

**AGENDA REQUEST
DEVELOPMENT AUTHORITY OF PEARLAND
PEARLAND, TEXAS**

AGENDA OF: 11/13/2017	ITEM NO.: Resolution RDAP 2017-08
DATE SUBMITTED: 10/31/2017	REPRESENTING: City of Pearland
PREPARED BY: Rick Overgaard	PRESENTOR: Cynthia Pearson
SUBJECT: Resolution RDAP 2017-08 – Consideration and Approval of a Resolution Authorizing the Issuance of \$8,305,000 Development Authority of Pearland Tax Increment Contract Revenue Bonds, Series 2017, Approving Documents Related to the Bonds, and Containing Other Provisions Related Thereto.	
EXHIBITS: Resolution RDAP-2017-08	
EXPENDITURE REQUIRED: Est. \$8,118,000 PROJECT: N/A	

EXECUTIVE SUMMARY

Pursuant to Tri-Party Agreement with the City, the Tax Increment Reinvestment Zone (TIRZ) #2, and the Development Authority, (Resolution R2004-170) dated October 11, 2004, the Development Authority facilitates the TIRZ plan and assists with the reimbursement to the developers of certain project costs that are identified in the TIRZ plan through the issuance of bonds or other monies available to the Authority.

The Authority uses the TIRZ property tax increments that are provided by the participating entities in the zone; the City, Alvin ISD, Brazoria County, and Fort Bend County, to finance the reimbursements to the developers. Letter of Financing Agreements between the TIRZ and the developers are approved pursuant to the project plan and the amount for reimbursement is placed in line for reimbursement upon completion of the infrastructure, audit of the actual expenditures, and approval by the TIRZ Board.

As of June 2016, there is \$173,694,345 in actual costs, excluding interest, that have been approved for reimbursement, of which \$141,822,560 has been paid through a combination of issuing bonds or using cash on hand, leaving a balance of \$31,871,785 yet to be reimbursed, excluding interest due.

Each year, BOSC Inc., the Authority's financial advisor, analyzes the property values and subsequent tax increment, to determine if the valuation on the ground will support the issuance of additional debt. Based on property values estimated as of 7/01/2016 and financial analysis prepared by BOSC, Inc., the Authority can competitively bid a private
Revised 2007-01-09

placement sale in the estimated amount of \$8,305,000 based on 2.75% indicative pricing. A private placement keeps bond closing costs to a minimum and negates the need for a reserve on the bonds, which increases the amount available to the developer. Estimated amount to the developer under a competitive private placement is \$8,118,000, net of \$187,500 for issuance costs.

At the Development Authority meeting on October 30, 2017, the board gave approval to proceed with a Private Placement Bond Sale for the Series 2017 bonds.

Bid forms and term sheets were prepared on Tuesday, October 31, 2017, and distributed to local and state financial institutions with competitive bids due on Friday, November 10, 2017. Approval of the bond sale with the Authority and City Council would be on Monday, November 13th with bond closing on Tuesday, December 12, 2017.

The actual amount of bonds sold will be determined on the day of sale, based on the competitive bids received. John Robuck with BOSC will present the results of the competitive private placements and recommendation of award.

RECOMMENDED ACTION

It is recommended that the Board of Directors approve Resolution RDAP2017-XX, A Resolution Authorizing the Issuance of \$11,910,000 Development Authority of Pearland Tax Increment Contract Revenue and Refunding Bonds, Series 2016; Approving Documents Related to the Bonds, and Containing Other Provisions Related Thereto.

RESOLUTION 2017-08

RESOLUTION AUTHORIZING THE ISSUANCE OF DEVELOPMENT AUTHORITY OF PEARLAND TAX INCREMENT CONTRACT REVENUE BONDS, SERIES 2017; APPROVING DOCUMENTS RELATING TO THE SERIES 2017 BONDS; AND CONTAINING OTHER PROVISIONS RELATED THERETO

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DEVELOPMENT AUTHORITY OF PEARLAND:

ARTICLE I

RECITALS

WHEREAS, by Ordinance No. 891, adopted on December 21, 1998, the City of Pearland (the "City") created Reinvestment Zone Number Two, City of Pearland, Texas (the "TIRZ") pursuant to Chapter 311, Texas Tax Code, and by Ordinance No. 1276, adopted on July 10, 2006, the City approved an annexation of land into the TIRZ; and

WHEREAS, by Ordinance No. 918, adopted on August 23, 1999, the City approved a preliminary project plan for the TIRZ and a preliminary reinvestment zone financing plan for the TIRZ, which it amended by Ordinance No. 1276, adopted on July 10, 2006, by Ordinance No. 1312 adopted on November 13, 2006, and by Ordinance No. 1314, adopted on November 13, 2006; and

WHEREAS, by Resolution No. 2004-107, adopted on June 28, 2004, the City authorized the creation of the Development Authority of Pearland (the "Authority") to aid, assist and act on behalf of the City in the performance of the City's governmental and proprietary functions with respect to, and to provide financing for the TIRZ; and

WHEREAS, by Ordinance No. R2004-17, adopted on October 11, 2004, the City approved and on October 5, 2004, the Boards of Directors of the TIRZ and the Authority approved that certain Agreement by and between the City, the TIRZ, and the Authority, as amended by Amendment No. 1 to the Tri-Party Agreement, dated September 17, 2007 (collectively, the "Tri-Party Agreement"), pursuant to which the City delegated to the Authority the power and authority to issue, sell or deliver its bonds, notes or other obligations in accordance with the terms of the Tri-Party Agreement; and

WHEREAS, the Authority has currently outstanding its \$9,150,000 Tax Increment Contract Revenue Bonds, Series 2013; \$8,060,000 Tax Increment Contract Revenue Bonds, Series 2014; \$66,030,000 Tax Increment Contract Revenue and Refunding Bonds, Series 2015; and \$12,320,000 Tax Increment Contract Revenue Bonds, Series 2016;

WHEREAS by the Resolution adopted on November 13, 2017, the City authorized the Authority to issue, sell, or deliver its Tax Increment Contract Revenue Bonds, Series 2017; and

WHEREAS, as permitted by the Act, the Authority desires to issue its Tax Increment Contract Revenue Bonds, Series 2017 upon the terms and conditions and for the purposes herein provided.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.1: Definitions. In this Resolution, the following terms shall have the following meanings, unless the context clearly indicates otherwise. Terms not defined herein shall have the meanings assigned to such terms in the Indenture:

The term "Business Day" shall mean any day which is not a Saturday, Sunday, or a day on which banking institutions in the city where the designated payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or a legal holiday.

The term "Code" means the Internal Revenue Code of 1986, as amended.

The term "Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas.

The term "Highest Lawful Rate" shall mean with respect to the Series 2017 Bonds the maximum net effective interest rate permitted by law to be paid thereon as provided by Chapter 1204, Texas Government Code, as amended, or any successor thereto.

The term "Indenture" shall mean the Indenture of Trust dated as of May 1, 2012, between the Authority and Regions Bank, as Trustee.

The term "Initial Series 2017 Bond" shall mean the Initial Series 2017 Bond authorized by Section 3.4(d).

The term "Interest Payment Date" shall mean, with respect to the Series 2017 Bonds, March 1, 2018 and each September 1 and March 1 thereafter until maturity or redemption.

The term "Issuance Date" shall mean the date on which each such Series 2017 Bond is authenticated by the Paying Agent/Registrar and delivered to and paid for by the Purchaser.

The term "Purchaser" shall mean _____ as initial purchaser of the Series 2017 Bonds.

The term "Paying Agent/Registrar" shall mean _____ and its successors in that capacity.

The term "Record Date" shall mean, for any Interest Payment Date, the fifteenth (15th) calendar day of the month next preceding each Interest Payment Date.

The term "Resolution" or "Bond Resolution" shall mean this Resolution Authorizing the Issuance of \$_____ Development Authority of Pearland Tax Increment Contract Revenue Bonds, Series 2017, and all amendments hereof and supplements hereto.

The term "Series 2017 Bond" or "Series 2017 Bonds" shall mean the Authority's Tax Increment Contract Revenue Bonds, Series 2017 authorized by this Resolution.

Section 2.2: Interpretations. All terms defined herein and all pronouns used in this Resolution shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Parity Bonds and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Parity Bonds.

ARTICLE III

TERMS OF THE SERIES 2017 BONDS

Section 3.1: Amount, Purpose, Authorization. The Series 2017 Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (1) paying Project Costs and (2) paying costs of issuance, all under and pursuant to the authority of the Act and all other applicable law. None of the proceeds of the Series 2017 Bonds shall be used for the purpose of paying or otherwise providing for educational facilities.

Section 3.2: Name, Designation, Date, and Interest Payment Dates. The Series 2017 Bonds shall be designated as the "DEVELOPMENT AUTHORITY OF PEARLAND TAX INCREMENT CONTRACT REVENUE BONDS, SERIES 2017," shall be issued in fully registered form, without coupons and shall be dated November 15, 2017 (the "Dated Date"). The Series 2017 Bonds shall bear interest at the rates set forth in Section 3.3 from the later of the date of delivery, or the most recent Interest Payment

Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable, semiannually on March 1 and September 1, commencing March 1, 2018, until maturity or earlier redemption.

Section 3.3: Principal Amounts and Interest Rates; Numbers and Denomination. The Series 2017 Bonds shall be initially issued in the principal amounts and bearing interest at the rates set forth below, and may be transferred and exchanged as set out in this Resolution. The Series 2017 Bonds shall mature, subject to prior redemption in accordance with this Resolution, on September 1, 20 . The Series 2017 Bonds shall accrue interest from the date of delivery at an interest rate of % per annum. The Initial Bond shall be numbered I-1 and the definitive Series 2017 Bonds shall be numbered with R-1. Series 2017 Bonds delivered on transfer of or in exchange for other Series 2017 Bonds shall be numbered in the order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$100,000 or \$5,000 increments thereof, and shall mature on the same date and bear interest at the same rate as the Series 2017 Bond or Series 2017 Bonds in lieu of which they are delivered. The Bonds will be subject to principal payment installments according to the following schedule:

Principal Payment Date <u>September 1</u>	Principal <u>Amount</u> t
2018	\$
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	

Section 3.4: Execution and Registration of Series 2017 Bonds. (a) The Series 2017 Bonds shall be signed by the Chair or Vice Chair or Director of the Board and countersigned by the Secretary or Director of the Board, by their manual, lithographed, or facsimile signatures. Such facsimile signatures on the Series 2017 Bonds shall have the same effect as if each of the Series 2017 Bonds had been signed manually and in person by each of said Directors or officers.

(b) If any Director or officer of the Authority whose manual or facsimile signature shall appear on the Series 2017 Bonds shall cease to be such Director or officer before the authentication of such Series 2017 Bonds or before the delivery of such Series 2017 Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such Director or officer had remained in such office.

(c) Except as provided below, no Series 2017 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon the Paying Agent/Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Series 2017 Bond delivered at the Issuance Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Series 2017 Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Authority, and has been registered by the Comptroller.

(d) On the Issuance Date, the Initial Series 2017 Bond, being a single bond representing the entire principal amount of the Series 2017 Bonds, payable in stated installments to the Purchaser or their designee, executed by manual or facsimile signature of the Chair or Vice Chair and Secretary or Director of the Board, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, shall be delivered to the Purchaser or their designee. Upon payment for the Initial Series 2017 Bond, the Paying Agent/Registrar shall cancel the Initial Series 2017 Bond and deliver the definitive Series 2017 Bonds to the Purchaser in accordance with Section 3.12; provided, however, the Purchaser may elect to hold the Initial Bond in lieu of any definitive Series 2017 Bonds.

Section 3.5: Payment of Principal and Interest. The Paying Agent/Registrar is hereby appointed as the registrar and paying agent for the Series 2017 Bonds. The principal of the Series 2017 Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the designated office of the Paying Agent/Registrar, provided, however, with respect to mandatory sinking fund redemptions or principal installment payments prior to the Maturity Date, the Series 2017 Bonds need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar. The interest on each Series 2017 Bond shall be payable by check on the Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of

such Owner as shown on the Register, or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the Owner.

If the date for the payment of principal or interest on any Series 2017 Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date such payment was due.

Section 3.6: Successor Paying Agent/Registrars. The Authority covenants that at all times while any Series 2017 Bonds are Outstanding it will provide a commercial bank, or trust company or other entity duly qualified and legally authorized to act as Paying Agent/Registrar for the Series 2017 Bonds. The Authority reserves the right to change the Paying Agent/Registrar for the Series 2017 Bonds on not less than sixty (60) days written notice to the Paying Agent/Registrar, so long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Series 2017 Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

Section 3.7: Special Record Date. If interest on any Series 2017 Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a "Special Record Date." The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the Authority. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of record of an affected Series 2017 Bond as of the close of business on the day prior to the mailing of such notice.

Section 3.8: Ownership; Unclaimed Principal and Interest. Subject to the further provisions of this Section, the Authority, the Paying Agent/Registrar and any other person may treat the person in whose name any Series 2017 Bond is registered as the absolute Owner of such Series 2017 Bond for the purpose of making and receiving payment of the principal of or interest on such Series 2017 Bond, and for all other purposes, whether or not such Series 2017 Bond is overdue, and neither the Authority nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Series 2017 Bond in accordance with this Section 3.8 shall be valid and effectual and shall discharge

the liability of the Authority and the Paying Agent/Registrar upon such Series 2017 Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Series 2017 Bonds remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be remitted to the Authority, except to the extent that they are required by law to be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

Section 3.9: Registration of Bonds. (a) The Series 2017 Bonds shall be registered in the name of _____.

(b) Notwithstanding any other provision of this Resolution to the contrary, the Authority and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Series 2017 Bond is registered in the Register as the absolute Owner of such Series 2017 Bond for the purpose of payment of principal of and interest on the Series 2017 Bonds, for the purpose of giving notices of redemption and other matters with respect to such Series 2017 Bond, for the purpose of registering transfer with respect to such Series 2017 Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Series 2017 Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payments of principal, premium, if any, and interest on the Series 2017 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Series 2017 Bond certificate evidencing the obligation of the Authority to make payments of amounts due pursuant to this Resolution.

Section 3.10: Reserved.

Section 3.11: Reserved.

Section 3.12: Registration, Transfer, and Exchange. So long as any Series 2017 Bonds remain Outstanding, the Paying Agent/Registrar shall keep the Register at its designated office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Series 2017 Bonds in accordance with the terms of this Resolution.

Each Series 2017 Bond shall be transferable only upon the presentation and surrender thereof at the designated office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner

or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Series 2017 Bond in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, a new Series 2017 Bond or Series 2017 Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity, aggregate principal amount, and Dated Date, and bearing interest at the same rate as the Series 2017 Bond or Series 2017 Bonds so presented.

All Series 2017 Bonds shall be exchangeable upon presentation and surrender thereof at the designated office of the Paying Agent/Registrar for a Series 2017 Bond or Series 2017 Bonds of the same maturity, Dated Date, and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Series 2017 Bond or Series 2017 Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate, deliver and exchange Series 2017 Bonds in accordance with the provisions of this Section 3.12. Each Series 2017 Bond delivered in accordance with this Section 3.12 shall be entitled to the benefits and security of this Resolution to the same extent as the Series 2017 Bond or Series 2017 Bonds in lieu of which such Series 2017 Bond is delivered.

The Authority or the Paying Agent/Registrar may require the Owner of any Series 2017 Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Series 2017 Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the Authority.

The Paying Agent/Registrar shall not be required to transfer or exchange any Series 2017 Bond during the period beginning on a Record Date or a Special Record Date and ending on the next succeeding Interest Payment Date or to transfer or exchange any Series 2017 Bond called for redemption during the period beginning thirty days prior to the date fixed for redemption and ending on the date fixed for redemption; provided, however, that this limitation shall not apply to the exchange by the Owner of the unredeemed portion of a Series 2017 Bond called for redemption in part.

The Bonds are transferable pursuant to this Resolution and the terms of the Private Placement Letter between the Authority and the Purchaser.

ARTICLE IV

Section 4.1: Cancellation of Series 2017 Bonds. All Series 2017 Bonds paid or redeemed in accordance with this Resolution, and all Series 2017 Bonds in lieu of which exchange Series 2017 Bonds or replacement Series 2017 Bonds are authenticated and

delivered in accordance herewith, shall be cancelled upon the making of proper records regarding such payment or redemption and retained in accordance with the Paying Agent/Registrar's document retention policy. Upon request of the Authority therefore, the Paying Agent/Registrar shall furnish the Authority with appropriate certificates of cancellation of such Series 2017 Bonds.

Section 4.2: Mutilated, Lost, or Stolen Series 2017 Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Series 2017 Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Series 2017 Bond of like maturity, Dated Date, interest rate and principal amount, bearing a number not contemporaneously Outstanding. The Authority or the Paying Agent/Registrar may require the Owner of such Series 2017 Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar.

If any Series 2017 Bond is lost, apparently destroyed, or wrongfully taken, the Authority, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Series 2017 Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Series 2017 Bond of like maturity, Dated Date, interest rate and principal amount, bearing a number not contemporaneously Outstanding, provided that the Owner thereof shall have:

- (1) furnished to the Authority and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Series 2017 Bond;
- (2) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the Authority to save them harmless;
- (3) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (4) met any other reasonable requirements of the Authority and the Paying Agent/Registrar.

If, after the delivery of such replacement Series 2017 Bond, a bona fide purchaser of the original Series 2017 Bond in lieu of which such replacement Series 2017 Bond was issued presents for payment such original Series 2017 Bond, the Authority and the Paying Agent/Registrar shall be entitled to recover such replacement Series 2017 Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity

provided therefor to the extent of any loss, damage, cost or expense incurred by the Authority or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Series 2017 Bond has become or is about to become due and payable, the Authority in its discretion may, instead of issuing a replacement Series 2017 Bond, authorize the Paying Agent/Registrar to pay such Series 2017 Bond.

Each replacement Series 2017 Bond delivered in accordance with this Section 4.2 shall be entitled to the benefits and security of this Resolution to the same extent as the Series 2017 Bond or Series 2017 Bonds in lieu of which such replacement Series 2017 Bond is delivered.

Section 4.3: Redemption. The Series 2017 Bonds are subject to optional and mandatory sinking fund redemption on the dates and for the redemption prices set forth in the form of the Series 2017 Bond in this Resolution.

Principal amounts may be redeemed only in integrals of \$100,000. If a Series 2017 Bond subject to redemption is in a denomination larger than \$100,000, a portion of such Series 2017 Bond may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Series 2017 Bonds for redemption, the Paying Agent/ Registrar shall treat each Series 2017 Bond as representing that number of Series 2017 Bonds of \$100,000 denomination or any integral multiple of \$5,000 in excess thereof. The Paying Agent/Registrar shall select the particular Series 2017 Bonds to be redeemed within any given maturity by lot or other random selection method. Upon surrender of any Series 2017 Bond for redemption in part, the Paying Agent/Registrar, in accordance with this Resolution, shall authenticate and deliver in exchange therefor a Series 2017 Bond or Series 2017 Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Series 2017 Bond so surrendered; provided any partial redemption shall be applied in inverse order of the principal installment due dates.

Unless waived by the Owner, notice of any redemption identifying the Series 2017 Bonds to be redeemed shall be given as provided in the form of Series 2017 Bond in this Resolution. Any notice given as provided in this Section 4.3 shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Series 2017 Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Series 2017 Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Series 2017 Bonds or portions thereof so redeemed shall no longer be regarded as Outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the

redemption date on any Series 2017 Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

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

Section 4.4: Limited Obligations. THE SERIES 2017 BONDS AND ALL PARITY BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE PLEDGED REVENUES, WHICH IS THE SOLE ASSET OF THE AUTHORITY PLEDGED THEREFOR. THE SERIES 2017 BONDS ARE OBLIGATIONS SOLELY OF THE AUTHORITY AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE CITY OF PEARLAND, THE STATE OF TEXAS, ALVIN INDEPENDENT SCHOOL DISTRICT, BRAZORIA COUNTY, FORT BEND COUNTY OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE OF TEXAS. NEITHER THE CITY OF PEARLAND, ALVIN INDEPENDENT SCHOOL DISTRICT, BRAZORIA COUNTY NOR FORT BEND COUNTY IS OBLIGATED TO MAKE PAYMENTS ON THE SERIES 2017 BONDS.

ARTICLE V

FORM OF SERIES 2017 BONDS AND CERTIFICATES

Section 5.1: Forms. The form of the Series 2017 Bonds, including the form of the Paying Agent/Registrar's authentication certificate, the form of assignment, and the form of the Comptroller's Registration Certificate for the Series 2017 Bonds to be initially issued, shall be substantially as follows, with such additions, deletions and variations, as may be necessary or desirable and not prohibited by this Resolution:

(a)Form of Bond

United States of America
State of Texas

Number

Registered

\$ _____

DEVELOPMENT AUTHORITY OF PEARLAND
TAX INCREMENT CONTRACT REVENUE BOND
SERIES 2017

INTEREST RATE: _____%

MATURITY DATE: September 1, 20__

DATED DATE: November 15, 2017

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____/100 DOLLARS

The DEVELOPMENT AUTHORITY OF PEARLAND (the "Authority"), a not-for-profit local government corporation created by the City of Pearland (the "City"), in the Counties of Brazoria, Harris and Fort Bend, in the State of Texas, for value received, promises to pay, but solely from certain Pledged Revenues as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Series 2017 Bond at the designated office of the Paying Agent/Registrar (the "Paying Agent/Registrar"), initially, _____, the principal amount identified above, such principal is legal tender for the payment of debts due the United States of America, and to pay, solely from such Pledged Revenues, interest thereon to be paid as described herein, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the date of delivery to the Purchaser, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Series 2017 Bond is payable by check on March 1 and September 1, beginning on March 1, 2018, mailed to the Registered Owner as shown on the books of registration kept by the Paying Agent/Registrar as of the fifteenth (15th) calendar day of the month next preceding each interest payment date, or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the Registered Owner.

THIS SERIES 2017 BOND shall be subject to mandatory sinking fund redemption in installments according the following schedule (insert schedule from Section 3.3):

THE SERIES 2017 BONDS AND ALL PARITY BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE PLEDGED

REVENUES, WHICH IS THE SOLE ASSET OF THE AUTHORITY PLEDGED THEREFOR. THE SERIES 2017 BONDS ARE OBLIGATIONS SOLELY OF THE AUTHORITY AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE CITY OF PEARLAND, THE STATE OF TEXAS, ALVIN INDEPENDENT SCHOOL DISTRICT, BRAZORIA COUNTY, FORT BEND COUNTY, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE OF TEXAS. NEITHER THE CITY OF PEARLAND, ALVIN INDEPENDENT SCHOOL DISTRICT, BRAZORIA COUNTY, NOR FORT BEND COUNTY IS OBLIGATED TO MAKE PAYMENTS ON THE SERIES 2017 BONDS.

THIS SERIES 2017 BOND IS ONE OF A DULY AUTHORIZED SERIES OF SERIES 2017 BONDS aggregating \$_____ issued for the purpose of (1) paying Project Costs and (2) paying costs of issuance, all under and pursuant to the authority of the Act and all other applicable laws, and a resolution adopted by the Authority on November 13, 2017 (the "Resolution"). None of the proceeds of the Series 2017 Bonds shall be used for the purpose of paying or otherwise providing for educational facilities. Terms not otherwise defined herein shall have the meaning ascribed thereto in the Resolution.

THIS BOND shall accrue interest from the date of delivery at a rate of % until the date of final maturity or prepayment prior to maturity. THIS SERIES 2017 BOND AND THE SERIES OF WHICH IT IS A PART are limited obligations of the Authority that are together with all other Parity Bonds heretofore or hereafter issued under the Indenture described below, payable from, and are equally and ratably secured by a lien on the Pledged Revenues, which include the Contract Tax Increments, moneys on deposit in the Pledged Revenue Fund, the Debt Service Fund, and interest earned on moneys deposited therein, as defined and more fully provided in the Indenture of Trust dated as of May 1, 2012, between the Authority and Regions Bank, as Trustee (the "Indenture"). This Series 2017 Bond and the series of which it is a part and all other Parity Bonds, together with the interest thereon, are payable solely from such Pledged Revenues.

THE AUTHORITY RESERVES THE RIGHT at its option, to redeem in whole or in part the Series 2017 Bonds on and after September 1, 20 , at par plus accrued interest on the amounts called for redemption to the date fixed for redemption.

UNLESS WAIVED BY THE OWNER, NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the Registered Owners of each Series 2017 Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Paying Agent/Registrar. Such notices shall state the redemption date, the redemption price, the place at which Series 2017 Bonds are to be surrendered for payment and, if less than

all Series 2017 Bonds Outstanding of a particular maturity are to be redeemed, the numbers of the Series 2017 Bonds or portions thereof of such maturity to be redeemed. Any partial redemption shall be applied in inverse order of the principal installment due dates. When Series 2017 Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS SERIES 2017 BOND IS TRANSFERABLE only upon presentation and surrender at the designated office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his authorized representative, subject to the terms and conditions of the Resolution.

THIS SERIES 2017 BOND IS EXCHANGEABLE at the designated office of the Paying Agent/Registrar for Series 2017 Bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Resolution.

NEITHER THE AUTHORITY NOR THE PAYING AGENT/REGISTRAR shall be required to transfer or exchange any Series 2017 Bond during the period beginning on the fifteenth calendar day of the month next preceding any interest payment date and ending on such interest payment date or to transfer any Series 2017 Bond called for redemption during the 30 day period prior to the redemption date.

THIS SERIES 2017 BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution unless this Series 2017 Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE AUTHORITY HAS RESERVED THE RIGHT to issue Additional Parity Bonds, subject to the restrictions contained in the Resolution and the Indenture, which may be equally and ratably payable from, and secured by a lien on and pledge of, the Pledged Revenues in the same manner and to the same extent as the Parity Bonds and this Series 2017 Bond and the series of which it is a part.

IT IS HEREBY DECLARED AND REPRESENTED that this Series 2017 Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Series 2017 Bond have been performed, existed, and been done in accordance with law; that the Series 2017 Bonds do not exceed any statutory limitation; and that provision has been made for the payment of the principal of and interest on this Series 2017 Bond and all of the Parity Bonds by the creation of the aforesaid lien on and pledge of the Pledged Revenues as provided in the Indenture.

IN WITNESS WHEREOF, the Authority has caused this Series 2017 Bond to be executed by the manual or facsimile signatures of the Chair and Director.

DEVELOPMENT AUTHORITY OF
PEARLAND

Chair, Board of Directors

Director, Board of Directors

(b) Form of Registration Certificate of Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Series 2017 Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Series 2017 Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(c) Form of Paying Agent/Registrar's Authentication Certificate

AUTHENTICATION CERTIFICATE

It is hereby certified that this Series 2017 Bond
has been delivered pursuant to the Bond
Resolution described in the text of this
Series 2017 Bond.

By: _____
Authorized Signature

Date of Authentication: _____

(d)Form of Assignment

Assignment

For value received, the undersigned hereby sells, assigns, and transfers unto

(Please print or type name, address, and zip code of Transferee)

(Please insert Social Security or Taxpayer Identification Number of Transferee)
the within Series 2017 Bond and all rights thereunder, and hereby irrevocably
constitutes _____ and _____ appoints _____
attorney to transfer said Series 2017 Bond on the books kept for registration thereof,
with full power of substitution in the premises.

DATED: _____

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed
by an institution which is a participant in
the Securities Transfer Agent Medallion
Program ("STAMP") or similar program.

Registered Owner
NOTICE: The signature above must
correspond to the name of the Registered
Owner as shown on the face of this Bond
in every particular, without any alteration,
enlargement or change whatsoever.

(e) The Initial Series 2017 Bond shall be in the form set forth in paragraphs
(a), (b) and (d) of this Section, except for the following alterations:

(i) the Initial Series 2017 Bond shall be numbered I-1

Section 5.2: Legal Opinion. The approving opinion of Bond Counsel may be
printed on the Series 2017 Bonds, but errors or omissions in the printing of such opinion
or such numbers shall have no effect on the validity of the Series 2017 Bonds.

ARTICLE VI

ADDITIONAL BONDS

Section 6.1: Additional Parity Bonds. The Authority reserves the right to issue, for any lawful purpose (including the refunding of any previously issued Parity Bonds), one or more series of Additional Parity Bonds payable from and secured by a lien on the Pledged Revenues, on a parity with the Series 2017 Bonds, and any previously issued Parity Bonds; provided, however, that Additional Parity Bonds may be issued only in accordance with the provisions of Article III of the Indenture.

Section 6.2: Subordinate Lien Obligations. The Authority reserves the right to issue, for any lawful purpose, bonds, notes or other obligations secured in whole or in part by liens on the Pledged Revenues that are junior and subordinate to the lien on Pledged Revenues securing payment of the Parity Bonds. Such subordinate lien obligations may be further secured by any other source of payment lawfully available for such purposes.

ARTICLE VII

COVENANTS AND PROVISIONS RELATING TO ALL PARITY BONDS

Reference is made to Article V of the Indenture. All covenants made by the Authority therein are hereby incorporated into this Resolution.

ARTICLE VIII

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF SERIES 2017 BONDS

Section 8.1: Sale. The Series 2017 Bonds are hereby sold to the Purchaser by means of a private placement, and the price at the par value thereof, is hereby approved and delivery of the Series 2017 Bonds to the Purchaser shall be made upon payment therefor in accordance with the terms of sale and the terms and conditions of the Private Placement Letter, which is attached hereto as Exhibit A, and is hereby approved, and such price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the Authority. The Chair and other appropriate officers, agents and representatives of the Authority are hereby authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Series 2017 Bonds.

Section 8.2: Application of Proceeds. Proceeds from the sale of the Series 2017 Bonds shall, promptly upon receipt by the Trustee, be applied as follows:

- (a) \$ _____ from proceeds shall be deposited in the Project Fund.
- (b) \$ _____ from proceeds shall be used to pay Cost of Issuance.
- (c) All remaining proceeds from the sale of the Series 2017 Bonds shall be deposited into the Debt Service Fund.

ARTICLE IX

TAX EXEMPTION

Section 9.1: Federal Income Tax Exclusion. (a) General. The Authority intends that the interest on the Series 2017 Bonds shall be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the 'Code), and the applicable Income Tax Regulations (the "Regulations"). The Authority covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Series 2017 Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes. In particular, the Authority covenants and agrees to comply with each requirement of this Section 9.1; provided, however, that the Authority shall not be required to comply with any particular requirement of this Section 9.1 if the Authority has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2017 Bonds or if the Authority has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 9.1 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 9.1.

(b) No Private Use or Payment and No Private Loan Financing. The Authority shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2017 Bonds are delivered, that proceeds of the Series 2017 Bonds will not be used, in a manner that would cause the Series 2017 Bonds to be "private activity bonds" within the meaning of section 141 of the Code and the Regulations promulgated thereunder. Moreover, the Authority covenants and agrees that it will make such use of the proceeds of the Series 2017 Bonds including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Series 2017 Bonds will not be "private activity bonds" within the meaning of section 141 of the Code and the Regulations promulgated thereunder.

(c) No Federal Guarantee. The Authority covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Series 2017 Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the applicable Regulations thereunder, except as permitted by section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bonds. The Authority covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Series 2017 Bonds to be hedge bonds within the meaning of section 149(g) of the Code and the applicable Regulations thereunder.

(e) No Arbitrage. The Authority shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2017 Bonds are delivered, the Authority will reasonably expect that the proceeds of the Series 2017 Bonds will not be used in a manner that would cause the Series 2017 Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, the Authority covenants and agrees that it will make such use of the proceeds of the Series 2017 Bonds including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Series 2017 Bonds, and take such other and further action as may be required so that the Series 2017 Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder.

(f) Arbitrage Rebate. If the Authority does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the Authority will take all necessary steps to comply with the requirement that certain amounts earned by the Authority on the investment of the “gross proceeds” of the Series 2017 Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Authority will (i) maintain records regarding the investment of the gross proceeds of the Series 2017 Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Series 2017 Bonds separately from records of amounts on deposit in the funds and accounts of the Authority allocable to other bond issues of the Authority or moneys which do not represent gross proceeds of any bonds of the Authority, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Series 2017 Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Series 2017 Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Authority will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to

any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Series 2017 Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The Authority covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Series 2017 Bonds are issued, an information statement concerning the Series 2017 Bonds, all under and in accordance with section 149(e) of the Code and the applicable Regulations promulgated thereunder.

(h) Continuing Obligation. Notwithstanding any other provision of this Resolution, the Authority's obligations under the covenants and provisions of this Section 9.1 shall survive the defeasance and discharge of the Series 2017 Bonds.

Section 9.2: Continuing Obligation. Notwithstanding any other provision of this Resolution, the Authority's representations and obligations under the covenants and provisions of this Article VIII shall survive the defeasance and discharge of the Series 2017 Bonds for as long as such matters are relevant to the exclusion of interest on the Bonds from the gross income of the owners for federal income tax purposes.

Section 9.3: Qualified Tax-Exempt Obligations. The Series 2017 Bonds are NOT Qualified Tax-Exempt Obligations for financial institutions.

ARTICLE X

AUTHORIZATION AND CONFIRMATION OF AGREEMENTS

Section 10.1: Agreements. The Board hereby approves issuance of the Series 2017 Bonds and all reasonable agreements necessary or convenient in connection with the issuance of the Series 2017 Bonds, including without limitation the following: Private Placement Letter by and between the Authority and _____, the Purchaser, in the form attached hereto as Exhibit A; the Paying/Agent Agreement attached hereto as Exhibit B; the Indenture attached hereto as Exhibit C; and any and all other documents and agreements reasonable and necessary to issue the Series 2017 Bonds (collectively, the "Agreements"). The Board, by a majority vote of its members, at a regular meeting, hereby approves the form, terms, and provisions of the Agreements and authorizes the execution and delivery of the Agreements.

ARTICLE XI

MISCELLANEOUS

Section 11.1: Further Proceedings. The Chair, Vice Chair, Secretary, Directors, and other appropriate officials of the Authority are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the intent, purposes and terms of this Resolution, including the execution and delivery of such certificates, documents or papers necessary and advisable.

Section 11.2: Severability. If any Section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11.3: Open Meeting. It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act.

Section 11.4: Parties Interested. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Paying Agent/Registrar, the Trustee and the Owners of the Series 2017 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution shall be for the sole and exclusive benefit of the Authority, the Paying Agent/Registrar, the Trustee and the Owners of the Series 2017 Bonds.

Section 11.5: Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 11.6: Effective Date. This Resolution shall become effective immediately upon passage by this Authority and signature of the Chair, Vice Chair, or Director of the Authority.

[Execution Page Follows]

PASSED AND APPROVED this 13th day of November, 2017.

By: _____

Chair, Board of Directors

ATTEST:

By: _____

Secretary, Board of Directors

Exhibits

- A. Private Placement Letter (Tab 2)
- B. Indenture (Tab 3)