CERTIFICATE AS TO TAX EXEMPTION

The undersigned, being the duly chosen and qualified Mayor and City Manager of City of Boerne, Texas (the *City*), hereby certify with respect to the CITY OF BOERNE, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021 in the aggregate principal amount of $_____.00 (the *Obligations*), as follows:

A. General.

(1) For all purposes of this certificate, unless otherwise defined, all defined terms herein shall have the same meaning given to them in the Ordinance authorizing the issuance of the Obligations and the Regulations (each as defined below).

(2) Pursuant to state law and the Ordinance authorizing the issuance of the Obligations, we, along with other officers of the City, are charged with the responsibility for issuing the Obligations.

(3) This certificate is made pursuant to Treasury Regulations Sections 1.141 through 1.150 (the *Regulations*), and sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended to the date hereof (the *Code*).

(4) This certificate is based on the facts and estimates described herein in existence on this date, which is the date of delivery of the Obligations to and payment for the Obligations by the initial purchasers thereof, and, on the basis of such facts and estimates, the undersigned expects that the future events described herein will occur. To the best knowledge and belief of the undersigned, there are no other facts, estimates, or circumstances which would materially change the following statements, and the expectations hereinafter set forth are reasonable. The City covenants not to take any intentional acts or actions after the Closing Date of the Obligations to earn a Yield upon the investment of the proceeds materially higher than the Yield on the Obligations, except as provided herein, or take any other action or omit to take any action which would change the expectations of the City set forth herein.

(5) Terms used and not defined herein have the same meanings given to them in the Ordinance of the City (the *Ordinance*) adopted on October 26, 2021 (the *Sale Date*), authorizing the issuance of the Obligations, as evidenced in an approval certificate (the *Approval Certificate*). The Approval Certificate was executed by Authorized Official on _____, 2021.

(6) The City's employer identification number is 74-6000373.

B. Purpose and Size.

(1) The Obligations are being sold to _____, _____, _____, as the authorized representative of a group of underwriters at a competitive sale (the *Purchasers*) and are issued pursuant to the Ordinance to (i) provide funds sufficient to pay the principal of, interest on, and redemption premium, if any, of the City's obligations styled City of Boerne, Texas General Obligation Refunding Bonds, Series 2014", dated November 1,

2014, in the original principal amount of $9,560,000 stated to mature on March 1 in each of the years 2023 through 2031 in the aggregate principal amount of $6,820,000, to be redeemed on March 1, 2022 (*2014 Refunded Obligations*); and "City of Boerne, Texas Tax Notes, Series 2017", dated August 1, 2017, in the original principal amount of $21,835,000 stated to mature on March 1 in each of the years 2023 and 2024, in the aggregate principal amount of $18,380,000, to be redeemed on March 1, 2022 (*2017 Refunded Obligations* and, together with the 2014 Refunded Obligations, the *Refunded Obligations*), and (ii) to pay the costs and expenses of issuing the Obligations.

(2) The projects financed with proceeds of the Refunded Obligations (the *Prior Projects*) have always been and are owned, operated, and maintained by the City; and the City has not contracted with any firm, company, or other person or entity to manage, operate, and/or maintain the Prior Projects for and on behalf of the City. The City does not expect to enter into any contract for the operation, maintenance, or management of the Prior Projects.

(3) There is not, and as of the date hereof, the City does not anticipate entering into, any lease, contract, or other understanding or arrangement with any person other than a state or local governmental unit, pursuant to which the City expects that proceeds of the Obligations or the Prior Projects, will be used in the trade or business of such person (including all activities of such person who are individuals).

(4) The City has and will, at all times prior to the last Stated Maturity of the Obligations,

(a) exclusively owned, operated, and possessed all property financed or refinanced, acquired, constructed, or improved with Gross Proceeds of the Obligations and not used or permitted the use of any property financed or refinanced, acquired, constructed, or improved with Gross Proceeds of the Obligations in any activity carried on by any person or entity (other than a state or local government), *unless* such use is merely as a member of the general public, or

(b) not directly or indirectly imposed or accepted any charge or other payment for use of Gross Proceeds of the Obligations or any property financed or refinanced, acquired, constructed, or improved with Gross Proceeds, other than a charge or other payment merely as a member of the general public or interest earned on Investments acquired with Gross Proceeds of the Obligations pending application for their intended purposes, either or both.

(5) The City has not and will not use Gross Proceeds of the Obligations to make or finance or refinance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (1) property financed or refinanced, acquired, constructed, or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of Gross Proceeds or any property financed or refinanced, acquired, constructed, or improved with

Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(6) The City has decided to refund the Refunded Obligations in order to realize debt service savings.

(7) The Refunded Obligations will be redeemed or discharged at their earliest optional redemption date.

(8) The amounts received from the sale of the Obligations, when added to the amount expected to be received from the investment thereof, do not exceed the amounts required to pay the principal of, interest on, and redemption premium, if any, of the Refunded Obligations to the date of redemption, and the costs of offering and issuing the Obligations.

(9) No receipt from the sale of the Obligations or amounts received from the investment thereof will be used to pay the principal of or interest on any currently outstanding debt obligation of the City, other than the Obligations and the Refunded Obligations.

C. Source and Disbursement of Funds.

(1) The Purchasers sold the Obligations to the public for $ ______. The Issuer has received as a result of the sale of the Obligations on the date hereof to the Purchasers an amount equal to $ ______ (being the principal amount of the Obligations of $_____.00, plus a [net] reoffering premium of $ ______, less a Purchasers' discount of $ ______), plus accrued interest in the amount of $ ______.

(2) The Purchasers, in the Issue Price Certificate attached hereto as Exhibit A, and the Municipal Advisor, in the Certificate of Municipal Advisor attached hereto as Exhibit B, have provided certifications to establish that the requirements of the special rule for competitive sales under Section 1.148-1(f)(2)(iii) of the Regulations were satisfied with respect to the Obligations. The City hereby identifies Section 1.148-1(f)(2)(iii) of the Regulations as the rule that applies to determine the issue price of the Obligations.

(3) The City has caused the deposit of the portion of the Issue Price allocable to the Obligations this day as follows:

Description	Amount
Deposit to Escrow Fund	$ ______
Deposit to the Bond Fund (for accrued interest)	______
Pay Costs of Issuing the Obligations (including Purchasers' Discount)	______
TOTAL	$ ______

(4) The City has contributed $ ______ (the *City Contribution*) to accomplish the refunding of the Refunded Obligations. The City Contribution represents a portion of the funds currently on deposit in the interest and sinking fund related to the Refunded

Obligations and other lawfully available funds of the City and does not represent proceeds from any borrowings of the City. Such interest and sinking fund portion is a bona fide debt service fund established to achieve a proper matching of revenues and debt service on the Refunded Obligations. The City Contribution has been deposited and is hereby allocated to the Escrow Fund.

D. Temporary Periods.

The amount disbursed or set aside to pay costs of issuance of the Obligations will be so used within one month from the date hereof, will not be used to pay debt service on the Refunded Obligations, and may be invested without restriction as to Yield until expended as described herein.

E. Bond Fund.

(1) Pursuant to Section 11 of the Ordinance, the City will levy an ad valorem tax, within the limits prescribed by law, on all taxable property within the jurisdiction of the City to pay principal of and interest on the Obligation as such becomes due, and such tax has been pledged to the payment of the Obligations. Amounts collected from such tax for the payment of the principal of and interest on the Obligations are to be deposited to the credit of the "CITY OF BOERNE, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2021 INTEREST AND SINKING FUND" (the *Bond Fund*). The City may credit against its required deposits to the Bond Fund all amounts received from the investment of funds held therein. All money deposited in the Bond Fund will be used solely to pay the principal of and interest on the Obligations as the same becomes due and payable.

(2) Except for that portion of the Bond Fund, if any, consisting of deposits made to defease the Obligations, in whole or in part, the Bond Fund (i) was created primarily to achieve a proper matching of revenues and debt service with respect to the Obligations within each bond year, beginning on the Closing Date and ending on each anniversary of the Closing Date thereafter until the Obligations are no longer Outstanding and (ii) will be depleted at least once a year except possibly for a carry-over amount not greater than the larger of the preceding bond year's income from the investment thereof or one-twelfth of the debt service paid during the preceding bond year on the Obligations. All amounts deposited to the Bond Fund will be spent within 13 months of deposit, and all amounts received from investment of such fund will be deposited therein and will be expended within twelve months of receipt. Any amounts held in the Bond Fund during such periods are expected to be invested by the City without regard as to restriction of Yield. Any amounts held in the Bond Fund in excess of such amounts will be used as soon as possible to pay debt service on or to redeem the Obligations.

(3) All money deposited in the Bond Fund will be used solely to pay the principal of, and interest on, the Obligations as the same becomes due and payable, and there will be no other funds that will be so used or pledged or otherwise restricted so as to be available with reasonable certainty to be so used.

F. Escrow Fund.

(1) All the Proceeds of the Obligations and City Contribution deposited this day to the Escrow Fund will be held under an Escrow Deposit Letter dated as of October 26, 2021 (the *Escrow Agreement*) between the City and Zions Bancorporation, National Association, Houston, Texas, as escrow agent (the *Escrow Agent*) and will be held uninvested in cash and applied to the payment of principal of, interest on, and redemption premium, if any, of the Refunded Obligations on March 1, 2022.

(2) No other tax-exempt obligations payable from the City's taxes and other revenues were issued within 15 days of the sale date of the Obligations.

G. Qualified Current Refunding.

The Obligations are issued, in part, to refund the Refunded Obligations, and the Obligations will be issued, and certain proceeds thereof used, within 90 days after the Closing Date for the redemption of the Refunded Obligations. In the issuance of the Obligations, the City has employed no "device" to obtain a material financial advantage (based on arbitrage), within the meaning of section 149(d)(4) of the Code, apart from savings attributable to lower interest rates. The City has complied with the covenants, representations, and warranties contained in the documents executed in connection with the issuance of the Refunded Obligations.

H. No Transferred or Replacement Proceeds.

(1) All amounts received from the sale of the Refunded Obligations and from the investment of such amounts have been expended for the purposes for which such obligations were issued.

(2) The weighted average maturity of the Obligations is ______ years. The remaining weighted average maturity of the Refunded Obligations is ______ years. The weighted average maturity of the Obligations and the Refunded Obligations does not exceed 120% of the average reasonably expected economic life of the Prior Projects, determined pursuant to section 147(b) of the Code.

I. Yield, Rebate and Miscellaneous.

(1) The Yield on the Obligations is ______ percent calculated on the basis of the information provided in the Issue Price Certificate attached hereto as Exhibit A.

(2) At the time the Refunded Obligations were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of the Refunded Obligations within three years after the Refunded Obligations were issued. Not more than 50% of the proceeds of the Refunded Obligations was invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of four (4) years or more.

(3) Unless the City has qualified for an exception to rebate pursuant to section 148(f)(4) of the Code, not less frequently than each Computation Date, the City has covenanted in the Ordinance to calculate or cause to be calculated by a nationally

recognized accounting, financial advisory firm or financial institution, in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder, the Rebate Amount. The City has covenanted in the Ordinance to maintain such calculations with the official transcript of the proceedings relating to the issuance of the Obligations until six years after the final Computation Date.

(4) The City has covenanted in the Ordinance to pay to the United States the amount described in the preceding paragraph of this Section, at the times, in the installments, to the place, in the manner, and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(5) The City has covenanted to account for the Gross Proceeds of the Obligations separately and apart from all other funds of the City from the date hereof.

(6) The City does not expect that the proceeds of the Obligations will be used in a manner that would cause the Obligations to be arbitrage bonds within the meaning of section 148 of the Code.

J. No Abusive Arbitrage Device.

(1) In connection with the issuance of the Obligations, the City has not employed any action which has the effect of overburdening the market for tax-exempt obligations by issuing more bonds, issuing bonds earlier, or allowing bonds to remain outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Obligations.

(2) In connection with the issuance of the Obligations, the City has not employed any action which has the effect of enabling the City to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage.

K. Written Procedures. This certificate shall constitute written procedures and processes that require the City to insure that, after the Closing Date, the City is in compliance with the covenants and representations contained herein and the Code and Regulations related to the Obligations and for a period of three (3) years after the Obligations are paid in full will maintain records that show compliance with the covenants and representations contained herein and the Code and Regulations related to the Obligations. The City designates the following officer(s) to have primary responsibility for maintaining post-issuance compliance with the covenants and representations contained herein and the Code and Regulations related to the Obligations:

City Manager

and the following officer(s) shall maintain the records related thereto:

City Manager

Such officers may assign and delegate responsibilities to others as they deem necessary or appropriate.

L. Remedial Action/Voluntary Closing Agreement Program. If the City in complying with the terms and provisions the policies or guidelines set forth herein and the Code and Regulations related to the Obligations determines that the requirements of these policies and guidelines or the Code and Regulations related to the Obligations may have been violated, the City will make final determinations, if necessary with the assistance of its bond and tax counsel and financial advisors, and take appropriate actions related to such noncompliance including, if appropriate, any remedial action described under applicable Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program.

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Executed and delivered ______________________________________.

CITY OF BOERNE, TEXAS

____
Mayor

____
City Manager

EXHIBIT A

Issue Price Certificate

See Tab No. 15

EXHIBIT B

Certificate of Municipal Advisor

See Tab No. 18