order of priority:

- (i) First, to make all deposits into the Debt Service Fund required by this Resolution and any resolution authorizing the issuance of Additional Bonds.
- (ii) Second, to make all deposits into the Reserve Fund required by this Resolution, the resolution authorizing the Outstanding Bonds, and any resolution authorizing the issuance of Additional Bonds.

- (iii) Third, to pay any amounts due to any bond insurer of Parity Bonds not paid pursuant to subsections (i) or (ii) above.
- (iv) Fourth, to pay any amounts due to any issuer of a Reserve Fund Surety Policy not paid pursuant to subsections (ii) or (iii) above.
- (v) Fifth, to pay administrative expenses of the Corporation.
- (vi) Sixth, to pay any amounts due the City of Orange for economic development costs incurred on behalf of or pursuant to contracts with the Corporation.
- (vii) Seventh, for any lawful purpose.

Whenever the total amounts on deposit to the credit of the Debt Service Fund and the Reserve Fund shall be equivalent to the sum of the aggregate principal amount of all outstanding Parity Bonds plus the aggregate amount of all interest accrued and to accrue thereon, no further payments need be made into the Debt Service Fund or the Reserve Fund.

(d) Debt Service Fund. On or before the last business day of each month so long as any Parity Bonds remain outstanding, there shall be transferred into the Debt Service Fund from the Revenue Fund:

- (i) such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the interest scheduled to become due on the Parity Bonds on the next Interest Payment Date; and
- (ii) such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the next maturing principal of the Parity Bonds, including the principal amounts of, and any redemption premium on, any Parity Bonds payable as a result of the exercise or operation of any optional or mandatory redemption provision contained in any resolution authorizing the issuance of Parity Bonds.

Money deposited to the credit of the Debt Service Fund shall be used solely for the purpose of paying principal (at maturity or prior redemption or to purchase Parity Bonds issued as term bonds in the open market to be credited against mandatory redemption requirements), interest and any redemption premium on the Parity Bonds, plus all bank charges and other costs and expenses relating to such payment. The Paying Agent/Registrar shall destroy all paid Parity Bonds and shall provide the Corporation with appropriate certificates of destruction.

(e) Reserve Fund. Unless the increase in the Reserve Fund Requirement is funded from bond proceeds, on or before the last business day of each month so long as any Parity Bonds remain outstanding, and after making the transfers into the Debt Service Fund required in the preceding Section, there shall be transferred into the Reserve Fund from the Revenue Fund, in approximately equal monthly installments, amounts sufficient to accumulate within 36

months the increase in the Reserve Fund Requirement resulting from the issuance of the Bonds. Each increase in the Reserve Fund Requirement resulting from the issuance of Additional Bonds shall be accumulated within 36 months of the issuance of such bonds by making transfers from the Revenue Fund into the Reserve Fund in approximately equal monthly installments of amounts sufficient for such purpose. After the Reserve Fund Requirement has accumulated in the Reserve Fund and so long thereafter as such Fund contains the Reserve Fund Requirement, no further deposits shall be required to be made into the Reserve Fund, and any excess amounts may be transferred Revenue Fund. But if and whenever the balance in the Reserve Fund is reduced below Fund Requirement, either due to a draw on the funds or reduction or cancellation of a Reserve Fund Surety Policy, the Corporation shall make deposits into the Reserve Fund from the first funds available for such purpose until the Reserve Fund again equals the Reserve Fund Requirement. Reserve Fund shall be used to pay the principal of and interest on the Parity Bonds at anytime there is not sufficient money available in the Debt Service Fund for such purpose and to pay a retire the last Parity Bonds to mature or be redeemed.

The Corporation expressly reserves the right at any time to satisfy all or any part of the Reserve Fund Requirement by obtaining for the benefit of the Reserve Fund a Reserve Fund Surety Policy (as described below). In the event the Corporation elects to substitute at any time a Reserve Fund Surety Policy for any funded amounts in the Reserve Fund, it may apply any bond proceeds thereby released, including investment earnings on bond proceeds, to any purposes for which the bonds were issued and any other funds thereby released to any purposes for which such funds may lawfully be used, including the payment of debt service on the Parity Bonds. A Reserve Fund Surety Policy shall be an insurance policy or other credit agreement in a principal amount equal to the portion of the Reserve Fund Requirement to be satisfied and issued by a financial institution or insurance company with a rating for its long term unsecured debt or claims paying ability in the highest letter category by two major municipal securities evaluation sources. A Reserve Fund Surety Policy shall be for the pro rata benefit of all Parity Bonds. The premium for any such policy shall be paid from bond proceeds or other funds of the Corporation lawfully available for such purpose. Any Reserve Fund Surety Policy shall be authorized by resolution.

All surplus in the Reserve Fund in excess of the Required Reserve may, at the option of the Corporation, be deposited in the Revenue Fund; provided, however, that bond proceeds deposited in the Reserve Fund and investment earnings on such proceeds, may only be used for the purposes for which the bonds were issued.

(f) Deficiencies in Funds. If in any month there shall not be deposited into any Fund maintained pursuant to this Article the full amounts required herein, amounts equivalent to such deficiency shall be set apart and paid into such Fund or Funds from the first available and unallocated money in the Revenue Fund, and such payment shall be in addition to the amounts otherwise required to be paid into such Funds during the succeeding month or months.

(g) Investment of Funds; Transfer of Investment Income. Money in the Revenue Fund, the Debt Service Fund and the Reserve Fund may, at the option of the Corporation, be

invested as permitted by law; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times, and provided farther that in no event shall such deposits or investments of money in the Reserve Fund mature later than the final maturity date of the Parity Bonds. Any obligation in which money is so invested shall be kept and held in the Fund from which the investment was made. All such investments shall be promptly sold when necessary to prevent any default in connection with the Parity Bonds.

All interest and income derived from such deposits and investments shall be credited as received to the Fund from which the investment was made.

**SECTION 12: Additional Bonds.**

(a) Issuance of Superior Lien Obligations Prohibited. The Corporation hereby covenants that so long as any principal or interest pertaining to any Parity Bonds remain outstanding and unpaid, it will not authorize or issue obligations secured by a lien on or pledge of the Pledged Revenues superior to the lien securing the Parity Bonds.

(b) Issuance of Additional Bonds Authorized. In addition to the right to issue obligations of inferior lien, the Corporation reserves the right to issue Additional Bonds which, when duly authorized and issued in compliance with law and the terms and conditions hereinafter appearing, shall be on a parity with the Bonds and the Outstanding Bonds, payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues. The Additional Bonds may be (issued in one or more installments, provided, however that none shall be issued unless and until the following conditions have been met:

The Corporation is not then in default as to any covenant, condition or obligation prescribed in the resolutions authorizing the issuance of the outstanding Parity Bonds.

Each of the funds created for the payment, security and benefit of the Parity Bonds contains the amount of money then required to be on deposit therein.

The Corporation has secured from a Certified Public Accountant (“CPA”), a certificate or report reflecting that for the Fiscal Year next preceding the date of the proposed Additional Bonds, or a consecutive 12-month period out of the 15-month period next preceding the month in which the resolution authorizing the proposed Additional Bonds is adopted, the Sales Tax Revenues were equal to at least 125% of the maximum annual principal and interest requirements on all Parity Bonds to be outstanding after the issuance of the proposed Additional Bonds, provided that, in the event of an increase in the rate of the Sales Tax that becomes effective prior to the date of the resolution authorizing the issuance of the Additional Bonds, such CPA certificate or report shall calculate the Sales Tax Revenues for the calculation period as if such increased rate were in effect during such period.

The Additional Bonds mature on, and interest is payable on, the same days of the year as the Bonds

Parity Bonds may be refunded upon such terms and conditions as the Board may deem to be in the best interest of the Corporation; and if less than all outstanding Parity Bonds are refunded, the proposed refunding obligations shall be considered as “Additional Bonds” under the provisions of this Section, and the report or certificate required above shall give effect to the issuance of the proposed refunding obligations and shall not give effect to the obligations being refunded.

**SECTION 13: Mutilated — Destroyed - Lost and Stolen Bonds.** In case any Bond shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tender, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond; and with respect to a lost, destroyed, or stolen Bond, a replacement Bond may be issued only upon the approval of the Corporation and after (i) the filing by the Holder with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Corporation and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost, or stolen.

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

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

**SECTION 14: 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 taxes levied under this Resolution and all covenants, agreements, and other obligations of the Corporation to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds of 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 agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the Bonds on the Stated Maturity thereof or (if notice of redemption has been duly given or waived

or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The Corporation covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the 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 three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the 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.

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

The Corporation reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the Corporation moneys in excess of the amount required for such defeasance.

**SECTION 15: Resolution a Contract - Amendments - Outstanding Bonds.** This Resolution, together with the Pricing Certificate, 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 so long as any Bond remains Outstanding except as permitted in this Resolution. The Corporation may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution or any provision in the Pricing Certificate 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 consent of Holders who own a majority of the aggregate of the principal amount of the Bonds then Outstanding (the “Outstanding Bonds”), amend, add to, or rescind any of the provisions of this Resolution or any provision in the Pricing Certificate; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount or Maturity Amount, as the case may be, thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount or Maturity Amount, as the case may be, of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

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

- (1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds deemed to be duly paid by the Corporation in accordance with the provisions herein; and
- (3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided herein.

#### **SECTION 16: Covenants to Maintain Tax-Exempt Status.**

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

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

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

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

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

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

Regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle

Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

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

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall remit to the Corporation for payment to the United States the amount described in paragraph (3) above and the amount described in paragraph (4) below, at the times, in the manner and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

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

(i) Bonds Not Hedge Bonds. (1) At the time the original bonds refunded by the Bonds were issued, the Corporation reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued and (2) not more than 50% of the proceeds of the original bonds refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(j) Current Refunding. The Bonds are a current refunding of the Refunded Bonds as the Bonds will be issued within 90 days of the payment and redemption of the Refunded Bonds.

(k) Qualified Tax Exempt Obligations. The Pricing Officer is hereby authorized to designate in the Pricing Certificate the designation of the Bonds as “qualified tax-exempt obligations” in accordance with the provisions of the paragraph (3) of subsection (b) of Section 265 of the Code in the event the Bonds qualify for such designation and confirm that the Bonds are not “private activity bonds” as defined in the Code and confirm the amount of “tax-exempt obligations” to be issued by the Corporation (including the City and all other subordinate entities) for the calendar year 2016 will not exceed \$10,000,000.

**SECTION 17: Sale of Bonds — Terms of Sale.** The sale and delivery of the Bonds

shall be made to the Purchaser at the price specified in the Pricing Certificate and in accordance with the submission of an official bid form by the Purchaser in accordance with the Final Term Sheet of the Corporation as prepared by U.S. Capital Advisors LLC for solicitation of proposals for purchase and award of the sale of the Bonds. The sale and delivery of the Bonds shall be authorized, approved, ratified and confirmed subject to the approving opinions as to the legality of the Bonds of the Attorney General of the State of Texas and of Germer PLLC, bond counsel. The Purchaser shall be determined based upon the bid providing the lowest true net interest cost on the Bonds to the Corporation, and said bid for the Bonds shall be determined to be in the best interest of the Corporation as specified in the Pricing Certificate.

The President, Vice President, Secretary and Assistant Secretary of the Corporation are further authorized and directed to deliver for and on behalf of the Corporation a Private Placement Agreement/Memorandum if required by the Purchasers in the form and content as approved by the Pricing Officer to evidence the terms of sale of the Bonds.

**SECTION 18: Refunded Obligations.** (a) In order to provide for the refunding, discharge, and retirement of the Refunded Obligations, the Refunded Obligations, identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first date(s) such Refunded Obligations are subject to redemption at the price of par plus accrued interest to the designated redemption date, and notice of such redemption shall be given in accordance with the applicable provisions of the resolutions(s) adopted by the Corporation, which authorized the issuance of the Refunded Obligations. The Pricing Officer is hereby authorized and directed to issue or cause to be issued a Notice of Redemption for the Refunded Obligations in substantially the form(s) set forth as (an) Exhibit(s) to the Pricing Certificate, to the paying agent/registrars for Refunded Obligations, in accordance with the redemption provisions applicable to the Refunded Obligations.

(b) Each paying agent/registrars for Refunded Obligations is hereby directed to provide the appropriate notice(s) of redemption as required by the respective resolutions authorizing the Refunded Obligations and is hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on the redemption date.

(c) The redemption of the Refunded Obligations being associated with the refunding of such Refunded Obligations, the approval, authorization and arrangements herein given and provided for the redemption of such Refunded Obligations on the respective redemption date designated therefore and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the Pricing Officer is hereby authorized and directed to make all arrangements necessary to notify the holders of such Refunded Obligations of the Corporation's decision to redeem such Refunded Obligations on the dates and in the manner herein provided and in accordance with the resolution authorizing the issuance of such Refunded Obligations and this Resolution.

**SECTION 19: Control and Custody of Bonds.** The President and Vice President of the Corporation shall be and is hereby authorized to take and have charge of all necessary resolutions, orders and records, including the definitive Bonds and the Initial Bond, pending

the investigation and approval of the Initial Bond by the Attorney General of the State of Texas, and the registration of the Initial Bonds to the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

Furthermore, the President, Vice President, Secretary and Assistant Secretary of the Corporation, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the Corporation and the issuance of the Bonds, including a certification as to facts, estimates, circumstances, and reasonable expectations pertaining to the use, expenditure, and investment of the proceeds of the Bonds, as may be necessary for the issuance of the Bonds, the approval of the Attorney General, the registration by the Comptroller of Public Accounts, and the delivery of the Bonds to the Purchaser and, together with the Corporation's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchaser and the initial exchange thereof for definitive Bonds.

**SECTION 20: Proceeds of Sale.** Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance) shall be deposited with the Paying Agent/Registrar for the Refunded Obligations to pay and discharge the Refunded Obligations in accordance with this Resolution. The proceeds of sale of the Bonds not so deposited (with the Agent) for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance, or deposited in the Interest and Sinking Fund for the Bonds, all in accordance with written instructions from the Corporation or its Financial Advisor. Such proceeds of sale may be invested in authorized investments and any investment earnings realized may be (with respect to the accrued interest received from the Purchasers) deposited in the Interest and Sinking Fund as shall be determined by the Corporation.

**SECTION 21: Notices to Holders-Waiver.** Wherever this Resolution or the Pricing Certificate provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case in which 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 or the Pricing Certificate 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 22: Cancellation.** All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the Corporation, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled 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 cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the Corporation.

**SECTION 23: Bond Counsel Opinion.** The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Germer PLLC, Beaumont, Texas, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds.

**SECTION 24: Benefits of Resolution.** Nothing in this Resolution or the Pricing Certificate, 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 or the Pricing Certificate, this Resolution and all of its provisions and the Pricing Certificate being intended to be and being for the sole and exclusive benefit of the Corporation, the Paying Agent/Registrar, and the Holders.

**SECTION 25: Inconsistent Provisions.** All ordinances 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 26: 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 27: Effect of Headings.** The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

**SECTION 28: 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 29: Severability.** If any provision of this Resolution or the Pricing Certificate or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the Pricing Certificate and the application thereof to other circumstances shall nevertheless be valid, and the Board of Directors of the Corporation hereby declares that this Resolution would have been enacted without such invalid provision.

**SECTION 30: Incorporation of Findings and Determinations.** The findings and determinations of the Corporation contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

**SECTION 31: Continuing Disclosure of Information.** The Corporation will not provide disclosures under SEC Rule 15c2-12 with respect to the issuance of the Bonds. The Corporation has previously entered into undertakings with prior issues of its debt, and pursuant to those undertakings, the Corporation has agreed, among other undertakings, to provide annually to the MSRB through EMMA, within six (6) months after the end of each year, a copy of the Corporation's annual audit prepared pursuant to Chapter 103, "Audits of Municipal Finances", Texas Local Government Code.

**SECTION 32: Further Procedures.** Any one or more of the President, Vice President, Secretary and Assistant Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Corporation all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the President, Vice President, Secretary and Assistant Secretary or Bond Counsel to the Corporation are each hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution, including the Pricing Certificate: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Corporation whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

**SECTION 33: 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 of the Government Code, as amended.

**SECTION 34: Effective Date.** This Resolution shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, §1201.028.

*[remainder of page left blank intentionally]*

PASSED AND ADOPTED, this 12<sup>th</sup> day of January, 2016.

**Orange Economic Development Corporation**

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

(Seal)

January 12, 2016

Mr. Shawn Oubre, City Manager  
Mr. George Mortimer, President  
803 W. Green Avenue  
Orange, Texas 77631

Re: Orange Economic Development Corporation (the "Corporation") – Sales Tax Revenue Refunding Bonds, Series 2016 (the "Bonds")

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Gentlemen:

This letter will confirm the terms pursuant to which Germer PLLC would serve as bond counsel for the Corporation in the issuance of the above-referenced Bonds. It is understood that while the amount of the Bond issue has not been determined, the Bonds would be sold in the year 2016.

The services which we propose to provide will include:

- 1) preparation and drafting of all documents customarily prepared by bond counsel in order to issue the Bonds;
- 2) preparation of our firm's opinion relative to the tax-exempt status of the Bonds and the absence of registration requirements;
- 3) preparation and filing of all documents necessary to obtain approval of the Attorney General of the State of Texas and the Comptroller of Public Accounts;
- 4) review and examination of all insurance agreements, if applicable;
- 5) assistance in the preparation of any Purchase Agreement and Private Placement or Offering Memorandum for the public or private sale of the Bonds and the preparation of any disclosure certificates to be delivered by the Corporation;

- 6) review of the disclosure investigations which are actually made on behalf of the Corporation; and

The services above shall be provided for a fee as specified in the attached **Exhibit "A"** and premises upon a bond issue amount as approved by the Corporation. The fee will be subject to an amendment in accordance with the face amount of the Bonds. In addition, we are to be reimbursed for our reasonable and actual out-of-pocket expenses incurred incident to rendering these services.

Upon execution of this engagement letter, the Corporation shall be the client of the undersigned, and an attorney-client relationship exists between us. We assume that all other parties to the proposed transaction for issuance of the Bonds understand that we represent only the Corporation in the transaction and are not counsel to any other party and are not acting as an intermediary among parties. Our services as bond counsel are limited to those contracted for in this engagement letter, and the Corporation's execution hereof acknowledges those limitations. Our representation of the Corporation will not affect, however, our responsibility to render an objective opinion as to the Bonds.

We very much appreciate the opportunity to serve the Corporation in this matter.

Yours very truly,

**GERMER PLLC**

By:   
Guy N. Goodson

GNG/mgm  
Attachment

**APPROVED AND ACCEPTED** by the Corporation on the 12<sup>th</sup> day of January, 2016.

**Orange Economic Development Corporation**

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President

**EXHIBIT "A"**

**FEE SCHEDULE PER PAR AMOUNT**

The fee for each issue of debt obligations will be as follows:

Par Amount up to \$5,000,000 - \$25,000

Plus 0.50% of Par Amount Over \$5,000,000

## NOTICE OF PUBLIC HEARING

The Orange Economic Development Corporation (EDC) will conduct a public hearing Tuesday, January 12, 2016, at 8:30 a.m. at the Orange Public Library Auditorium, 220 N. Fifth Street, Orange, Texas for the purpose of receiving comments regarding financial incentives for Licatino's Collision Center related to infrastructure improvements at 1001 Green Avenue in an amount not to exceed \$14,500 for the purpose of economic development.

George Mortimer, President  
Orange Economic Development Corporation

**Legal Ad**

**Publish – January 2, 2016**

## MOTION

Consider a motion of intent to enter into an agreement with Licatino's Collision Center for the expenditure of funds for infrastructure improvements at 1001 Green Avenue, Orange, Texas in an amount not to exceed \$14,500.00 for the purpose of economic development.

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George Mortimer, President

**ATTEST:**

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David Meaux , Secretary

January 12, 2016

**ECONOMIC DEVELOPMENT DEPARTMENT**

**MEMORANDUM**

**DATE:** January 4, 2016

**TO:** Dr. Shawn Oubre, City Manager

**FROM:** Jay Trahan, CEcD, EDC Director

**RE: ITEX HOMES, LLC, RESOLUTION**

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Please see the attached Resolution concerning the \$5,000 financial incentive payment related to the construction and sale of a Qualifying Residential Dwelling in the Cypresswood Village Development in the City of Orange by ITEX Homes, LLC. The Resolution must have one (1) reading by the EDC Board of Directors.

Subject to your review and approval, please place the attached Resolution on the January 12, 2016, EDC Board Meeting agenda. Please contact me at extension #1077 if you need additional information.

**A RESOLUTION FINDING THAT A PROJECT INVOLVING ITEX HOMES, LLC AS MORE PARTICULARLY DESCRIBED HEREIN PROMOTES NEW OR EXPANDED BUSINESS DEVELOPMENT, AUTHORIZING AN EXPENDITURE OF FUNDS TO UNDERTAKE THE PROJECT AND AUTHORIZING THE PRESIDENT OF THE ORANGE ECONOMIC DEVELOPMENT CORPORATION TO EXECUTE SUCH DOCUMENTS AS HE MAY DEEM ADVISABLE TO ALLOW THE ORANGE ECONOMIC DEVELOPMENT CORPORATION TO UNDERTAKE THE PROJECT.**

**WHEREAS**, the ORANGE ECONOMIC DEVELOPMENT CORPORATION desires to undertake a project involving ITEX HOMES, LLC as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Project"); and

**WHEREAS**, in accordance with Texas Local Government Code Section 505.159, the ORANGE ECONOMIC DEVELOPMENT CORPORATION has held at least one public hearing on the Project; and

**WHEREAS**, in accordance with Texas Local Government Code Section 505.160, the ORANGE ECONOMIC DEVELOPMENT CORPORATION has published notice of the Project; and

**WHEREAS**, more than sixty (60) days have passed since the date that the ORANGE ECONOMIC DEVELOPMENT CORPORATION first published notice of the Project, and the City of Orange, Texas has not received a petition from more than 10 percent of the registered voters of the City of Orange, Texas requesting that an election be held before the Project is undertaken; and

**WHEREAS**, in accordance with Texas Local Government Code Section 505.158, the Board of Directors of the ORANGE ECONOMIC DEVELOPMENT CORPORATION finds that the Project promotes new or expanded business development.

**NOW THEREFORE BE IT RESOLVED by the Board of Directors of the ORANGE ECONOMIC DEVELOPMENT CORPORATION that:**

1. The foregoing recitals are found to be true and correct and are hereby adopted and incorporated herein by reference.
2. The Board of Directors of the ORANGE ECONOMIC DEVELOPMENT CORPORATION finds that the Project promotes new or expanded business development.
3. The ORANGE ECONOMIC DEVELOPMENT CORPORATION is authorized to undertake the Project and to expend funds to undertake the Project, and such expenditure shall be in accordance with Exhibit "A" attached hereto and in accordance with one or more agreements and/or instruments to be executed by and between the ORANGE ECONOMIC DEVELOPMENT CORPORATION and ITEX HOMES, LLC in connection with the Project.

4. The President of the ORANGE ECONOMIC DEVELOPMENT CORPORATION is authorized to execute such documents as he may deem advisable in order to allow the ORANGE ECONOMIC DEVELOPMENT CORPORATION to undertake the Project.

PASSED and APPROVED on this \_\_\_\_\_ day of January, 2016.

**ORANGE ECONOMIC DEVELOPMENT CORPORATION**

By: \_\_\_\_\_  
George Mortimer, President

**ATTEST:**

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**Description of Orange Economic Development Corporation Project**  
**Involving ITEX HOMES, LLC**

The ORANGE ECONOMIC DEVELOPMENT CORPORATION project (the "Project") involving ITEX HOMES, LLC would generally include the following:

1. ITEX HOMES, LLC would construct residential dwellings (hereinafter referred to as "Qualified Residential Dwellings") in the Cypresswood Village Residential Development in the City of Orange, and these residential dwellings would be required to meet certain specifications as set forth more particularly in a performance agreement executed by and between the ORANGE ECONOMIC DEVELOPMENT CORPORATION and ITEX HOMES, LLC.
2. The ORANGE ECONOMIC DEVELOPMENT CORPORATION would provide to ITEX HOMES, LLC an economic incentive payment in the amount of Five Thousand and No/100 Dollars (\$5,000.00) (hereinafter referred to as "Economic Incentive Payments") related to the construction and sale of a Qualifying Residential Dwelling as provided for in the performance agreement.
3. The maximum number of Economic Incentive Payments that the ORANGE ECONOMIC DEVELOPMENT CORPORATION would be required to make to ITEX HOMES, LLC during each calendar year of the performance agreement would be limited to ten (10).

**EXHIBIT "A"**

# MOTION

Motion accepting the EDC audit as presented by Charles E. Reed & Associates, P.C. for the fiscal year ending September 30, 2015.

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George Mortimer, President

ATTEST:

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David Meaux, Secretary

January 12, 2016

# MOTION

Motion electing a President, a Vice President, a Secretary and a Treasurer for the Orange Economic Development Corporation for a period of one year beginning January 12, 2016.

President\_\_\_\_\_

Vice President\_\_\_\_\_

Secretary\_\_\_\_\_

Treasurer\_\_\_\_\_

\_\_\_\_\_  
George Mortimer, President

## ATTEST:

\_\_\_\_\_  
David Meaux, Secretary

January 12, 2016