

**RESOLUTION NO. 1586**

**AN AMENDED AND RESTATED RESOLUTION BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS, AMENDING RESOLUTION NO. 1565; PROVIDING FOR THE DEFEASANCE AND CALLING FOR REDEMPTION CERTAIN CURRENTLY OUTSTANDING OBLIGATIONS; DIRECTING THAT THE CITY SECRETARY, OR DESIGNEE, EFFECTUATE THE REDEMPTION OF THESE OBLIGATIONS; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City Council (the *Governing Body*) of the City of Kyle, Texas (the *Issuer*) previously adopted Resolution No. 1565 on July 2, 2024 (the *Prior Resolution*) providing for the defeasance and calling for redemption certain currently outstanding obligations in an amount not less than \$3,640,000 subject to the availability of funding (the *Prior Defeasance Minimum Amount*); and

WHEREAS, the Prior Defeasance Minimum Amount was calculated, in part, on preliminary taxable assessed valuation available at the time the Prior Resolution was adopted; and

WHEREAS, the Issuer has received its final, certified taxable assessed valuations from the local appraisal district and, based on such values, the adequate funding will not be available for the Prior Defeasance Minimum Amount utilizing the Issuer's proposed tax rate for Fiscal Year 2025; and

WHEREAS, the Governing Body desires to amend and restate the Prior Resolution to call for redemption an amount less than the Prior Defeasance Minimum Amount stated through the Prior Resolution; and

WHEREAS, the Governing Body of the Issuer previously adopted an ordinance (the *2013 Ordinance*) on August 20, 2013 authorizing the issuance of obligations designated as "City of Kyle, Texas General Obligation Bonds, Series 2013, dated August 15, 2013, in the original principal amount of \$5,520,000 (the *2013 Bonds*); and

WHEREAS, the 2013 Bonds are currently outstanding in the principal amount of \$3,385,000 and mature on August 15, 2024, August 15, 2026 and August 15 in each of the years 2027 through 2033; and

WHEREAS, the 2013 Bonds maturing on and after August 15, 2024 are subject to redemption on August 15, 2023 or any date thereafter (the *2013 Redemption Date*), at the option of the Issuer; and

WHEREAS, the 2013 Ordinance provides the notice requirements to effectuate the redemption of the 2013 Bonds; and

WHEREAS, the City Council of the City of Kyle, Texas previously adopted an ordinance (the *2014 Ordinance*) on November 18, 2014 authorizing the issuance of obligations designated as "City of Kyle, Texas General Obligation Refunding Bonds, Series 2014, dated December 1,

2014, in the original principal amount of \$7,140,000 (the *2014 Bonds*, and together with the 2013 Bonds, the *Obligations*); and

WHEREAS, the 2014 Bonds are currently outstanding in the principal amount of \$6,970,000 and mature on August 15 in each of the years 2024 through 2028; and

WHEREAS, the 2014 Bonds maturing on and after August 15, 2025 are subject to redemption on August 15, 2024 or any date thereafter (the *2014 Redemption Date*, and together with the 2013 Redemption Date, the *Redemption Date*), at the option of the Issuer; and

WHEREAS, the 2014 Ordinance provides the notice requirements to effectuate the redemption of the 2014 Bonds; and

WHEREAS, it is in the best interest of the Issuer and the citizens of the Issuer to defease and redeem all or a portion of the Obligations as herein provided in order to terminate the payment of interest thereon and to reduce the Issuer's aggregate debt service requirements in the years subsequent to the redemption date; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS THAT:

SECTION 1. This Resolution hereby amends and restates the Prior Resolution in its entirety.

SECTION 2. All or a portion of the Obligations in an amount not less than \$1,000,000 (but to include such additional amounts due to availability of funds, as hereinafter described), eligible to be redeemed on the Redemption Date, is hereby called for redemption and shall be redeemed on such Redemption Date (the *Redeemed Obligations*). The Governing Body hereby authorizes and directs the City Manager or the Director of Finance to ultimately determine the principal amount of Redeemed Obligations to be redeemed on the basis of the availability of funds for such purpose by the funding deadline hereinafter described, which final amount shall be evidenced in the hereinafter-defined Agreement; provided, however, that in no case shall the principal amount of Redeemed Obligations be less than \$1,000,000, subject to the amount of funds actually received by the City. This election to redeem is irrevocable upon the later of the adoption of this resolution (the *Redemption Resolution*) or the adoption of the Issuer's tax rate for Fiscal Year 2025 by the Governing Body. The Notice of Redemption for the Obligations shall be prepared and delivered in the form required by the Ordinance. On or before September 30, 2025, the Issuer shall transfer its lawfully available funds to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as the Escrow Agent for the Redeemed Obligations (the *Escrow Agent*), an amount sufficient (when combined with investment earnings on such initial deposit) to pay all costs of interest due and owing on the Redeemed Obligations from the time of such deposit through the Redemption Date, plus the principal amount of the Redeemed Obligations due and owing at such time of redemption. Upon the making of such deposit, the Redeemed Obligations will be determined to have been defeased and, as a result, discharged and no longer considered outstanding as an obligation of the Issuer in accordance with applicable Texas law.

SECTION 3. The Escrow and Trust Agreement, dated as of August 6, 2024 (the *Agreement*), by and between the City and the Escrow Agent and relating to the Redeemed Obligations, attached hereto as Exhibit A and incorporated herein by reference as a part of this

Resolution for all purposes, is hereby approved as to form and content, and such Agreement, together with such changes or revisions as may be necessary to accomplish the defeasance of the Redeemed Obligations or benefit the City, is hereby authorized to be executed by the Mayor, the Mayor Pro Tem, the City Manager, the Director of Finance, and/or the City Secretary, for and on behalf of the City and as the act and deed of this Governing Body; and such Agreement as executed by said officials shall be deemed approved by the Governing Body and constitute the Agreement herein approved.

Furthermore, the Mayor, the Mayor Pro Tem, the City Manager, the Director of Finance, and/or the City Secretary, the City's Financial Advisor, and Bond Counsel, in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the deposit of cash and/or the purchase of any securities referenced in the Agreement and the delivery thereof to the Escrow Agent upon delivery to the Escrow Agent of the funds described in Section 2 above for deposit to the credit of the "CITY OF KYLE TEXAS, GENERAL OBLIGATION BONDS, SERIES 2013 (2025 DEFEASANCE) ESCROW FUND" [and the "CITY OF KYLE, TEXAS DEFEASANCE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014 ESCROW FUND (2025 DEFEASANCE)"] ([together,] the *Escrow Fund*), including the execution of the subscription forms, if any, for the purchase and issuance of the "United States Treasury Securities - State and Local Government Series" for deposit to the Escrow Fund; all as contemplated and provided by the provisions of Chapter 1207, as amended, Texas Government Code, this Resolution, and the Agreement.

SECTION 4. The Mayor, the Mayor Pro Tem, the City Manager, the Director of Finance, and/or the City Secretary (each an *Authorized Official*) are authorized and instructed to give notice of redemption described herein to the paying agent/registrar for the Redeemed Obligations, called for early redemption, for further delivery thereby to the holders of such Redeemed Obligations, as provided in the Ordinance.

SECTION 5. The Governing Body hereby delegates to the City Manager and Director of Finance the authority to select a verification agent (the *Verification Agent*) to verify the sufficiency of the deposit to the Escrow Fund to accomplish the defeasance of the Redeemed Obligations, to the extent such appointment is necessary or desired and in the event of the establishment of a net defeasance escrow fund; provided, however, that in the event of a gross defeasance of the Redeemed Obligations, the sufficiency of the deposit to the Escrow Fund to accomplish such defeasance shall be certified to the City by the City's Financial Advisor or another qualified financial institution.

SECTION 6. Each Authorized Official is authorized to evidence adoption of this Redemption Resolution and to do any and all things necessary or convenient to effect the redemption described herein and otherwise give effect to the intent and purpose hereof, including any escrow agent or verification agent, if applicable.

SECTION 7. The Governing Body hereby approves payment from lawfully available Issuer funds of professional fees and expenses of the Issuer's Bond Counsel, the Issuer's Financial Advisor, the Escrow Agent, the Verification Agent, the paying agent/registrar for the Redeemed Obligations, respectively, and any other party whose services have been determined by the Issuer

to be necessary to accomplish the purpose and intent of this Redemption Resolution, including any escrow agent or verification agent, if applicable.

SECTION 8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Redemption Resolution for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

SECTION 9. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Redemption Resolution are hereby repealed to the extent of such conflict, and the provisions of this Redemption Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 10. This Redemption Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 11. If any provision of this Redemption Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Redemption Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Redemption Resolution would have been enacted without such invalid provision.

SECTION 12. It is officially found, determined, and declared that the meeting at which this Redemption Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Redemption Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 13. Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, the Governing Body hereby delegates to each Authorized Official the authority to independently select the counterparty to any agreement with an Escrow Agent, Verification Agent or any other contract that is determined by the Authorized Official, the Issuer's Financial Advisor, or Bond Counsel to be necessary or incidental to carry out the provisions of this Redemption Resolution, as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code (collectively, the *Ancillary Bond Contracts*); and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the Issuer. The Governing Body has not participated in the selection of any of the business entities which are counterparties to the Ancillary Bond Contracts.

SECTION 14. This Redemption Resolution shall be in force and effect from and after its final passage, and it is so resolved.

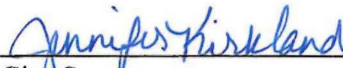


PASSED, ADOPTED AND APPROVED on this the 6th day of August, 2024.

CITY OF KYLE, TEXAS

  
\_\_\_\_\_  
Mayor

ATTEST:

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



**EXHIBIT A**  
**ESCROW AGREEMENT**

See Tab No. 2

## ESCROW AND TRUST AGREEMENT

THIS ESCROW AND TRUST AGREEMENT, dated as of August 6, 2024 (together with any amendments or supplements hereto, this *Agreement*), is entered into between the City of Kyle, Texas (the *City*), a duly organized and existing body corporate and political subdivision of the State of Texas, and \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as escrow agent (together with any successor in such capacity, the *Escrow Agent*), a national banking association with trust powers duly organized and existing under the laws of the United States of America and qualified to transact business in the State of Texas.

### W I T N E S S E T H:

WHEREAS, the City has heretofore issued and there currently remain outstanding the obligations, plus accrued interest thereon (the *Defeased Bonds*) set forth on Schedule I hereto; and

WHEREAS, the Defeased Bonds were issued pursuant to an order which provides that the Defeased Bonds are stated to mature in such years, are redeemable, if any, prior to stated maturities, bear interest at such rates, and have debt service at the times and in the amounts set forth on Exhibit A attached hereto and made a part hereof for all purposes; and

WHEREAS, when firm banking arrangements have been made for the payment of the principal, premium, if any, and interest to the stated maturity or redemption dates, if any, of the Defeased Bonds, the Defeased Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, as amended, Texas Government Code (the *Act*), authorizes the City to deposit any lawfully available funds or resources, directly with any place of payment (the paying agent) for the Defeased Bonds or a designated escrow agent for the Defeased Bonds that is not the depository bank for the City, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Defeased Bonds; and

WHEREAS, the Act further authorizes the City to enter into an escrow agreement with any paying agent, escrow agent, or trustee that is not the depository bank for the City for the Defeased Bonds with respect to the safekeeping, investment, reinvestment, administration, and disposition of any such deposit, upon such terms and conditions as the City and such paying agent, escrow agent, or trustee may agree, provided that such deposits may be invested only in Eligible Investments which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of the Defeased Bonds; and

WHEREAS, Wilmington Trust, N.A., Dallas, Texas currently serves as the paying agent for the Defeased Bonds (the *Paying Agent*); and

WHEREAS, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ is hereby designated as the Escrow Agent by the City and is not the depository bank of the City; and

WHEREAS, the Escrow Agent is designated as the escrow agent for the Defeased Bonds and this Agreement constitutes an escrow agreement as authorized and permitted by the Act; and

WHEREAS, concurrently herewith the City has adopted a resolution (the *Resolution*) authorizing the transfer and deposit at the time or times specified therein of certain lawfully available funds identified in such Resolution in an amount sufficient to refund, discharge, and make final payment of the principal of and premium, if any, on the Defeased Bonds at their stated maturity or redemption dates and interest thereon to such dates; and

WHEREAS, the Defeased Bonds will be paid on the redemption date specified for payment on Exhibit A; and

WHEREAS, the City desires that certain lawfully available funds of the City shall be applied to purchase the Escrowed Securities for deposit to the credit of the Escrow Fund (hereinafter defined) created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in this Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide money which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Defeased Bonds as it accrues and becomes payable and the principal of and premium, if any, on the Defeased Bonds to their stated maturity dates or redemption dates, if any; and

WHEREAS, a description of the Escrowed Securities and beginning cash balances, if any, is attached hereto as Exhibit B, which Exhibit B is hereby incorporated by reference and made a part of this Agreement for all purposes; and

WHEREAS, the City has completed all arrangements for the purchase of the Escrowed Securities and the deposit and credit of the same to the Escrow Fund as provided herein; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the City desires to establish an irrevocable Escrow Fund at the corporate trust office of the Escrow Agent; and

WHEREAS, the Escrow Agent is a national banking association with trust powers duly organized and existing under the laws of the United States of America and qualified to transact business in the State of Texas, and is fully qualified and empowered to enter into this Agreement; and

WHEREAS, the City Council of the City of Kyle, Texas has duly approved and authorized the execution of this Agreement; and

WHEREAS, the City, the Escrow Agent, and the Paying Agent, as the case may be, shall take all action necessary to call, pay, redeem, if any, and retire the Defeased Bonds in accordance with the provisions thereof, including, without limitation, all actions required by the order authorizing the issuance of the Defeased Bonds, the Act, the Resolution, and this Agreement; and



WHEREAS, the Escrow Agent is a party to this Agreement to acknowledge its acceptance of the terms and provisions hereof;

NOW, THEREFORE, in consideration of the mutual undertakings, promises, and agreements herein contained, the sufficiency of which hereby is acknowledged, and to secure the full and timely payment of the principal of, premium, if any, and the interest on the Defeased Bonds, the City and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

## ARTICLE I DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

*City* means the City of Kyle, Texas.

*Defeased Bonds* means the City's obligations more fully described in Schedule I to this Agreement.

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

*Escrow Agent* means \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or its successors as Escrow Agent under this Agreement.

*Escrow Fund* means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

*Escrowed Securities* means the Eligible Investments for the Defeased Bonds described in Exhibit B attached to this Agreement or any substituted securities permitted by the provisions of Section 4.03 hereof. Investments in mutual funds and/or unit investment trusts are prohibited.

*Paying Agent* means Wilmington Trust, N.A., Dallas, Texas, or its successors or assigns, as the paying agent/registrar for the Defeased Bonds.

Section 1.02 Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all

of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Defeased Bonds in accordance with applicable law.

## ARTICLE II DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.01 Deposits in the Escrow Fund. The City has, as of \_\_\_\_\_, 2025, deposited, or caused to be deposited, in the Escrow Fund the money and Escrowed Securities described in Exhibit B attached to this Agreement.

Section 2.02 Receipt. The Escrow Agent acknowledges receipt of a copy of the order authorizing the issuance of the Defeased Bonds, the Notice of Redemption, the Notice of Defeasance, the Verification Report prepared by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, relating to the Bonds, if any, and the Resolution. Reference herein to or citation herein of any provision of such instruments shall be deemed to be an incorporation of such provision as a part hereof.

## ARTICLE III CREATION AND OPERATION OF ESCROW FUND

Section 3.01 Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the "City of Kyle, Texas Defeasance General Obligation Bonds, Series 2013 Escrow Fund (2025)" [and the "City of Kyle, Texas Defeasance General Obligation Refunding Bonds, Series 2014 Escrow Fund (2025)"] ([together,] the *Escrow Fund*) for the benefit of the holders of the Defeased Bonds. The Escrowed Securities and cash, if any, deposited in the Escrow Fund shall be utilized to defease the Defeased Bonds as specified in Exhibit B. The Escrow Agent hereby acknowledges that there has been deposited to the credit of the Escrow Fund the beginning cash balance, if any, and the Escrowed Securities described in Exhibit B. The Escrowed Securities and all proceeds therefrom shall be the property of the Escrow Fund and shall be applied only in strict conformity with the terms and conditions of this Agreement. All of the Escrowed Securities in the Escrow Fund, all proceeds therefrom, and all cash balances and reinvestment of such cash balances in accordance with Sections 4.02 and 4.03 from time to time on deposit in the Escrow Fund are hereby irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Defeased Bonds which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02. When the final transfers have been made for the payment of such principal of, premium, if any, and interest on the Defeased Bonds, any balance then remaining in the Escrow Fund shall be transferred to the City, and the Escrow Agent shall thereupon be discharged from any further duties pertaining to the Escrow Fund.

Section 3.02 Payment of Principal, Premium, if any, and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal and premium, if any, of the Defeased Bonds at their redemption date, and interest thereon to such dates in the amounts and at the times shown in Exhibit A attached hereto.



Section 3.03 Sufficiency of Escrow Fund. The City represents that the successive receipts of the principal of and interest on the Escrowed Securities, together with the beginning cash balance, if any, in the Escrow Fund will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Defeased Bonds as such interest comes due, the principal and redemption premium (as applicable), if any, of the Defeased Bonds as the principal and redemption premium, if any, come due on the Defeased Bonds, all as more fully set forth in Exhibit A, as appropriate, attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in any Escrow Fund shall be insufficient to transfer the amounts required by the paying agents to make the payments set forth in Section 3.02, the City shall timely deposit in the Escrow Fund, from lawfully available funds, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly by the Escrow Agent to the City.

Section 3.04 Trust Funds. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities, and all other assets of the Escrow Fund wholly segregated on its books from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the holders of the Defeased Bonds; and the books and records of the Escrow Agent shall reflect the foregoing. The holders of the Defeased Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they were entitled as holders of the Defeased Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City and the Escrow Agent shall have no right to title with respect thereto except as Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts, or checks drawn by the City or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05 Non-Presentment. If any Defeased Bonds shall not be presented for payment when the principal thereof, premium, if any, or interest thereon shall have become due, and if cash shall at such times be held by the Paying Agent in trust for that purpose sufficient and available to pay the principal and premium, if any, of such Defeased Bonds and interest thereon, it shall be the duty of the Paying Agent to hold such cash without liability to the holder of such Defeased Bonds for interest thereon after such stated maturity or redemption date, if any, in trust for the benefit of the holder of such Refunded Obligation, who shall thereafter be restricted exclusively to such cash for any claim of whatever nature on his part on or with respect to such Refunded Obligation, including for any claim for the payment thereof and interest thereon. All cash required by the provisions hereof to be set aside or held in trust for the payment of the Defeased Bonds, including interest thereon, shall be applied to and used solely for the payment of the Defeased Bonds and interest thereon with respect to which such cash has been so set aside in trust.

Subject to the provisions of the last sentence of Section 3.01, cash held by the Paying Agent in trust for the payment and discharge of any of the Defeased Bonds and interest thereon which



remains unclaimed for a period of three (3) years after the stated maturity date of such Defeased Bonds shall be returned to the City. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Section 3.06 Destruction. Any Defeased Bonds canceled on account of payment by the Paying Agent shall be cremated or otherwise destroyed or handled by the Paying Agent in accordance with the order authorizing the issuance of the Defeased Bonds.

Section 3.07 Irrevocable Escrow. The escrow created by this Agreement shall be irrevocable, and the holders of the Defeased Bonds shall have an express lien on all money and Escrowed Securities in the Escrow Fund until paid out, used, and applied in accordance with this Agreement.

#### ARTICLE IV LIMITATION ON INVESTMENTS

Section 4.01 Duty to Invest. Except for the initial investment of the lawfully available funds of the City in the Escrowed Securities, and except as provided in Sections 4.02, 4.03, and 4.04 and as set forth herein, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, make substitutions of the Escrowed Securities, or sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.02 Reinvestment of Certain Cash Balances in Escrow Funds by Escrow Agent. Except as provided in Section 4.03 hereof, the Escrow Agent shall have no authority to substitute Escrowed Securities for the Escrowed Securities identified in Exhibit B hereto, provided that if there exists cash in the Escrow Fund on the dates identified in Exhibit C, if any, then the City shall direct the Escrow Agent in writing to make timely subscriptions for and apply such amounts to the purchase of United States Treasury Securities--State and Local Government Securities having a zero percent (0%) interest rate (*Zero Interest SLGS*), on the dates, in the amounts, and scheduled to mature as provided on Exhibit C, if any, by executing and filing subscription forms prepared therefor in such form as may be then required by the United States Department of the Treasury; provided that the then existing rules and regulations and policy of the United States Department of the Treasury permit and authorize such investments. Should the policies, rules, and regulations of the United States Department of the Treasury not permit or authorize the purchase of Zero Interest SLGS at such time or times, the City shall not direct such investments and such cash balance or balances shall remain uninvested and held in trust for the benefit of the holders of the Defeased Bonds and used for the payment of the Defeased Bonds on the dates and in the amount such money would have been expended had such Zero Interest SLGS been acquired and matured.

Section 4.03 Substitutions and Reinvestments. At the written direction of the City, the Escrow Agent shall accept initially and temporarily cash and/or substituted securities pending the delivery of the Escrowed Securities identified in Exhibit B (with respect to such account) or shall sell, exchange, or redeem the Escrowed Securities and reinvest the proceeds thereof, together with other money held in the Escrow Fund, provided that the Escrow Agent receives the following:



(1) an opinion by an independent certified public accountant to the effect that (i) the initial and/or temporary substitution of cash and/or securities (which shall be Escrowed Securities) for one or more of the Escrowed Securities identified in Exhibit B pending the receipt and delivery thereof to the Escrow Agent or (ii) the sale, exchange, or redemption of one or more of the Escrowed Securities and the reinvestment of such funds in one or more substituted securities (which shall be Escrowed Securities and permitted by the laws of the State of Texas and the order authorizing the Defeased Bonds to be held in the Escrow Fund), together with the interest thereon and other available investments and money then held in the Escrow Fund, will, in either case, be sufficient, without reinvestment, to pay, as the same become due in accordance with Exhibit A, the principal of, premium, if any, and interest on, the Defeased Bonds which have not previously been paid, and

(2) with respect to an early sale, exchange, or redemption of Escrowed Securities and the reinvestment of the proceeds thereof, an opinion of nationally recognized municipal bond counsel to the effect that (a) such investment will not cause interest on the Defeased Bonds to be included in the gross income of the owners thereof for federal income tax purposes, under the Internal Revenue Code of 1986, as amended, and applicable related regulations, and (b) such reinvestment complies with the laws of the State of Texas and with all relevant documents relating to the issuance of the Defeased Bonds.

Section 4.04 Excess Balances. Except with respect to final transfers of amounts held in the Escrow Fund (which shall be controlled by Section 3.01), the Escrow Agent shall transfer excess amounts held in the Escrow Fund to or on the order of the City provided that the City delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that, after the transfer of the excess amounts, the principal amount of securities in the Escrow Fund, together with the interest thereon and other available money then held in the Escrow Fund, will be sufficient, without reinvestment, to pay, as the same become due, in accordance with Exhibit A, the principal of, premium, if any, and interest on the Defeased Bonds which have not previously been paid, and

(2) an unqualified opinion of nationally recognized bond counsel to the effect that (a) such transfer will not make the interest on the Defeased Bonds relating to such Escrow Fund subject to federal income taxation, and (b) such transfer complies with the laws of the State of Texas and with all relevant documents relating to the issuance of such Defeased Bonds.

Section 4.05 Allocation of Certain Escrow Securities. The maturing principal of and interest on the Escrowed Securities in the Escrow Fund may be applied to the payment of any Defeased Bonds relating to the Escrow Fund, and no allocation or segregation of the receipts of principal or interest from such Escrowed Securities is required.

Section 4.06 Security for Funds. The Escrow Agent shall continuously collateralize the money in the Escrow Fund not invested in Escrowed Securities with securities or obligations which

qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for public funds to the extent such money is not insured by the Federal Deposit Insurance Corporation. Not more than five percent (5%) of the proceeds of the Bonds shall be invested, directly or indirectly, in deposits insured by the Federal Deposit Insurance Corporation or other federally insured deposits or accounts.

#### ARTICLE V APPLICATION OF CASH BALANCES

Section 5.01 In General. Except as provided in Sections 3.01, 3.02, 4.02, 4.03, and 4.04, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

#### ARTICLE VI RECORDS AND REPORTS

Section 6.01 Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations, and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the City and the holders of the Defeased Bonds.

Section 6.02 Reports. As soon as practicable following each September 30, beginning September 30, 2025, while any amount is held in the Escrow Fund, the Escrow Agent shall prepare and send to the City a written report summarizing all transactions occurring since the preceding October 1 (or since the date of establishment of the Escrow Fund with respect to the initial report) relating to the Escrow Fund, including without limitation credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Defeased Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of each such annual period.

#### ARTICLE VII CONCERNING THE PAYING AGENT AND ESCROW AGENT

Section 7.01 Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and to undertake the obligations and responsibilities imposed upon it herein and that it will carry out all of its obligations hereunder.

Section 7.02 Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of, premium, if any, and interest on the Defeased Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund.

The recitals herein and in the proceedings authorizing the Bonds shall be taken as the statements of the City and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the order authorizing the Defeased Bonds, other than in its role as Paying Agent and is not responsible for nor bound by any



of the other provisions thereof. In its capacity as Escrow Agent, the Escrow Agent undertakes to perform such duties and only such duties, as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

The Escrow Agent makes no representations as to the value, conditions, or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the City, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder, except for its own action constituting, neglect, or willful misconduct or for any loss resulting from its negligence or bad faith.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in the exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action constituting, neglect, or willful misconduct, nor for any loss unless the same shall have been through its negligence or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the City with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the City or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the City at any time.

The Escrow Agent may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Escrow Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care.



Section 7.03 Compensation.

(a) The City has agreed to pay the Escrow Agent the sum of \$\_\_\_\_\_ for the administration of this Agreement. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder and the Escrow Agent agrees to perform such request, the City hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, including counsel fees, and the Escrow Agent hereby agrees to look only to the City for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) The Paying Agent is a place of payment (paying agent) for the Defeased Bonds listed on Schedule I. The City shall pay to the Paying Agent the amounts due and owing for all future paying agency services of the Paying Agent with respect to such Defeased Bonds as provided in the paying agent/registrar agreement relating thereto. The City warrants that it has received from the Paying Agent approval of the arrangements herein made and written acknowledgment that the sum paid to the Paying Agent has been accepted in payment of all future paying agency services of the Paying Agent in connection with the Defeased Bonds listed on Schedule I to the extent such sums constitute standard fees of the Paying Agent on the Defeased Bonds.

Section 7.04 Successor Escrow Agents. The Escrow Agent may resign with thirty (30) days advance notice to the City if at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the City, by appropriate resolution or order, shall promptly appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the City within 60 days of such vacancy or resignation, a successor may be appointed by the holders of a majority in principal amount of the Defeased Bonds then outstanding for purposes of this Agreement by an instrument or instruments in writing filed with the City, signed by such holders or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section within three months after a vacancy shall have occurred, the resigning Escrow Agent or holder of any Defeased Bonds may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a bank, trust company or other financial institution that is duly qualified under applicable law (the Act, or other appropriate statute) to serve as escrow agent hereunder and authorized and empowered to perform the duties and obligations contemplated by this Agreement and organized and doing business under the laws of the United States or one of the states, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Texas or in the City of New York, New

York having a combined capital and surplus of at least \$50,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge, and deliver to the City and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers, and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers, and duties.

Section 7.05 Notice of Redemption and/or Notice of Defeasance. The Paying Agent shall publish or mail the Notice of Redemption for the Defeased Bonds listed on Schedule I attached hereto and as required by the order authorizing such Defeased Bonds. The Escrow Agent also hereby acknowledges receipt of the Notice of Redemption which shall be published and/or mailed to the holders of the Defeased Bonds in the time, form, and manner as provided in the order authorizing the issuance of such Defeased Bonds. The City has advised the Escrow Agent that the Defeased Bonds will be escrowed to the redemption date specified in Schedule I hereto. The Paying Agent hereby acknowledges the receipt of the Notice of Redemption and its ongoing duties and responsibilities with respect to the Defeased Bonds and that the Notice of Redemption will be provided to the holders of the Defeased Bonds in the form and manner that is customary in the securities industry.

## ARTICLE VIII MISCELLANEOUS

Section 8.01 Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

To the Escrow Agent:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_  
Attention: \_\_\_\_\_

To the City:

City of Kyle, Texas  
100 W. Center Street  
Kyle, Texas 78640  
Attention: Director of Finance

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof.



Section 8.02 Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the City, the holders of the Defeased Bonds, or to any other person or persons in connection with this Agreement.

Section 8.03 Binding Agreement. This Agreement shall be binding upon the City, the Escrow Agent, and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Defeased Bonds, the City, the Escrow Agent, and their respective successors and legal representatives.

Section 8.04 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. Notice of any severance shall be immediately provided to Moody's Investors Service, Inc. at the address provided in Section 8.01 hereof.

Section 8.05 Governing Law. This Agreement shall be deemed to be an agreement made under the laws of the State of Texas and for all purposes shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America.

Section 8.06 Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07 Amendments and Modifications. This Agreement shall be binding upon the City and the Escrow Agent and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Defeased Bonds, the City, the Escrow Agent, and their respective successors and legal representatives. Furthermore, no alteration, amendment, or modification of any provision of this Agreement shall be effective unless (i) prior written consent of such alteration, amendment, or modification shall have been obtained from the holders of all Defeased Bonds outstanding at the time of such alteration, amendment, or modification and (ii) such alteration, amendment, or modification is in writing and signed by the parties hereto; provided, however, the City and the Escrow Agent may, without the consent of the holders of the Defeased Bonds (upon obtaining the written confirmation of all rating agencies then rating the Defeased Bonds that the proposed amendment will not result in the ratings on the Defeased Bonds being lowered or withdrawn as a result of the amendment, unless the proposed amendment is limited to (i) the insertion of inadvertently omitted material or the correction of mistakes or clarification of ambiguities, (ii) the pledging of additional security to the holders of the Defeased Bonds, or (iii) the deposit of additional cash or Escrowed Securities into the Escrow Fund in which instances the written confirmation from the rating agencies shall not be required), amend or modify the terms and provisions of this Agreement to cure in a manner not adverse to the holders of the Defeased Bonds any ambiguity, formal defect, or omission in this Agreement; provided, however, that no such amendment shall adversely affect the firm banking arrangements made for the payment of the principal of, premium, if any, and interest on the Defeased Bonds. Moody's Investors Service, Inc. shall receive prior written notice and drafts of all amendments at the address identified in Section 8.01 hereof.



Section 8.08 Holiday. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, is not a business day, such payment may be made or act performed or right exercised on the next succeeding business day with the same force and effect as if done on the date provided therefor herein and, in the case of any payment, no interest shall accrue for the period after such date.

Section 8.09 Covenants. The City covenant that they will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Agreement, in any and every Defeased Bonds as executed, authenticated, and delivered, and in all proceedings pertaining thereto as the Defeased Bonds shall have been modified as provided in this Agreement. The City covenants that it is duly authorized under the laws of the State of Texas to execute and deliver this Agreement, that all actions on its part for the payment of the Defeased Bonds as provided herein and the execution and delivery of this Agreement have been duly and effectively taken, and that the Defeased Bonds in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the City according to the import thereof as provided in this Agreement.

Section 8.10 Interpretation of Agreement. In the event of any disagreement or controversy hereunder or if conflicting demands or notices are made upon the Escrow Agent growing out of or relating to this Agreement or in the event that the Escrow Agent in good faith is in doubt as to what action should be taken hereunder, the City expressly agrees and consents that the Escrow Agent shall have the absolute right at its election to

(a) withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue; and

(b) file a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves. Nothing in this paragraph is intended to create or expand upon any right that the Escrow Agent would otherwise have available to it under applicable law to commence an interpleader or to alter the obligations of the Escrow Agent under this Agreement.

The City agrees to indemnify and save the Escrow Agent harmless, to the extent permitted by law, from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Escrow Agent in connection herewith, except as a result of the Escrow Agent's own negligence or willful misconduct. The foregoing indemnification shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent for any reason. The obligations of the Escrow Agent under this Agreement shall be performable at the corporate office of the Escrow Agent in Austin, Texas.

The Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of any of the provisions hereof or its duties hereunder, and it shall, in the absence of negligence or bad faith on the part of the Escrow Agent, incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel.



Section 8.11 Liability; Reliance; Assignment. The Escrow Agent shall not be responsible or liable to any person in any manner whatsoever for the sufficiency, correctness, genuineness, effectiveness, or validity of this Agreement with respect to the City or for the identity or authority of any person making or executing this Agreement for and on behalf of the City. The Escrow Agent is authorized by the City to rely upon the representations of the City with respect to this Agreement and the deposits made pursuant hereto and as to the City's right and power to execute and deliver this Agreement, and the Escrow Agent shall not be liable in any manner as a result of such reliance. The duty of the Escrow Agent hereunder shall only be to the City and the holders of the Defeased Bonds. Except as set forth in Section 7.04 herein, neither the City nor the Escrow Agent shall assign or attempt to assign or transfer any interest hereunder or any portion of any such interest without the written consent of each of the parties to this Agreement.

The Escrow Agent is also authorized to transfer funds relating to the redemption and defeasance of the Defeased Bonds in the manner disclosed in the closing memorandum as prepared by the City's financial advisor, bond counsel, or other agent. The Escrow Agent may act on a facsimile or email transmission of the closing memorandum acknowledged by the financial advisor, bond counsel, or the City as the final closing memorandum. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions.

The Bank may act on any order, request, approval or other authority relating to the Defeased Bonds which is provided by the City through a facsimile or e-mail transmission without the necessity of obtaining an original or executed copy of any such authority.

Section 8.12 Verifications of Statutory Representations and Covenants.

The Escrow Agent makes the following representations and covenants pursuant to Chapter 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under the common control with the Escrow Agent within the meaning of SEC Rule 405, 17 C.F.R. Section 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Escrow Agent and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel



and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

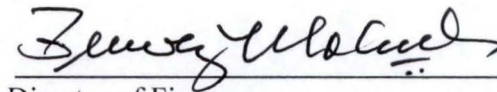
Section 8.13 Counterparts. This Agreement may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

Section 8.14 Incorporation of Preamble Recitals. The recitals contained in the preamble to this Agreement are hereby found to be true, and such recitals are hereby made a part of this Agreement for all purposes and are adopted as a part of the judgment and findings of the City.

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

EXECUTED as of the date first written above.

CITY OF KYLE, TEXAS

A handwritten signature in black ink, appearing to read "Jeremy Watson", is written over a horizontal line.

Director of Finance

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

\_\_\_\_\_, \_\_\_\_\_,  
as Escrow Agent

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

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

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

## **ACKNOWLEDGEMENT OF RECEIPT OF NOTICE AND CONTINUING DUTIES**

The undersigned acknowledges the receipt of the Resolution and the Escrow and Trust Agreement pertaining to the defeasance of the Defeased Bonds and consents to the provisions of, and acknowledges its ongoing duties and responsibilities with respect to the Defeased Bonds as specified under, Sections 7.03(b) and 7.05 hereof. The undersigned also acknowledges receipt of the order authorizing the issuance of the Defeased Bonds and the Notice of Redemption. The Notice of Redemption described in Section 7.05 will be provided to the holders of the Defeased Bonds in the form and manner that is customary in the securities industry.

WILMINGTON TRUST, N.A.

By \_\_\_\_\_  
\_\_\_\_\_

Title \_\_\_\_\_  
\_\_\_\_\_

## **INDEX TO EXHIBITS**

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## **Schedule I**

### **Defeased Bonds**

“City of Kyle, Texas General Obligation Bonds, Series 2013,” dated August 15, 2013 maturing on August 15, 2026, August 15 in each of the years 2027 through 2033 in the aggregate principal amount of \$2,825,000 [(partial)] to be redeemed on \_\_\_\_\_, 2025.

[“City of Kyle, Texas General Obligation Refunding Bonds, Series 2015,” dated December 1, 2014 maturing on August 15, 2028 in the aggregate principal amount of \$815,000 [(partial)] to be redeemed on \_\_\_\_\_, 2025.]

**Exhibit A**

**Schedule of Debt Service on Defeased Bonds**



**Exhibit B**

**Escrowed Securities and Cash to pay the Defeased Bonds**

SLGS/OMS  
Cash Deposit  
TOTAL



**Exhibit C**

**Escrow Fund Cash Flow and Reinvestment**