

ORDINANCE NO. \_\_\_\_\_

**AUTHORIZING THE ISSUANCE OF CITY OF CORPUS CHRISTI, TEXAS MARINA SYSTEM REVENUE BONDS, TAXABLE SERIES 2015” IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,600,000; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS BY A FIRST AND PRIOR LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY’S MARINA SYSTEM; STIPULATING THE TERMS AND CONDITIONS FOR THE ISSUANCE OF ADDITIONAL REVENUE BONDS ON A PARITY THEREWITH; PROVIDING THE TERMS AND CONDITIONS OF SUCH BONDS AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY THEREOF; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE AND INVESTMENT LETTER; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of Corpus Christi, Texas is authorized by Chapter 54, as amended, Texas Transportation Code (the *Act*), to establish, acquire, lease, construct, improve, enlarge, equip, repair, operate, or maintain certain facilities for municipal purposes; and

WHEREAS, the Act permits the City Council of the City (the *City Council*) to issue revenue bonds to provide all or part of the money to establish, acquire, construct, improve, enlarge, equip, or repair specified facilities and to secure such revenue bonds by a pledge of and lien on revenues from all or a designated part of the revenues derived by the City from the ownership and operation of such facilities; and

WHEREAS, the City owns and operates, and on its books and records maintains (as an enterprise fund), a marina system (as further described and defined herein, the *System*), where it accounts, separate and apart from other funds of the City, the revenues therefrom and the expenses therefor; and

WHEREAS, the City Council has heretofore issued, and there currently remain outstanding certain maturities of, its City of Corpus Christi, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2005 (Marina Development Project), which obligations are secured by and payable from, in part, those surplus System net revenues remaining after payment of the costs of operating and maintaining the System, as well as any other obligations of the System then or thereafter existing, pursuant to and in reliance upon the provisions of the Act; and

WHEREAS, in reliance upon the provisions of the Act permitting the lien on and pledge of all or a designated part of the revenues of facilities owned and maintained thereunder, and for the purpose of allocating the costs of System improvement to the revenues resultant therefrom, the City Council has determined to establish a first and prior lien revenue finance system in

support of the System, secured (primarily) by a first and prior lien on and pledge of Net Revenues (defined herein) that is senior and superior to the lien thereon and pledge thereof securing the currently outstanding Subordinate Lien Obligations (defined herein); and

WHEREAS, the City Council deems it appropriate to issue the hereinafter authorized revenue bonds in an aggregate principal amount of \$2,600,000, for the primary purpose of (i) acquiring, purchasing, constructing, improving, repairing, extending, equipping, and renovating the System; and (ii) paying the costs of issuance of these revenue bonds; and

WHEREAS, the City Council hereby finds and determines that the establishment of a first and prior lien finance system in support of the System and the issuance of these revenue bonds as the initial issuance thereunder, under the terms specified herein, is in the best interests of the residents of the City, now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORPUS CHRISTI, TEXAS THAT:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. Revenue bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of TWO MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,600,000), to be designated and bear the title of “CITY OF CORPUS CHRISTI, TEXAS MARINA SYSTEM REVENUE BONDS, TAXABLE SERIES 2015 (the *Bonds*), pursuant to an ordinance adopted by the City Council (the *Ordinance*) for the purposes of (i) building, improving, extending, renovating, enlarging, and repairing the System and (ii) the payment of the costs of issuance for the Bonds. The Bonds shall be payable from and equally and ratably secured as to both principal and interest by a first and prior lien on and pledge of the Pledged Revenues, as further described in Section 10 hereof. The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, the Act, the City’s Home Rule Charter, and this Ordinance.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Dated Date. The Bonds are issuable in fully registered form only, shall be dated December 1, 2014 (the *Dated Date*), shall generally be in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, shall be lettered “R-” and numbered consecutively from One (1) upward and principal shall become due and payable on March 1 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Registration Date noted on the Registration Certificate of the Paying Agent/Registrar (as provided in the Form of Bond in Section 8(b) hereof), or the most recent Interest Payment Date (hereafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the rates per annum, while Outstanding, in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2016	140,000	3.00
2017	145,000	3.00
2018	150,000	3.00

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2019	155,000	3.00
2020	155,000	3.00
2021	160,000	3.00
2022	165,000	3.00
2023	170,000	3.00
2024	175,000	3.00
2025	185,000	3.00
2026	190,000	3.00
2027	195,000	3.00
2028	200,000	3.00
2029	205,000	3.00
2030	210,000	3.00

The Bonds shall bear interest on the unpaid principal amount thereof at the per annum rates shown above, computed on the basis of a 360-day year of twelve 30-day months, and interest thereon shall be payable on March 1 and September 1 of each year (the *Interest Payment Date*), commencing September 1, 2015, while the Bonds are Outstanding.

SECTION 3. Payment of Bonds - Interest Payments - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable 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 such payment of principal of and interest on the Bonds shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Bonds.

The selection and appointment of BOKF, NA dba Bank of Texas, Austin, Texas, to serve as the initial Paying Agent/Registrar (the *Paying Agent/Registrar*) for the Bonds is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of an order or resolution terminating

such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption or otherwise, shall be payable only to the registered owner of the Bonds appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date for purposes of payment of interest thereon, (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof upon redemption of the Bonds or at the Bonds' Stated Maturity or upon prior redemption of the Bonds, and (iii) on any other date for any other purpose. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of, and premium, if any, on the Bonds shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office (provided, however, with respect to principal payments prior to the final Stated Maturity, the Bonds need not be surrendered to the Paying Agent/Registrar, who will merely document the payment on an internal ledger maintained by the Paying Agent/Registrar). Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth day of the month next preceding an Interest Payment Date for the Bonds (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, 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 corporate trust 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 day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Bonds was due.

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

#### SECTION 4. Redemption.

A. Optional Redemption. The Bonds shall be subject to redemption prior to Stated Maturity, at the option of the City, on any date, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

B. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the City Council.

C. Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds outstanding which is obtained by dividing the principal amount of such Bond by \$5,000.

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

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on said Bonds (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue, and such Bonds shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance. This notice may

also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

E. Transfer/Exchange. Neither the City nor the Paying Agent/Registrar shall be required (i) to transfer or exchange any Bond during a period beginning forty-five (45) days prior to the date fixed for redemption of the Bonds or (ii) to transfer or exchange any Bond selected for redemption, provided; however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 5. Execution - Registration. The Bonds shall be executed on behalf of the City by an Authorized Representative of the City, its seal reproduced or impressed thereon, and attested by its Secretary. The signature of either officer on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were, at the time of the Issue Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Bonds to the Purchasers (defined herein), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 6. Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Bonds, or, if appropriate, the nominee thereof. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond at the corporate trust office of the Paying Agent/Registrar, the City shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of the same series and 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 corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the City shall execute, and the Paying Agent/Registrar shall register and deliver, the Bonds, to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered upon 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 fee, 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 debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered and delivered pursuant to Section 28 in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7. Initial Bond(s). The Bonds herein authorized shall be issued initially either (i) as a single fully-registered Bond in the total principal amount of \$2,600,000 with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully-registered Bond for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Bond(s)*) and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchasers or the designee thereof. The Initial Bond(s) shall be the Bonds 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 Purchasers. Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds 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 purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

#### SECTION 8. FORMS.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other

variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Definitive Bond.

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

REGISTERED  
PRINCIPAL AMOUNT  
\$ \_\_\_\_\_

United States of America  
State of Texas  
Counties of Nueces, Aransas, Kleberg, and San Patricio  
CITY OF CORPUS CHRISTI, TEXAS  
MARINA SYSTEM REVENUE BONDS,  
TAXABLE SERIES 2015

Dated Date: Interest Rate: Stated Maturity: CUSIP NO:  
December 1, 2014

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Corpus Christi, Texas (the *City*), a body corporate and a political subdivision located in the Counties of Nueces, Aransas, Kleberg, and San Patricio State of Texas, for value received, hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (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 Registration Date (noted in the Registration Certificate of the Paying Agent/Registrar) or from the most recent interest payment date to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of 30-day months; such interest being payable on March 1 and September 1 of each year commencing September 1, 2015.

Principal and premium, if any, of the Bond shall be payable to the Registered Owner hereof (the *Holder*) upon presentation and surrender (provided, however, with respect to principal payments prior to the final Stated Maturity, the Bonds need not be surrendered to the Paying Agent/Registrar, who will merely document the payment on an internal ledger maintained by the Paying Agent/Registrar), at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each interest payment date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States Mail, first-class postage prepaid, to the Holder hereof at the address

appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$2,600,000 (the *Bonds*) pursuant to an ordinance adopted by the governing body of the City (the *Ordinance*), for the purposes of (i) building, improving, extending, renovating, enlarging, and repairing the System and (ii) paying the costs of their issuance. The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the Constitution and laws of the State of Texas, particularly the City's Home Rule Charter, Chapter 54, as amended, Texas Transportation Code, and the Ordinance of the City Council approved on December 16, 2014 (the *Ordinance*).

The Bonds may be redeemed prior to their Stated Maturities, at the option of the City, on any date, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Bond to the corporate trust office of the Paying Agent/Registrar and, there shall be issued to the registered owner hereof, without charge, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof. If this Bond is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds of this series are special obligations of the City, issued as the initial series of Priority Bonds, payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, being (primarily) a first and prior lien on and pledge of the Net Revenues

derived from the City's ownership and operation of its marina system (as further described in the Ordinance, the *System*), and senior and superior in security and source of payment to the currently outstanding Subordinate Lien Obligations and any Additional Subordinate Lien Obligations hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Additional Parity Obligations and Additional Subordinate Lien Obligations, without limitation as to principal amount but subject to any terms, conditions, or restrictions set forth in the Ordinance or as may be applicable thereto under law or otherwise. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City or System, except with respect to the Pledged Revenues.

The Holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Pledged Revenues of the System pledged for the payment of the Bonds; the terms and conditions under which the City may issue Additional Parity Obligations, and Additional Subordinate Lien Obligations; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon 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 to the designated transferee or transferees.

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

to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Bond in order to render the same a legal, valid, and binding special obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of the State of Texas and the Ordinance, and that issuance of the Bonds does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of and lien on the Pledged Revenues. In case any provision in this Bond or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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

CITY OF CORPUS CHRISTI, TEXAS

By \_\_\_\_\_  
Mayor

ATTEST:

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

(SEAL)

C. \*Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond(s) Only.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

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

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

(SEAL)

\* Note to Printer: Not to appear on printed Bonds

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

Registered this date: BOKF, NA DBA BANK OF TEXAS, Austin, Texas, as Paying Agent/Registrar

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

\* Note to Printer: to appear on printed Bonds

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: \_\_\_\_\_

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.

Signature guaranteed:

\_\_\_\_\_

F. The Initial Bond(s) shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Bond shall be modified as follows:

(i) immediately under the name of the Bond(s) the headings “Interest Rate” and “Stated Maturity” shall both be completed “as shown below”;

(ii) the first two paragraphs shall read as follows:

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_

The City of Corpus Christi, Texas (the *City*), a body corporate and a political subdivision located in the Counties of Nueces, Aransas, Kleberg, and San Patricio, State of Texas, for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the first day of March in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
-------------------------------------	-----------------------------------	-------------------------------

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

(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 (anticipated to be January 15, 2015) specified in the Ordinance (defined herein), or from the most recent interest payment date to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of 30-day months; such interest being payable on March 1 and September 1 of each year, commencing September 1, 2015.

Principal of this Bond shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender (provided, however, with respect to principal payments prior to the final Stated Maturity, the Bond need not be surrendered to the Paying Agent/Registrar, who will merely document the payment on an internal ledger maintained by the Paying Agent/Registrar at the corporate trust office of BOKF, NA dba Bank of Texas, Austin, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder 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 day of the month next preceding each interest payment date. All payments of principal of and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing 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 Holder hereof.

G. Insurance Legend. If bond insurance is obtained by the Purchasers or the City for the Bonds, the definitive Bonds and the Initial Bond(s) shall bear an appropriate legend as provided by the insurer.

SECTION 9. Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Section 45 of this Ordinance have the meanings assigned to them in such Sections, and all such terms include the plural as well as the singular; (ii) all references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Additional Parity Obligations* shall mean (i) any bonds, notes, warrants, or other evidences of indebtedness which the City reserves the right to issue or enter into, as the case may be, in the future under the terms and conditions provided in Section 19 of this Ordinance and which are equally and ratably secured by a first and prior lien on and pledge of the Pledged Revenues that is on parity with the lien thereon and pledge thereof securing any outstanding Priority Bonds and that is senior and superior to the lien thereon and pledge thereof securing the repayment of the currently outstanding Subordinate Lien Obligations and any Additional Subordinate Lien Obligations hereafter issued by the City and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Pledged Revenues as determined by the City Council in accordance with applicable law.

B. The term *Additional Subordinate Lien Obligations* shall mean (i) any bonds, notes, warrants, or any similar obligations hereafter issued by the City that are payable wholly or in part from and secured by a lien and pledge of all or part of the Net Revenues that is subordinate and inferior to the lien on and pledge of the Net Revenues (through their inclusion in Pledged Revenues) that are or will be pledged to the payment of the Bonds and any Additional Parity Obligations hereafter issued by the City, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and secured by a subordinate and inferior lien on and pledge of all or part of Net Revenues as determined by the City Council in accordance with applicable law.

C. The term *Authorized Representative* shall mean the Mayor of the City, the City Manager of the City, the Assistant City Manager for General Government and Operations Support, the Director of Financial Services, and the City Attorney.

D. The term *Average Annual Debt Service Requirements* shall mean that average amount which, at the time of computation, will be required to pay the Debt Service Requirements of obligations when due and derived by dividing the total of such Debt Service Requirements by the number of years then remaining before final Stated Maturity. For purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. The calculation of Average Annual Debt Service Requirements shall be net of (1) capitalized interest from bond proceeds and (2) the receipt or anticipated receipt of a refundable tax credit or similar payment relating to a series of Priority Bonds irrevocably designated as refundable tax

credit bonds, which payment shall be treated as one offset to regularly scheduled debt service of the series of Priority Bonds to which it relates.

E. The term *Bonds* shall mean the \$2,600,000 “CITY OF CORPUS CHRISTI, TEXAS MARINA SYSTEM REVENUE BONDS, TAXABLE SERIES 2015”, dated December 1, 2014, authorized by this Ordinance.

F. The term *Bond Fund* shall mean the special Fund or account created and established by the provisions of Section 13 of this Ordinance.

G. The term *City* shall mean the City of Corpus Christi, Texas and, where appropriate, the City Council of the City.

H. The term *Closing Date* shall mean the date of physical delivery of the Initial Bonds in exchange for the payment of the agreed purchase price for the Bonds.

I. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest calculated by assuming (i) that the interest rate for every 12-month period on such bonds is equal to the rate of interest reported in the most recently published edition of *The Bond Buyer* (or its successor) at the time of calculation as the “Revenue Bond Index” or, if such Revenue Bond Index is no longer being maintained by *The Bond Buyer* (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the rate of interest then being paid on United States Treasury obligations of like maturity and (ii) that, in the case of bonds not subject to fixed scheduled mandatory sinking fund redemptions, that the principal of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds or in the manner permitted under Section 1371.057(c), as amended, Texas Government Code as the same relates to interim or non-permanent indebtedness, and in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity according to a fixed schedule, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto (in each case notwithstanding any contingent obligation to redeem bonds more rapidly). For the term of any credit agreement (as authorized by the provisions of Chapter 1371, as amended, Texas Government Code) in the form of an interest rate hedge agreement entered into in connection with any such obligations, Debt Service Requirements shall be computed by netting the amounts payable to the City under such hedge agreement from the amounts payable by the City under such hedge agreement and such obligations.

J. The term *Depository* shall mean an official depository bank of the City.

K. The term *Fiscal Year* shall mean the twelve month accounting period used by the City in connection with the operation of the System which may be any twelve consecutive month period established by the City, which period presently commences on October 1 of each year and ends on the following September 30.

L. The term *Government Securities* as used herein, shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

M. The term *Gross Revenues* shall mean, for any defined period, all income, receipts, revenues, and increment which may be received or derived from the ownership and/or operation of the System as it is purchased, constructed or otherwise acquired from time to time, but shall not mean the income and increment derived from a contract or contracts with persons, corporations, municipal corporations, political subdivisions, or other entities which under the terms of the authorizing resolution(s) or order(s) that may be pledged for the requirements of the City's Special Facilities Bonds issued particularly to finance the marina facilities needed in performing any such contract or contracts.

N. The term *Holder or Holders* shall mean the registered owner, whose name appears in the Security Register, for any Bond.

O. The term *Interest Payment Date* shall mean the date semiannual interest is payable on the Bonds, being March 1 and September 1 of each year, commencing September 1, 2015, while any of the Bonds remain Outstanding.

P. The term *Maintenance and Operation Expenses* shall mean the expenses necessary to provide for the administration, efficient operation and adequate maintenance of the City's System, including the payment of necessary wages, salaries, and benefits, the acquisition of property and materials necessary to maintain the System in good condition and to operate it efficiently, together with such other costs and expenses as may now or hereafter be defined by law as proper maintenance and operation expenses of the System (which costs and expenses, however, specifically exclude any allowance for depreciation, property, retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on the Bonds and the currently outstanding Subordinate Lien Obligations, as well as any Additional Parity Obligations or Additional Subordinate Lien Obligations hereafter issued by the City).

Q. The term *Net Revenues* shall mean Gross Revenues of the System for any period after the deduction of Maintenance and Operating Expenses during such period.

R. The term *Ordinance* shall mean this ordinance adopted by the City Council on December 16, 2014.

S. The term *Outstanding* shall mean when used in this Ordinance with respect to Bonds means, as of the date of determination, all Bonds issued and delivered under this Ordinance, except:

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

(ii) those Bonds for which payment has been duly provided by the City in accordance with the provisions of Section 32 of this Ordinance; and

(iii) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 28 of this Ordinance.

T. The term *Pledged Revenues* means (1) a first and prior lien on and pledge of the Net Revenues of the System for any period plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations, or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the City to the payment of the Bonds, and at the City's discretion, any Additional Parity Obligations, and excluding those revenues excluded from Gross Revenues.

U. The term *Priority Bonds* shall mean the Bonds and any Additional Parity Obligations hereafter issued by the City or bonds issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a first and prior lien on and pledge of the Pledged Revenues.

V. The term *Purchasers* shall mean the initial purchaser or purchasers of the Bonds named in Section 29 of this Ordinance.

W. The term *Stated Maturity* shall mean the dates of maturity of the Bonds on March 1 of each year, as set forth in Section 2 of this Ordinance.

X. The term *Subordinate Lien Obligations* shall mean (i) the currently outstanding obligations of the City designated as "City of Corpus Christi, Texas Combination Tax and Revenue Certificates of Obligation, Series 2005 (Marina Development Project)"; (ii) any outstanding and unpaid obligations that are payable wholly or in part from a lien on and pledge of the Net Revenues of the System that is subordinate and inferior to the lien thereon and pledge thereof that is included in the definition of Pledged Revenues that secures the Bonds and any Additional Parity Obligations hereafter issued by the City; and (iii) obligations hereafter issued to refund any of the foregoing that are payable from and secured by a subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with any applicable law.

Y. The term *System* shall mean all properties, facilities (including piers), land, buildings, and equipment currently or hereafter owned, operated, and maintained by the City for purpose of providing marina services to its residents and visitors, together with all future extensions, improvements, replacements and additions thereto; provided, however, that notwithstanding the

foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of “*Special Facilities Bonds*”, which are hereby defined as being special revenue obligations of the City which are payable from and secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of obligations of the City secured in whole or in part by a lien on and pledge of Net Revenues of the System including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

SECTION 10. Pledge of Pledged Revenues; Chapter 1208 Perfection of Security Interest.

A. The City hereby covenants and agrees that the Pledged Revenues of the System are hereby irrevocably pledged to the payment and security of the Priority Bonds, including the establishment and maintenance of the special funds or accounts created for the payment and security thereof, all as hereinafter provided; and it is hereby resolved that the Priority Bonds, and the interest thereon, shall constitute a first and prior lien on and pledge of the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the City, and the lien created hereby on the Pledged Revenues for the payment and security of the Priority Bonds, including the Bonds, shall be prior in right and claim as to any other indebtedness, liability, or obligation of the City or the System.

B. Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Priority Bonds and the pledge of Pledged Revenues granted by the City under subsection (A) of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are Outstanding and unpaid such that the pledge of the Pledged Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Priority Bonds the perfection of the security interest in this pledge, the City Council agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

SECTION 11. Rates and Charges. The City hereby agrees and covenants to the holders of the Priority Bonds that it will at all times maintain rates and charges for services furnished, provided, and supplied by the System to customers which shall be reasonable and nondiscriminatory and which will produce income and revenues sufficient to pay:

A. All Maintenance and Operating Expenses, depreciation, replacement and betterment expenses and other costs of the System; provided, however, that the City may utilize other lawfully available funds to pay Maintenance and Operations Expenses.

B. The interest on and principal of the Priority Bonds (including any Additional Parity Obligations hereafter issued by the City) as and when the same shall become due, and provide for the establishment and maintenance of the funds and accounts created for the payment and security of the Priority Bonds (including Additional Parity Obligations hereafter issued by the City).

C. The interest on and principal of the currently outstanding Subordinate Lien Obligations and any Additional Subordinate Lien Obligations hereafter issued by the City as and when the same shall become due, and provide for the establishment and maintenance of the funds and accounts created for the payment and security of the currently outstanding Subordinate Lien Obligations or any Additional Subordinate Lien Obligations hereafter issued by the City.

D. Any legal debt or obligation of the System as and when the same shall become due.

SECTION 12. Revenue Fund. There has been previously created and established and the City shall maintain a special fund entitled “City of Corpus Christi, Texas Marina System Revenue Fund” (the *Revenue Fund*) into which all Gross Revenues of every nature received from the operation of the System shall be deposited as received.

SECTION 13. Interest and Sinking Fund - Excess Funds. For the sole purpose of paying the principal of and interest on the Priority Bonds, including the Bonds, there is hereby created and established and there shall be maintained a separate fund entitled “City of Corpus Christi, Texas Marina System Taxable Revenue Bond Interest and Sinking Fund” (the *Bond Fund*).

Any surplus proceeds from the sale of the Bonds, including investment income thereon, not expended for authorized purposes shall be deposited in the Bond Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in such Fund from the Pledged Revenues.

SECTION 14. Flow of Funds. The City hereby covenants and agrees that deposits into the Revenue Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

A. First: To the payment of all necessary and reasonable Maintenance and Operating Expenses or other expenses required by statute to be a first charge on and claim against the revenues of the System.

B. Second: To the payment of the amounts required to be deposited in the interest and sinking fund created and established for the payment of Debt Service Requirements on the Priority Bonds and the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the Priority Bonds, and any other obligations or evidences of indebtedness issued or incurred that are payable from and secured by a prior and first lien on and pledge of the Pledged Revenues of the System, as the same becomes due and payable.

C. Third: To the payment of the amounts required to be deposited in the interest and sinking fund created and established for the payment of debt service requirements on the currently Outstanding Subordinate Lien Obligations and any Additional Subordinate Lien Obligations hereafter issued by the City and the amounts required to be deposited in any reserve or contingency fund or account created for the payment and security of the currently Outstanding Subordinate Lien Obligations and any Additional Subordinate Lien Obligations hereafter issued by the City, and any other obligations or evidences of indebtedness issues or incurred that are payable from and secured by a junior and inferior lien on and pledge of the Net Revenues of the System, as the same becomes due and payable.

D. Fourth: Any Net Revenues remaining in the Revenue Fund after satisfying the foregoing payments or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereinafter permitted by law, including a transfer to the City's General Fund.

SECTION 15. Debt Service Reserve Fund. No debt service reserve fund has been created in connection with the issuance of the Bonds, though the City retains the right to create such a fund or account in connection with the issuance of any series of Additional Parity Obligations or Additional Subordinate Lien Obligations and such fund or account may, at such time, relate to all or some of the Priority Bonds or Additional Subordinate Lien Obligations at such time Outstanding.

SECTION 16. Deficiencies - Excess Pledged Revenues.

A. If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Bond Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such payments shall be in addition to the amounts required to be paid into these Funds or accounts during such month or months.

B. Subject to making the required deposits to the Bond Fund when and as required by any ordinance, order, or resolution authorizing the issuance of the Bonds, the currently outstanding Subordinate Lien Obligations, and any Additional Parity Obligations, or Additional Subordinate Lien Obligations hereafter issued by the City, the excess Net Revenues of the System may be used by the City for any lawful purpose.

SECTION 17. Payment of Bonds. While any of the Bonds are Outstanding, the Authorized Representative shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Bond Fund, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Priority Bonds as such installment accrues or matures; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Priority Bonds at the close of the business day next preceding the date a debt service payment is due on the Priority Bonds.

SECTION 18. Investments. Funds held in any Fund or account created, established, or maintained pursuant to this Ordinance shall, at the option of the City, be placed in time deposits, certificates of deposit, guaranteed investment contracts or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, or any other law, and secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National

Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any Fund or account will be available at the proper time or times. Such investments (except State and Local Government Series investments held in book entry form, which shall at all times be valued at cost) shall be valued in terms of current market value within 45 days of the close of each Fiscal Year. All interest and income derived from deposits and investments in the Bond Fund immediately shall be credited to, and any losses debited to, the Bond Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Priority Bonds.

SECTION 19. Issuance of Additional Obligations.

A. The City hereby expressly reserves the right to issue Additional Parity Obligations. When duly authorized and issued in compliance with law and the terms and conditions hereafter stated, such Additional Parity Obligations shall be on a parity with the Bonds and, when issued, shall be considered Priority Bonds for all purposes. The City covenants and agrees, however, it will not issue any Additional Parity Obligations unless:

(i) The City is not then in default as to any covenant, condition or obligation prescribed by the ordinances, orders or resolutions authorizing the issuance of any Priority Bonds then-Outstanding and has complied with any prerequisites to such issuance(s) specified in the identified orders, ordinances, or resolutions.

(ii) Each of the funds created solely for the payment of the principal of and interest on the Priority Bonds and Subordinate Lien Obligations contain the amount of money then-required to be on deposit therein.

(iii) An Authorized Representative of the City shall have certified has that, according to the books and records of the City for the most recently-completed Fiscal Year or for 12 consecutive months out of the 15 months immediately preceding the month the ordinance authorizing the Additional Parity Obligations is adopted, the Net Revenues are at least equal to 1.00 times the Average Annual Debt Service Requirements for all then-Outstanding City obligations secured in whole or in part by a lien on and pledge of the Net Revenues after giving effect to the Additional Parity Obligations then proposed to be issued.

B. Refunding Bonds. The City reserves the right to issue refunding bonds to refund all or any part of the currently Outstanding City obligations payable from and secured by a lien on and pledge of all or any part of the Net Revenues, pursuant to any applicable law then available, upon such terms and conditions as the City Council may deem to be in the best interest of the City and upon satisfaction of the requirements in Section 19A. above after giving effect to the issuance of the refunding bonds and the retirement of the obligations at such time to be refunded.

C. Additional Subordinate Lien Obligations. The City may issue Additional Subordinate Lien Obligations secured by a lien on and pledge of the Net Revenues of the System subordinate and inferior to the lien thereon and pledge thereof securing the Priority Bonds on the terms and

conditions desired by the City, subject only to the limitations imposed by applicable law and upon satisfying each of the conditions precedent contained in the ordinances authorizing the issuance of the then- Outstanding Priority Bonds and Subordinate Lien Obligations, respectively, and including this Ordinance.

D. Special Facilities Bonds. Nothing in this Ordinance shall be construed to deny the City the right and it shall retain the right to issue Special Facilities Bonds, provided, however, the City will not issue Special Facilities Bonds unless the City concludes, upon recommendation of the City Council, that (i) the plan for developing the facilities to be financed with the proceeds of Special Facilities Bonds is consistent with sound planning, (ii) the facilities to be financed with the proceeds of Special Facilities Bonds would not materially and adversely interfere with the operation of the System, (iii) the facilities to be financed with the proceeds of Special Facilities Bonds can be economically and efficiently operated and maintained, and (iv) the facilities to be financed with the proceeds of Special Facilities Bonds can be economically and efficiently utilized by the City to provide special marina services and facilities and the cost of such will be reasonable.

SECTION 20. Maintenance of System – Insurance. The City covenants and agrees that, for so long as the Priority Bonds remain Outstanding, it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance on the properties of the System and its operations of a kind and in such amounts customarily carried by similarly-situated municipal corporations in the State of Texas engaged in a similar type of business (which may include an adequate program of self-insurance); and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, shall be retained for the benefit of the holders of its outstanding evidences of indebtedness, until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the City from doing so.

SECTION 21. Records and Accounts – Annual Audit. The City covenants, agrees, and affirms its covenants that so long as any of the Bonds remain outstanding, it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating to the System, and that the Holders of the Bonds or any duly authorized agent or agents of such Holders shall have the right to inspect the System and all properties comprising the same. The City further agrees that following (and in no event later than 180 days after) the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants and to be included in the City's Comprehensive Annual Financial Report (and available for inspection in the office of the City Secretary). Expenses incurred in making the annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses.

SECTION 22. Limited Obligations of the City. The Bonds are limited, special obligations of the City payable from and equally and ratably secured solely by a lien on and pledge of the Pledged Revenues, being (primarily) a first and prior lien on and pledge of Net Revenues, and the Holders thereof shall never have the right to demand payment of the principal or interest on the Bonds from any funds raised or to be raised through taxation by the City.

SECTION 23. Security of Funds. All money on deposit in the Funds or accounts for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds or accounts shall be used only for the purposes permitted by this Ordinance.

SECTION 24. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Bond Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

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

SECTION 25. Notices to Holders Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register.

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

SECTION 26. Bonds Are Negotiable Instruments. Each of the Bonds authorized herein shall be deemed and construed to be a "security" and as such a negotiable instrument with the meaning of the Chapter 8 of the Texas Uniform Commercial Code.

SECTION 27. Cancellation. All Bonds surrendered for payment, transfer, redemption, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 28. Mutilated, Destroyed, Lost, and Stolen Bonds. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond or payment in lieu thereof, under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding 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 29. Sale of Bonds - Purchase and Investment Letter Approval. The Bonds authorized by this Ordinance are hereby sold by the City to The Ed Rachal Foundation, Corpus Christi, Texas (the *Purchasers*, having all the rights, benefits, and obligations of a Holder), in accordance with the provisions of a Purchase and Investment Letter dated December 16, 2014 (the *Purchase Contract*) attached hereto as Exhibit B and incorporated hereby by reference as a part of this Ordinance for all purposes. The Initial Bond shall be registered in the name of The Ed Rachal Foundation. Each Authorized Representative is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of the City Council,

and in regard to the approval and execution of the Purchase Contract, the City Council hereby finds, determines and declares that the representations, warranties, and agreements of the City contained in the Purchase Contract are true and correct in all material respects and shall be honored by the City. The pricing terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the City. Delivery of the Bonds to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract.

Proceeds derived from the sale of the Bonds (after paying costs of issuance) shall be deposited into a special construction fund created for the projects to be constructed with the proceeds of the Bonds (the *Construction Fund*). This Construction Fund shall be established and maintained at an official depository bank of the City and shall be invested in accordance with the provisions of Section 18 of this Ordinance. Interest earned on the proceeds of the Bonds pending completion of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter such amounts shall be expended in accordance with Section 13.

SECTION 30. Taxable Obligations. The Bonds are not “state or local bonds” within the meaning of section 103(a) and (c) of the Internal Revenue Code of 1986, as amended; therefore, the interest on the Bonds is not excludable from the gross income of the holders thereof for federal income tax purposes.

SECTION 31. Control and Custody of Bonds. The Mayor of the City, shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Bonds pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Bonds to the Purchasers.

Furthermore, any Authorized Representative is hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the City’s Bond Counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchasers.

SECTION 32. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the lien on and pledge of Pledged Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at Stated Maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying

Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have, in the case of a net defeasance, 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 money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, at the Stated Maturity thereof. In the event of a gross defeasance of the Bonds, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds.

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

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

SECTION 33. Ordinance a Contract; Amendments - Outstanding Bonds. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Bonds. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding 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 thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 34. Printed Opinion. The Purchasers' obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Fulbright & Jaworski LLP, San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Bonds, this opinion to be dated and delivered as of the date of initial delivery and payment for such Bonds. Printing of a true and correct copy of this opinion on the reverse side of each of the Bonds, with appropriate certificate pertaining thereto executed by facsimile signature of the City's Secretary is hereby approved and authorized.

SECTION 35. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 36. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 37. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, Paying Agent/Registrar, the Purchasers, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, Financial Advisors, the Paying Agent/Registrar, the Purchasers, and the Holders.

SECTION 38. Inconsistent Provisions. All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 39. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 40. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 41. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council.

SECTION 42. Authorization of Paying Agent/Registrar Agreement. The City Council hereby finds and determines that it is in the best interest of the City to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, registration, exchange, and transferability of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 43. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 44. Continuing Disclosure of Information.

Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

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

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

The Bonds are being sold pursuant to a private placement with the Purchasers, in denominations generally of \$100,000 or any integral multiple of \$5,000 in excess thereof, and therefore SEC Rule 15c2-12 is not applicable to the offering of the Bonds. Accordingly, no contract to provide continuing disclosure information after the issuance of the Bonds has been made by the City with investors.

SECTION 45. Book-Entry Only System.

The Bonds may be registered so as to participate in a securities depository system (the *DTC System*) with The Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond(s) described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit C (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an *Indirect Participant*). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have

no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest on the Bonds pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository's agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

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

**SECTION 46. Further Procedures.** The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, and the Purchase Contract. In addition, prior to the initial delivery of the Bonds, any Authorized Representative and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office. In case

any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 48. No Recourse Against City Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Bond.

SECTION 49. Covenants of Compliance. The City shall faithfully and punctually perform all duties with reference to the System required by the Act, all other applicable laws of the State of Texas, and the provisions of this Ordinance and that the City shall render no free service to any customers or other persons.

SECTION 50. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

SECTION 51. Accounting Reports. The City shall provide annually to the Purchasers for so long as the Purchasers remain a holder of the Bonds, within 270 days after the end of each fiscal year ending in or after 2015, financial information and operating data with respect to the City; provided that such financial statements so to be provided shall be (1) prepared in accordance with the generally accepted accounting principles, or such other accounting principles as the City may be required to employ from time to time pursuant to Texas law or regulations, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for the applicable fiscal year within 270 days after the end of such fiscal year, and (2) audited financial statements for the applicable fiscal year to the Purchasers when and if the audit report on such statements become available.

SECTION 52. Effective Date. Pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, this Ordinance shall be effective immediately upon adoption, notwithstanding any provision in the City's Home Rule Charter to the contrary concerning a multiple reading requirement for the adoption of ordinances.

*[The remainder of this page intentionally left blank.]*

PASSED AND ADOPTED on the 16<sup>th</sup> day of December, 2014.

CITY OF CORPUS CHRISTI, TEXAS

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Mayor

ATTEST:

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City Secretary

(CITY SEAL)

APPROVED THIS 16<sup>th</sup> DAY OF DECEMBER, 2014:

---

Miles Risley, City Attorney

THE STATE OF TEXAS           §  
  §  
COUNTY OF NUECES           §  
  §  
CITY OF CORPUS CHRISTI      §

I, the undersigned, City Secretary of the City of Corpus Christi, Texas, do hereby certify that the above and foregoing is a true, full and correct copy of an Ordinance passed by the City Council of the City of Corpus Christi, Texas (and of the minutes pertaining thereto) on the 16<sup>th</sup> day of December, 2014, authorizing the issuance of the City's Marina System Revenue Bonds, Taxable Series 2015, which ordinance is duly of record in the minutes of said City Council, and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Texas Government Code, Chapter 551.

EXECUTED UNDER MY HAND AND SEAL of said City, this the 16<sup>th</sup> day of December, 2014.

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

(CITY SEAL)

That the foregoing ordinance was read for the first time and passed to its second reading on this the 9<sup>th</sup> day of December, 2014, by the following vote:

Nelda Martinez	_____	Chad Magill	_____
Kelley Allen	_____	Colleen McIntyre	_____
Rudy Garza	_____	Lillian Riojas	_____
Priscilla Leal	_____	Mark Scott	_____
David Loeb	_____		

That the foregoing ordinance was read for the second time and passed finally on this the 16<sup>th</sup> day of December, 2014, by the following vote:

Nelda Martinez	_____	Chad Magill	_____
Kelley Allen	_____	Colleen McIntyre	_____
Rudy Garza	_____	Lillian Riojas	_____
Priscilla Leal	_____	Mark Scott	_____
David Loeb	_____		

PASSED AND APPROVED, this the 16<sup>th</sup> day of December, 2014.

ATTEST:

\_\_\_\_\_  
Rebecca Huerta  
City Secretary

\_\_\_\_\_  
Nelda Martinez  
Mayor

## **INDEX TO EXHIBITS**

Exhibit A	Paying Agent/Registrar Agreement
Exhibit B	Purchase Contract
Exhibit C	DTC Letter of Representations

**EXHIBIT A**

Paying Agent/Registrar Agreement

See Tab No. \_\_

**EXHIBIT B**

Purchase Contract

See Tab No. \_\_

**EXHIBIT C**

DTC Letter of Representations

See Tab No. \_\_