

Summary of Principal Legal Documents

Supplement to the Resolution Authorizing the Sale of Bonds

This document establishes the terms of the sale of the bonds, and describes the City's obligations to collect tax revenues and pay debt service on the bonds. It establishes a lien on all taxable assessed valuation in the City for the payment of interest on and the principal of bonds issued by the City to provide financing for the Levee Project. The Supplement serves as a contract with bondowners. It fixes the denominations, payment terms and similar such terms of the bonds and establishes a pledge of revenues as security for the bonds, covenants of the City, events of default, remedies of bondowners, duties of the paying agent for the bonds, bond redemption provisions and miscellaneous other provisions relating to the bonds and the security therefor.

Preliminary Official Statement

The preliminary official statement is the primary disclosure document provided to investors in connection with the Authority's issuance of bonds. The preliminary official statement is subject to antifraud provisions under federal securities laws. Accordingly, the City and City staff have the obligation to make sure that the preliminary official statement discloses all material facts related to the bonds and does not omit to state any facts necessary to make any of the statements contained in the preliminary official statement false or misleading. The preliminary official statement discloses material information regarding the City, the authority for and purpose of the bonds, the Levee Project, the security for the payment of interest on and the repayment of the principal of the bonds, the terms of the bonds and the redemption provisions therefor, debt service on the bonds, material risk factors relating to the City's collection of taxes to make payments on the bonds, material risk factors relating to the security for the bonds in general, and other miscellaneous matters. After sale of the 2020 Bonds missing information such as the bond interest rates and yields, redemption provisions and the underwriting discount will be filled in and a final official statement will be delivered to bond purchasers.

Bond Purchase Agreement

This is the contract between the City and the underwriter specifying the interest rates and reoffering yields on the bonds and the price the underwriter will pay to the City for the purchase of the bonds. Because there is a time interval of 2 to 3 weeks between the execution of the contract and the closing (the delivery of the bonds and the payment of money), it also specifies various conditions on which the offer to purchase the bonds is contingent. These conditions include various legal opinions from the City's legal counsel, bond counsel, and disclosure counsel, various certificates to be delivered by City officials, various documents to be executed by parties to the financing, various actions to have been taken by the City and other conditions designed to assure the underwriter that all actions

necessary to the lawful delivery of the bonds have been taken and that all disclosure is complete, not misleading and true.

Continuing Disclosure Certificate

The SEC does not have the authority to regulate municipal bond issuers. It can, however, regulate bond underwriters. The official statement provides comprehensive disclosure to investors at the time bonds are initially sold. In the interest of requiring more up-to-date information to be provided to investors, the SEC also requires bond underwriters to ensure that issuers of municipal bonds that the underwriters purchase are obligated by a written undertaking to provide continuing disclosure of specific listed events when they occur and key credit information on an annual basis. To allow the underwriter to comply with this requirement, the City will execute a continuing disclosure certificate.

The continuing disclosure certificate requires the City to annually collect and disseminate to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") system

- (a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

- (b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the City for the preceding fiscal year, substantially similar to that provided in the Official Statement:
 - (i) Assessed value of taxable property within the jurisdiction of the City;

 - (ii) Summary of property tax rates for all taxing entities within the City expressed as a percentage of assessed valuation in the form of Table 5 of the Official Statement;

 - (iii) Top twenty property taxpayers for current fiscal year, taxable value and percentage of total assessed value in substantially the form of Table 6 of the Official Statement;

 - (iv) If and to the extent such information is available from the County, property tax collection delinquencies for the City; and

 - (v) Amount of all general obligation debt of the City outstanding, and total scheduled debt service on such general obligation debt.

- (c) In addition to any of the information expressly required to be provided the disclosure certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.
- (d) and the occurrence of certain significant events (all of which are listed) relating to the security provided to investors.