

**GUARANTY AND REIMBURSEMENT AGREEMENT REGARDING
CERTIFICATES OF OBLIGATION ISSUED FOR THE
CONSTRUCTION OF CAPITAL IMPROVEMENTS**

**THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §**

KNOW ALL PERSONS BY THESE PRESENTS:

This Guaranty and Reimbursement Agreement Regarding Certificates of Obligation issued for the Construction of Capital Improvements (the “Agreement”) is entered into as of the 4th day of November, 2020, between the CITY OF OAK RIDGE NORTH, TEXAS, a Type A general law municipality situated in Montgomery County, Texas (the “City”), the REINVESTMENT ZONE NUMBER ONE, CITY OF OAK RIDGE NORTH, TEXAS a reinvestment zone created by the City of Oak Ridge North, Texas pursuant to Chapter 311, Texas Tax Code (the “TIRZ #1), the CITY OF OAK RIDGE NORTH DEVELOPMENT AUTHORITY, a local government corporation created by the City pursuant to Chapter 431, Subchapter D, Texas Transportation Code (“Authority”), and the OAK RIDGE NORTH ECONOMIC DEVELOPMENT CORPORATION, a non-profit economic development corporation (the “Corporation”) created and operating as a Type B corporation pursuant to the provisions of Chapters 501 and 505, Texas Local Government Code, as amended (formerly Article 5190.6, Vernon’s Texas Revised Civil Statutes) (the “Act”), each of whom is a Party hereto and who are collectively referred to herein as the Parties, to be effective on the Effective Date.

RECITALS

On December 15, 2014 the City Council of the City of Oak Ridge North, Texas (the “City Council”) created TIRZ #1 by adoption of Ordinance No. 66-2014, which designated an approximate 795.63-acre tract of land as Reinvestment Zone Number One, City of Oak Ridge North, Texas and described the boundaries of the TIRZ #1.

On May 23, 2016, the City Council adopted Ordinance No. 25-2016 reducing the boundaries of the TIRZ #1 by approximately 6.34-acres of land to an approximate area of 789.74 acres.

On October 10, 2016, the City adopted Ordinance No. 2016-17 creating the Oak Ridge North Development Authority (the “Authority”) a local government corporation created by the City pursuant to Chapter 431, Subchapter D, Texas Transportation Code and Chapter 394 of the Texas Local Government Code

On September 28, 2020, the City Council adopted Ordinance No. 26-2020 expanding the boundaries of the TIRZ #1 by approximately 0.395363-acres of land due to the rezoning of a tract of property from residential to commercial use in the RC-1 Zoning District resulting in a current approximate area of 789.685 acres.

At an election held within the City on August 13, 1994 the voters approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one percent (the "Additional Sales Tax") as authorized by the Act for economic development purposes.

The Corporation was formed pursuant to the Act for the purpose, among others, of financing projects authorized by the Act. Pursuant to the provisions of the Act, the City collects the Additional Sales Tax and pays it to the Corporation.

The City is a Type A general law municipality with a population of less than 5,000.

In accordance with the TIRZ #1 Project Plan, the City, the TIRZ #1, and the Authority now wish to proceed with the acquisition, construction and equipment of city streets, sidewalks and related infrastructure and acquisition of certain right-of-way for the construction and expansion of Robinson Road beginning at the west intersection of Robinson Road and Patsy Land / Westwood Drive and continuing east to the bridge located at the drainage ditch maintained by Drainage District #6 (collectively, the "Project").

The City Council, TIRZ #1 and the Authority hereby find, determine, and declare that the Project is a project authorized by the TIRZ #1 Project Plan.

The Corporation also finds, determines and declares that the Project and its infrastructure improvements are an authorized project of the Corporation under the Act pursuant to Section 505.158 of the Texas Local Government Code that will provide for new and expanded business development.

The City Council, TIRZ #1 and the Authority have determined that the most economical means of financing the costs of the Project is for the City to issue its Tax and Revenue Certificates of Obligation, Series 2020 (the "Certificates"), with the agreement of the TIRZ #1 and the Authority to make payments to the City from the ad valorem property tax increment dedicated to the TIRZ #1 (the "TIRZ #1 Increment") in amounts sufficient to pay the principal amount of and interest on the Certificates as and when it becomes due, all as more specifically detailed in the schedule described in Section 1.06 of this Agreement.

The City Council and the Corporation have also determined that it is responsible and appropriate for the Corporation to pledge its Additional Sales Tax as a secondary funding source in amounts sufficient to pay the principal amount of and the interest on the Certificates in the event the TIRZ #1 Increment is insufficient to satisfy the City's financial obligations of its Certificates.

The City, the TIRZ #1, the Authority and the Corporation agree that the maximum principal amount of the Certificates shall not exceed \$9,000,000.

The TIRZ #1 and the Authority hereby find that this Agreement is for the benefit of the TIRZ #1, the Authority, and the City and that all payments made hereunder are for authorized project costs under the TIRZ #1 Project Plan.

The Corporation hereby finds that this Agreement is for the benefit of the Corporation and that all payments made hereunder are for authorized project costs under the Act.

The City, TIRZ #1, the Authority and the Corporation hereby find, determine, and declare that the respective meetings of the City Council of the City, the Board of Directors of the TIRZ #1 and the Authority, and the Board of Directors of the Corporation at which this Agreement was approved were open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Agreement, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended and the March 16, 2020 action by the Governor of the State of Texas under Section 418.016, Texas Government Code, suspending certain provisions of the Texas Open Meetings Act.

AGREEMENT

For and in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the City, TIRZ #1, the Authority and the Corporation agree as follows:

ARTICLE I

THE PROJECTS

Section 1.01 Definitions, Declarations, Findings and Determinations. The definitions, declarations, determinations and findings contained in the recitals to this Agreement are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.02 Construction of the Project.

(a) The City agrees to prepare or cause to be prepared all plans and specifications required for the construction of the Project.

(b) The City agrees to contract with all individuals or entities necessary to complete the Project in accordance with the plans, specifications, and other construction documents. The City will provide all construction and contract management services in connection with the construction of the Project. The public infrastructure improvements being financed with the Certificates will be owned by the City.

(c) The costs of constructing the Project shall be payable from Certificate proceeds or other funds to be paid by the TIRZ #1, the Authority, or the Corporation.

Section 1.03 Issuance of the Certificates. Subject to applicable legal restrictions, the City agrees to issue and sell the Certificates and to use the proceeds from the sale of the Certificates to pay the costs of the Project and the costs of issuing the Certificates.

Section 1.04 Use of Ad Valorem Property Tax Increment. The TIRZ #1 agrees to transfer to the Authority the TIRZ #1 Increment, and any interest earned thereon, for the purpose of the Authority making payments to the City in the amounts equal to the principal amount of and interest on the Certificates and any obligations issued to refund the Certificates when due as

provided in Schedule I of this Agreement, which is incorporated herein for all purposes. The Authority agrees to utilize the TIRZ #1 Increment for such purposes. For so long as the Certificates and/or any obligations issued to refund the Certificates are outstanding, unless it receives the prior written consent of the City, the Authority with the TIRZ #1's consent shall make such payments to the City each year prior to using the TIRZ #1 Increment, and any interest earned thereon, for any other lawful purposes of the TIRZ #1. The obligations imposed upon the TIRZ #1 and the Authority herein shall be a primary source of funding from the TIRZ #1 and Authority for the payment of the Certificates.

(a) The TIRZ #1 and the Authority agree to include in their annual budgets, which budgets shall be provided to the City for review prior to adoption, amounts sufficient to make each Project payment described in Schedule I. The TIRZ #1 and the Authority shall annually provide to the City prior to the City's adoption of its annual tax rate approved budgets containing funds for the annual Project payments.

(b) The TIRZ #1 and the Authority agree to pay to the City amounts sufficient to make each Project payment described in Schedule I at least fifteen (15) days before each principal and/or interest payment on the Certificates or any obligations issued to refund the Certificates is due.

(c) In connection with the closing of the Certificates, the TIRZ #1 and the Authority shall deposit with the City from TIRZ # 1 increment currently on hand an amount sufficient to make the April 1, 2021 and October 1, 2021 debt service payments on the Certificates as shown in Schedule I.

(d) The TIRZ #1 and the Authority agree that it will maintain an unencumbered fund balance of not less than \$1,000,000.00 at all times during the term of this Agreement.

(e) The TIRZ #1 and the Authority agree that during the term of this Agreement it will not borrow any money or issue any bonds or notes without the written approval of the City.

Section 1.05 Use of Additional Sales Tax. Notwithstanding the obligations imposed upon the TIRZ #1 and the Authority by Section 1.04 above, the Corporation agrees to use the Additional Sales Tax, and any interest earned thereon, to make payments to the City on behalf of the TIRZ #1 and the Authority in amounts equal to the principal of and interest on the Certificates and any obligations issued to refund such portion of the Certificates when due as provided in Schedule I of this Agreement, which is incorporated herein for all purposes, in the event the TIRZ #1 and the Authority are unable to satisfy their funding obligation(s) to the City for the payment of its Certificates for so long as the Certificates and/or any obligations issued to refund the Certificates are outstanding.

(a) The Corporation agrees to include in its annual budget, which budget shall be provided to the City for review prior to adoption, amounts sufficient to make each Project payment described in Schedule I. The Corporation shall annually provide to the City prior to the City's adoption of its annual tax rate its approved budget containing funds for the annual Project payments.

(b) In the event the TIRZ #1 and the Authority are unable to fulfill their payment obligations hereunder, the Corporation agrees to pay to the City amounts sufficient to make each Project payment described in Schedule I at least fifteen (15) days before each principal and/or interest payment on the Certificates or any obligations issued to refund the Certificates is due for so long as the Certificates and/or any obligations issued to refund the Certificates are outstanding.

(c) TIRZ #1 and/or the Authority shall reimburse the Corporation for each payment the Corporation pays to the City on behalf of the TIRZ #1 and the Authority pursuant to Section 1.05(b) hereof; provided, however, that the obligation of TIRZ #1 and/or the Authority to reimburse the Corporation shall be subordinate to the obligation of TIRZ #1 and the Authority to make payments to the City under Section 1.04 hereof in any given year.

(d) The Corporation agrees that during the term of this Agreement it will not borrow any money or issue any bonds or notes without the written approval of the City.

Section 1.06 Completion of Schedule I. The City will provide the TIRZ #1, the Authority and the Corporation with a final schedule of the principal and interest payments due on the Certificates issued for the Project upon the pricing of the Certificates. Upon delivery of such schedule to the TIRZ #1, the Authority, and the Corporation, which receipt shall be acknowledged by the President of each entity or his or her designee, the schedule shall be considered incorporated into this Agreement as Schedule 1. Schedule I shall indicate the title of the series of Certificates to which it relates. Upon the issuance of any obligations refunding all or a portion of the Certificates, the City will provide TIRZ #1, the Authority and the Corporation with a revised schedule of principal and interest payments, which receipt shall be acknowledged by the President of each entity or his or her designee, and such schedule shall be considered incorporated into this Agreement as Schedule I. If less than all of the Certificates are refunded, the new Schedule I shall reflect the principal and interest payments on the unrefunded portion of the Certificates as well as the principal and interest payments on the refunding obligations.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the City. (a) The City hereby confirms the earlier levy by the City of the Additional Sales Tax, and hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Additional Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time pursuant to applicable law.

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

(c) The City agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under this Agreement.

Section 2.02 Representations and Warranties of the TIRZ #1 / Authority. (a) The TIRZ #1 and the Authority represent and warrant that each is and will be authorized by applicable law and by its articles of incorporation and bylaws to enter into this Agreement and make the payments to the City in the manner and to the extent provided in this Agreement.

(b) The TIRZ #1 and the Authority represent and warrant that the Project is an authorized project of the TIRZ #1 and the Authority under the Project Plan, and that the TIRZ #1 and the Authority has taken all action and obtained all approvals required by law and its governing documents in order to proceed with this Project and to undertake its obligations under this Agreement.

(c) The TIRZ #1 and the Authority agree to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the TIRZ #1 and the Authority under this Agreement.

(d) The TIRZ #1 and the Authority represent and warrant that this Agreement constitutes a valid, legal and binding obligation of the TIRZ #1 and the Authority enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting creditors' rights, and that the execution and delivery of this Agreement will not conflict with or constitute a material breach of or a default under any agreement or instrument to which the TIRZ #1 and the Authority is a party.

Section 2.03 Representations and Warranties of the Corporation. (a) The Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of incorporation and bylaws to enter into this Agreement and make the payments to the City in the manner and to the extent provided in this Agreement.

(b) The Corporation represents and warrants that the Project is an authorized project of the Corporation under the Act, and that the Corporation has taken all action and obtained all approvals required by law and the Corporation's bylaws in order to proceed with this Project and to undertake its obligations under this Agreement.

(c) The Corporation agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under this Agreement.

(d) The Corporation represents and warrants that this Agreement constitutes a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting creditors' rights, and that the execution and delivery of this Agreement will not conflict with or constitute a material breach of or a default under any agreement or instrument to which the Corporation is a party.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.01 Term. This Agreement shall be in force and effect from November 4, 2020 until the date on which the Certificates or bonds issued to refund the Certificates are paid in full.

Section 3.02 Amendments and Supplements. This Agreement may be amended, supplemented, or extended by mutual agreement of the parties hereto.

Section 3.03 Merger. This Agreement embodies the entire understanding between the parties hereto and there are no prior effective representations, warranties, or agreements between the parties hereto.

Section 3.04 Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original instrument and each will have the force and effect of an original and all of which together constitute, and will be deemed to constitute, one and the same instrument.

Section 3.05 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 3.06 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

[Execution Page Follows]

EXECUTED in multiple counterparts as of the date first written above.

CITY OF OAK RIDGE NORTH, TEXAS

By: 
Paul Bond, Mayor


ATTEST:

By: 
Elizabeth Harrell, City Secretary

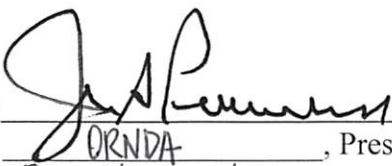
**REINVESTMENT ZONE NUMBER ONE,
CITY OF OAK RIDGE NORTH, TEXAS**

By: 
TIRZ NO. | _____, President
John Planchard

ATTEST:

By: 
Elizabeth Harrell, Secretary

**CITY OF OAK RIDGE NORTH
DEVELOPMENT AUTHORITY**

By: 
ORNDA, President
John Planchard


ATTEST:

By: 
Elizabeth Harrell, Secretary

**CITY OF OAK RIDGE NORTH
ECONOMIC DEVELOPMENT
CORPORATION**

By: 
James Walton, President

ATTEST:

By: 
Elizabeth Harrell, Secretary