AGENDA
ELGIN CITY COUNCIL
SPECIAL MEETING
TUESDAY, AUGUST 18, 2015
CITY ANNEX COUNCIL CHAMBERS, 310 NORTH MAIN STREET
7:00 PM

CALL TO ORDER

Recess REGULAR MEETING and call to order PUBLIC HEARING

PUBLIC HEARING

1. Public hearing on the Fiscal Year 2015/2016 City of Elgin Proposed Budget prior to adoption on September 1, 2015.
   Kerry Lacy, City Manager

Close PUBLIC HEARING and Reconvene REGULAR MEETING

PUBLIC COMMENT

Individuals may request to speak on items on the agenda, and items not on the agenda, by requesting to speak during the meeting and under "PUBLIC COMMENT" and will be required to fill out a "PUBLIC COMMENT FORM" and present it, along with any material, handouts or information for Council, to the City Secretary prior to commencement of the Council meeting. Speaker comments are limited to three (3) minutes.

No formal action can be taken by the City Council on items not posted on the agenda. Items requiring a Public Hearing will allow a member of the public an opportunity to speak during the Public Hearing and does not require submission of a "PUBLIC COMMENT FORM". Speakers must address their comments to the Mayor or Presiding Officer rather than to an individual Council Member or member of Staff. All speakers must limit their comments to the specific subject matter noted on the "PUBLIC COMMENT FORM" and refrain from personal attacks or derogatory comments directed at any Council Member, member of Staff, other individual or group.

PRESENTATIONS

None

REPORTS

None

CONSENT AGENDA

All of the items on the consent agenda are considered to be self-explanatory by the Council and will be enacted with one motion, one second, and one vote. There will be no separate discussion of these items unless a council member removes an item from the Consent Agenda and places it on the New Business section for Discussion and action.

1. Approval of correction to the minutes of the regular council meeting June 2, 2015.
   Kerry Lacy, City Manager
   Lucretia Alvarez, City Secretary

2. Approval of a request to waive the open container ordinance for the Annual Fiesta sponsored by Sacred Heart Catholic Church on Saturday, September 5 from 7:00 a.m. to 11:59 p.m. and on Sunday, September 6 from 12:00 p.m. to 10:00 p.m.in Elgin Memorial Park.
   Kerry Lacy, City Manager
   Amy Miller, Community Development Director
   Michael Gonzalez, Parks & Recreation Manager

UNFINISHED BUSINESS

1. Discussion and action to provide Council the opportunity to make changes to the City Manager's proposed Fiscal Year 2015/2016 Budget prior to adoption on September 1, 2015.
   Kerry Lacy, City Manager

NEW BUSINESS

1. Discussion and action to consider the proposed Tax Rate of $0.656916 for Fiscal Year 2015-2016.
   Kerry Lacy, City Manager
   Sidney LaQuey, Finance Director

2. Discussion and action to consider adoption of an Ordinance authorizing the issuance of "City of Elgin, Texas, combination tax and revenue certificates of obligation, series 2015"; specifying the terms and features of said certificates; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of surplus revenues from the operation of the City's waterworks and sewer system; approving an official statement; and resolving other matters incident and related to the issuance, payment, sale and delivery of said certificates.
   Kerry Lacy, City Manager
   Jerry V. Kyle, Jr., Bond Council, Partener with Andrews Kurt LLP
   Chris W. Allen, Financial Advisor, Senior Vice President with First Southwest

3. Discussion and action to consider adoption of an Ordinance authorizing the issuance of "City of Elgin, Texas, general obligation refunding bonds, series 2015"; specifying the terms and features of said bonds; providing for the payment of said bonds by the levy of an ad valorem tax upon all taxable property within the City; approving an official statement; and resolving other matters incident and related to the issuance, payment, security, sale and delivery of said bonds.
   Kerry Lacy, City Manager
   Jerry V. Kyle, Jr., Bond Council and Partner with Andrew Kurt LLP
   Chris W. Allen, Financial Advisor and Senior Vice President with First Southwest

4. Discussion and action to consider authorizing the City Manager to enter into an agreement for the 2015 Street Maintenance contract to the selected contractor.
   Kerry Lacy, City Manager
   Joe Parten, Public Works Director
   Beau Perry, City Engineer

EXECUTIVE SESSION

The City Council may announce that it will adjourn the public meeting at any time during the meeting and convene in Executive Session pursuant to Chapter 551 of the Texas Government Code to discuss any matter as specifically listed on the agenda and/or as permitted by Chapter 551 of the Texas Government Code.

1. The City Council will convene in Executive Session pursuant to Section 551.074(a)(1) and (c) of the Texas Government Code to deliberate the annual performance evaluation of the City Manager and the possible amendment of the employment agreement between the City of Elgin and the City Manager.

RECONVENE

The City Council will return to open session for possible discussion and action as a result of the Executive Session.

ANNOUNCEMENTS

ADJOURNMENT

NOTICE

Notice of Assistance at Public Meetings, the City of Elgin is committed to compliance with the Americans with Disabilities Act. Elgin City Hall and Council Chambers are wheelchair accessible and special marked parking is available. Persons with Disabilities who plan to attend this meeting and who may need assistance are requested to contact the City Secretary's Office at (512) 281-5724. Please provide forty-eight hours notice when feasible.

I, Lucretia Alvarez, City Secretary for the City of Elgin, hereby certify this notice was posted at the City Hall Annex of the City of Elgin, Texas on or before Friday, August 14 before 5:00 p.m. in accordance with Chapter 551 of the Texas Government Code.

Lucretia Alvarez

Lucretia Alvarez, City Secretary

COUNCIL MEETING: August 18, 2015

ITEM: **1.** Public hearing on the Fiscal Year 2015/2016 City of Elgin Proposed Budget prior to adoption on September 1, 2015.

RESOURCE PERSON(S): **Kerry Lacy, City Manager**

SUMMARY: **This Public Hearing is to provide for public comment in relation to the Proposed Budget for Fiscal year 2015/2016 prior to adoption by City Council on September 1, 2015**

RECOMMENDATION(S):

ATTACHMENT: **1-2015/2016 Fiscal Year Proposed Budget**

Combined Summary of Revenues Expenditures
All City Funds
Fiscal Year 2015/2016 Budget

	Total All Budgeted Funds	General Fund	Utility Fund	Debt Service	Non-Departmental	Grants Non-Capital Improvement	General Fund Cap Equip Replacement	Utility Fund Cap Equip Replacement	Library Grants	TIRZ#1	380 FRONTIER CROSSING	SPECIAL REVENUE (ALL)	Capital Projects (ALL)	COMPONENT UNITS Main Street Board	COMPONENT UNITS EDC
		1	2	3	5	14	21	22	23	31	32			19	18
Estimated Beginning Resources	**5,666,488**	**1,436,974**	**1,424,609**	**343,732**	**-**	**-**	**248,541**	**13,200**	**1,804**	**113,222**	**59,911**	**1,023,349**	**-**	**50,006**	**951,140**
	-														
Estimated Revenues	-														
Taxes/Assessments	**3,809,016**	1,648,890		1,436,326						148,738					575,062
Sales Taxes	**1,147,325**	1,147,325													
Licenses and Permits	**152,417**	152,417													
Franchise Fees	**392,650**	390,000										2,650			
Intergovernmental Revenues	**182,825**	110,500								72,325					
Charges for services	**6,945,490**	112,300	5,179,375									1,593,770		60,045	
MISC	**28,100**	26,000												2,000	100
Fines/Forfeitures	**244,055**	244,055													
Sanitation Services	-														
Reimbursement for services	-														
Operating Transfers in	**3,365,697**	2,013,285			1,181,710		15,900	12,000			142,802				
Interest on Investments	**4,180**	4,000												180	
CO's Proceeds	**6,000,000**										1,000,000		5,000,000		
Grant Revenues	**3,724,624**					100,000			3,500				3,621,124		
Other Financing Sources															
Total Current Year Revenues	25,996,378	5,848,771	5,179,375	1,436,326	1,181,710	100,000	15,900	12,000	3,500	221,062	1,142,802	1,596,420	8,621,124	62,225	575,162
Total Available Resources	**31,662,866**	**7,285,745**	**6,603,984**	**1,780,058**	**1,181,710**	**100,000**	**264,441**	**25,200**	**5,304**	**334,284**	**1,202,713**	**2,619,769**	**8,621,124**	**112,231**	**1,526,302**
Estimated Expenditures	-														
Administration	**1,270,526**	799,501				100,000					100,000	270,725		300	
Finance	**251,976**	251,976													
Cost of Goods Sold	**61,343**													61,343	
Library	**273,024**	269,524							3,500						
Community Development	**2,206,023**	180,141											1,641,124		384,758
Parks	**3,583,769**	483,769											3,100,000		
Public Safety	**2,722,956**	2,230,020										492,936			
Billing and Collection	-														
Water Operations	-														
Public Works	**2,384,145**	1,078,245					15,900						1,290,000		
Intragovernmental Expenditures	**1,507,261**	1,292,812										214,449			
Non departmental	**2,275,120**				1,181,710						980,000	61,410	52,000		
Sewer Operations	-														
Capital Projects	-														
Operating Transfers Out	**1,947,485**		1,740,021												207,464
Code Enforcement	**154,794**		154,794												
Planning and Dev	**182,726**		182,726												
												62,500			

														COMPONENT UNITS	
	Total All Budgeted Funds	General Fund	Utility Fund	Debt Service	Non-Departmental	Grants Non-Capital Improvement	General Fund Cap Equip Replacement	Utility Fund Cap Equip Replacement	Library Grants	TIRZ#1	380 FRONTIER CROSSING	SPECIAL REVENUE (ALL)	Capital Projects (ALL)	Main Street Board	EDC
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Water Distribution	**986,002**		531,202					12,000					442,800		
Wastewater Treatment	**548,690**		443,690									75,000	30,000		
Principal and Interest	**2,521,556**		1,201,855	1,319,701											
Collection/Wastewater	**98,330**		98,330												
	-														
Debt Service	**-**														
Principal Payments	**-**														
Interest Payments	**-**														
	-														
Total Expenditures	24,473,318	6,585,987	5,787,710	1,319,701	1,181,710	100,000	15,900	12,000	3,500	-	1,080,000	1,177,020	6,555,924	61,643	592,222
	-														
Revenue Over (Under) Expenditures	**-** 1,523,060	(737,216)	(608,335)	116,625	0	-	-	-	-	221,062	62,802	419,400	2,065,200	582	(17,060)
	-														
Estimated Ending Resources	**7,189,548**	**699,758**	**816,274**	**460,357**	**0**	**-**	**248,541**	**13,200**	**1,804**	**334,284**	**122,713**	**1,442,749**	**2,065,200**	**50,588**	**934,080**

COUNCIL MEETING: August 18, 2015

ITEM: **1.** Approval of correction to the minutes of the regular council meeting June 2, 2015.

RESOURCE PERSON(S): **Kerry Lacy, City Manager**
Lucretia Alvarez, City Secretary

SUMMARY: **Upon review of the council minutes I discovered an error in the attendance. The minutes show Keith Joesel as absent, but it was a simple error and his presence at the meeting June 2, 2015 has been confirmed. Presented for review and approval are the corrected minutes of the regular council meeting June 2, 2015.**

RECOMMENDATION(S): **Approve the correction to the minutes of the regular council meeting June 2, 2015.**

ATTACHMENT: **1-Corrected minutes 6-2-2015**

MINUTES
ELGIN CITY COUNCIL
REGULAR MEETING
TUESDAY, JUNE 2, 2015, 7:00 P.M.
CITY ANNEX COUNCIL CHAMBERS, 310 NORTH MAIN STREET

CALL TO ORDER

Mayor Marc Holm called the meeting to order at 7:07 p.m. with all members present.

Marc Holm, Mayor
Chris Cannon, Mayor Pro-Tem
Keith Joesel, Council Member
Sue Brashar, Council Member
Edward Maldonado, Council Member
Juan Gonzalez, Council Member
Mary Penson, Council Member
Jessica Bega, Council Member
Craig Fromme, Council Member
Kerry Lacy, City Manager
Lucretia Alvarez, City Secretary
Charlie Crossfield, City Attorney

INVOCATION

Council Member Mary Penson gave the invocation.

PUBLIC HEARING

None

PUBLIC COMMENT

Brad Schultz, 121 Shenandoah Trail, regarding clarity of placement for mobile basketball goals in private yards and curbsides.

Dennis Schultz, 403 Gettysburg, requesting clarity of allowable placement for mobile basketball goals in private yards and curbsides.

Charles Hill, 912 River Oaks Drive, Austin, TX regarding the recent flooding at his properties 101, 103, and 107 Taylor Lane. Collection of base material washed up onto those yards, and also the gree water and mosquitos are a health hazard.

Mr. and Mrs. Eddie Harvey, 101 Taylor Lane, killed five snakes as a result of rising waters, and concerns regarding standing water as a health hazard.

Marilyn Jones, 614 Old McDade Road, opposed to a new stop sign at Martin Luther King and East

Alamo Street, and presented several questions regarding the evaluation process, traffic studies, and decision-making of placing stop signs in Elgin.

Vincent May, 9002 Ingrid Drive, TX DOT road improvements and legislative money is assigned through CAMPO and there is money for highway improvements.

George Prieto, 212 Kennedy Street, flooding and drainage concerns for getting culverts put in.

Freddie Nash, 222 Kennedy Street, drainage concerns & flooding reoccurring for many years, and the area needs cleaned up. His house has been leveled four times in the past ten years.

PRESENTATIONS

1. Proclamation recognizing Juneteenth Day in Elgin.
   Amy Miller, Community Development Director

   Mayor Marc Holm presented the proclamation to Marilyn Jones, Bishop Mayes, and Frankie Wright.

   2. Proclamation recognizing Western Days Week in Elgin.
   Amy Miller, Community Development Director

   Gena Carter was unavailable to accept the proclamation.

   3. CAPCOG Air Quality program presentation.
   Fred Blood, Air Quality Program Specialist, CAPCOG
   Amy Miller, Community Development Director

   Fred Blood gave the presentation for Elgin's awareness of the Air Quality Programs as suggested by the Capital Area of Council of Governments.

REPORTS

1. Monthly Reports for April 2015
   Kerry Lacy, City Manager

City Manager Kerry Lacy states that reports are informational only.

CONSENT AGENDA

Council Member Sue Brashar made a motion to approve the Consent Agenda as presented, Mayor Pro-Tem Chris Cannon seconded, and motion approved unanimously.

1. Approval of minutes of the regular council meeting and public hearing May 5, 2015.
   Lucretia Alvarez, City Secretary

2. Approval of minutes of the special council meeting May 19, 2015.
   Lucretia Alvarez, City Secretary

3. Approval of waiving the open container ordinance on Main Street from Second Street to Brenham Street; and on Second Street, First Street, Depot Street, Central Avenue, Austin Street, Brenham Street, from Main Street to Avenue C; and on Avenue C from Brenham Street to Central Avenue on the second Thursdays July 9, August 13, September 10, October 8, November 12, December 10 from 5pm to 8pm for Sip, Shop and Stroll.
   Amy Miller, Community Development Director

UNFINISHED BUSINESS

None

NEW BUSINESS

1. Discussion and action to consider authorizing and approving the installation of a four way stop at the intersection of Martin Luther King and East Alamo.
   Jessica Bega, Council Member Ward 1

   Council Member Jessica Bega made a motion to authorize the City Manager to engage into conversation with Elgin Independent School District, conduct a traffic study on Martin Luther King from Brenham to Highway 290, and utilize the traffic trailer in those areas. Council Member Craig Fromme seconded and motion approved unanimously.

2. Discussion and action to consider a proposed Frontier Crossing Master Sign Plan.
   Gary Cooke, Planning and Development Director

   Mayor Pro-Tem Chris Cannon made a motion to approve the Frontier Crossing Master Sign Plan, Council Member Craig Fromme seconded, and motion approved unanimously.

   2. (1) Discussion and action to consider the appointment of Mayor Pro-Tem.
   Council Member Juan Gonzalez made a motion to appoint Chris Cannon as Mayor Pro-Tem, Council Member Craig Fromme seconded and motion passed unanimously.

EXECUTIVE SESSION

None

ANNOUNCEMENTS

- Recognize Public Works staff for their extra work both day and night during the flooding.
- Recreation Center questions on Facebook. Be mindful of social media discussions.
- TML Region 10 meeting June 9 in College Station.
- City Council special meetings will be held on June 10 and June 17.

ADJOURNMENT

Mayor Marc Holm adjourned the meeting at 8:33 p.m.

_____
MARC HOLM
Mayor of Elgin, Texas

ATTEST:

_____
LUCRETIA ALVAREZ
City Secretary of Elgin, Texas

COUNCIL MEETING: August 18, 2015

ITEM: 2. Approval of a request to waive the open container ordinance for the Annual Fiesta sponsored by Sacred Heart Catholic Church on Saturday, September 5 from 7:00 a.m. to 11:59 p.m. and on Sunday, September 6 from 12:00 p.m. to 10:00 p.m.in Elgin Memorial Park.

RESOURCE PERSON(S): **Kerry Lacy, City Manager**
Amy Miller, Community Development Director
Michael Gonzalez, Parks & Recreation Manager

SUMMARY: **Sacred Heart Catholic Church and Father George submitted a request to waive the open container ordinance for the Annual Fiesta Saturday, September 5 and Sunday September 6. Church members set up the booths and park grounds on Saturday. The event is open Saturday evening till midnight and on Sunday noon - 10pm. They will take down the booths and clean up the park on Monday, September 7.**

RECOMMENDATION(S): **Approve a request to waive the open container ordinance for the Annual Fiesta sponsored by Sacred Heart Catholic Church on Saturday, September 5 from 7:00 a.m. to 11:59 p.m. and on Sunday, September 6 from 12:00 p.m. to 10:00 p.m.in Elgin Memorial Park.**

ATTACHMENT: **1-Annual Fiesta request letter**

Sacred Heart Catholic Church
Request for use of Elgin Memorial Park

July 08, 2015
Dear Council members:

Re: Elgin Sacred Heart Catholic Church
Annual Fiesta – September 5 & 6, 2015

Sacred Heart Catholic Church and Father George would like to request your consideration on the following items in reference to our Annual Fiesta on Saturday and Sunday, September 5 & 6, 2015.

- Request to waive the open container alcohol ordinance for Saturday September 5, 2015 and Sunday September 6, 2015.
- Request to allow the music to extend until 12 am on Saturday September 5, 2015 and 10 pm Sunday September 6, 2015.
- Request to allow our Church members to set up booths on the park grounds on Friday & Saturday, September 4 & 5, 2015 and to take down all booths and clean up the Park on Monday, September 7, 2015.

Your consideration is greatly appreciated.

Sincerely,

Pete Bega

Fiesta Representative

COUNCIL MEETING: August 18, 2015

ITEM: 1. Discussion and action to provide Council the opportunity to make changes to the City Manager's proposed Fiscal Year 2015/2016 Budget prior to adoption on September 1, 2015.

RESOURCE PERSON(S): Kerry Lacy, City Manager

SUMMARY: **This is an opportunity for Council to make changes to the City Manager's proposed Budget for Fiscal year 2015/2016 prior to adoption on September 1, 2015, by making any additions, deletions or changes in funding to the proposed Budget.**

RECOMMENDATION(S):

ATTACHMENT: **1-2015/2016 Fiscal Year Proposed Budget**

Combined Summary of Revenues Expenditures
All City Funds
Fiscal Year 2015/2016 Budget

	Total All Budgeted Funds	General Fund	Utility Fund	Debt Service	Non-Departmental	Grants Non-Capital Improvement	General Fund Cap Equip Replacement	Utility Fund Cap Equip Replacement	Library Grants	TIRZ#1	380 FRONTIER CROSSING	SPECIAL REVENUE (ALL)	Capital Projects (ALL)	COMPONENT UNITS Main Street Board	COMPONENT UNITS EDC
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Wastewater Treatment	**548,690**		443,690									75,000	30,000		
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COUNCIL MEETING: August 18, 2015

ITEM: **1.** Discussion and action to consider the proposed Tax Rate of $0.656916 for Fiscal Year 2015-2016.

RESOURCE PERSON(S): **Kerry Lacy, City Manager**
Sidney LaQuey, Finance Director

SUMMARY: **The proposed tax rate of $0.656916 is the lowest rate Council can adopt without holding public hearings.**

RECOMMENDATION(S): **Recommendation is for Council to approve the tax rate of $0.656916 for fiscal year 2015/2016.**

ATTACHMENT: **1-Tax Rate Calculation Data**

COUNCIL MEETING: August 18, 2015

ITEM: 2. Discussion and action to consider adoption of an Ordinance authorizing the issuance of "City of Elgin, Texas, combination tax and revenue certificates of obligation, series 2015"; specifying the terms and features of said certificates; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the City and a limited pledge of surplus revenues from the operation of the City's waterworks and sewer system; approving an official statement; and resolving other matters incident and related to the issuance, payment, sale and delivery of said certificates.

RESOURCE PERSON(S): **Kerry Lacy, City Manager**
Jerry V. Kyle, Jr., Bond Council, Partener with Andrews Kurt LLP
Chris W. Allen, Financial Advisor, Senior Vice President with First Southwest

SUMMARY: **The proposed Ordinance is attached for your review. The original with the data filled in after pricing will be brought by our Bond Council and Financial Advisor to the meeting for Council approval and the signatures required.**

RECOMMENDATION(S): **Approval of the proposed Ordinance.**

ATTACHMENT: **1-Copy of the proposed Ordinance**

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF ELGIN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015"; SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A LIMITED PLEDGE OF SURPLUS REVENUES FROM THE OPERATION OF THE CITY'S WATERWORKS AND SEWER SYSTEM; APPROVING AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES

WHEREAS, notice of the City Council's intention to issue certificates of obligation for the purpose of paying contractual obligations to be incurred for (i) improvements and extensions to City streets, including sidewalks, street lighting, traffic signals/controllers, signage, landscaping, utility improvements, extensions and relocations, and acquisition of land, rights-of-way and equipment in connection therewith, (ii) acquisition, improvement and equipment of City park and recreation facilities, including a recreation center, (iii) acquisition, improvement and equipment of disaster relief facilities, including a shelter for disaster relief, (iv) acquisition, improvement and equipment of City office and administrative facilities, (v) improvements, renovations, replacements, relocations and extensions to the City's water and sewer system, including acquisition of equipment in connection therewith, (vi) improvements, renovations, replacements, relocations and extensions to the City's storm sewer and drainage facilities, including acquisition of equipment in connection therewith, and (vii) professional services, including legal, fiscal, engineering and design fees, and the costs of issuing the certificates of obligation, has been duly published in the *Elgin Courier*, a newspaper hereby found and determined to be of general circulation in the City of Elgin, Texas, on July 15, 2015, and July 22, 2015, the date the first publication of such notice being not less than thirty-one (31) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates; and

WHEREAS, no petition protesting the issuance of the certificates of obligation and bearing valid petition signatures of at least five percent (5%) of the qualified electors of the City, has been presented to or filed with the Mayor, City Secretary or any other official of the City on or prior to the date of the passage of this Ordinance; and

WHEREAS, the City Council hereby finds and determines that the certificates of obligation described in the aforesaid notice should be issued and sold at this time in the amount and manner as hereinafter provided; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS:

Section 1: Authorization; Designation; Principal Amount; Purpose. The "City of Elgin, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2015," which shall be so designated and bear such title (hereinafter referred to as the "Certificates"), shall be and are hereby authorized to be issued in the aggregate principal amount of [$6,120,000] for the purpose of paying contractual obligations to be incurred for (i) improvements and extensions to City streets, including sidewalks, street lighting, traffic signals/controllers, signage, landscaping, utility improvements, extensions and relocations, and acquisition of land, rights-of-way and equipment in connection therewith, (ii) acquisition, improvement and equipment of City park and recreation facilities, including a recreation center, (iii) acquisition, improvement and equipment of disaster relief facilities,

including a shelter for disaster relief, (iv) acquisition, improvement and equipment of City office and administrative facilities, (v) improvements, renovations, replacements, relocations and extensions to the City's water and sewer system, including acquisition of equipment in connection therewith, (vi) improvements, renovations, replacements, relocations and extensions to the City's storm sewer and drainage facilities, including acquisition of equipment in connection therewith, and (vii) professional services, including legal, fiscal, engineering and design fees, and the costs of issuing the Certificates, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Subchapter C of Chapter 271, Texas Local Government Code, as amended.

Section 2: Fully Registered Obligations; Authorized Denominations; Stated Maturities; Date. The Certificates are issuable in fully registered form only; shall be dated August 15, 2015 (the "Certificate Date") and shall be in denominations of $5,000 or any integral multiple thereof (within a Stated Maturity) and the Certificates shall become due and payable on July 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

Year of Stated Maturity	Principal Amount	Interest Rate(s)
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		

The Certificates shall bear interest on the unpaid principal amounts from the Delivery Date at the rates per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30 day months), and such interest shall be payable on January 15 and July 15 of each year, commencing January 15, 2016.

Section 3: Terms of Payment; Paving Agent/Registrar. The principal of, premium, if any, and the interest on the Certificates, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Certificates (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of U.S. Bank National Association, Houston, Texas, to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Certificates (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, substantially in the form presented with this Ordinance, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary are authorized to execute and deliver such Agreement in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Certificates shall be payable at the Stated Maturities or the redemption thereof only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices, initially in Austin, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Certificates shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (which shall be the last business day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 4: Redemption.

(a) Optional Redemption. The Certificates having Stated Maturities on and after July 15, 20___ shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on July 15, 20___, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty five (45) days prior to a redemption date for the Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

(b) Mandatory Sinking Fund Redemption. The Certificates maturing on July 15, 20__, will be issued as term certificates (the "Term Certificates") and shall be subject to the following mandatory redemption requirements:

Term Certificates Maturing July 15, 20__

Mandatory Redemption Date (July 15)	Principal Amount	Redemption Price
20__	$_____	___%
20__	_____	___

To the extent that such Term Certificates have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Certificates so redeemed or purchased.

In lieu of mandatorily redeeming the Term Certificates, the City reserves the right to purchase for cancellation Term Certificates of the same maturity at a price no greater than the applicable redemption price of such Term Certificates.

The Paying Agent/Registrar will select by lot or other customary random selection method the specific Term Certificates (or with respect to Term Certificates having a denomination in excess of $5,000, each $5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Certificates required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates having the same maturity which have been purchased or redeemed by the City as follows, at least 45 days prior to the mandatory redemption date:

(1) if the City directs the Paying Agent to purchase Term Certificates with money in the debt service fund for the Certificates (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Term Certificates purchased may be made against the next mandatory redemption installment due, or

(2) if the City purchases or redeems Term Certificates with other available moneys, then the principal amount of such Term Certificates may be credited against future mandatory redemption installments in any order, and in any annual amount, that the City may direct.

(c) Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Certificates as representing the number of Certificates Outstanding which is obtained by dividing

the principal amount of such Certificates by $5,000 and shall select the Certificates to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Certificate to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender of the Certificates. If a Certificate is subject by its terms to prior redemption and has been called for redemption and notice of redemption has been duly given as hereinabove provided, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Certificate (or the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

With respect to any optional redemption of the Certificates, unless all prerequisites to such redemption required by this Ordinance have been met, including moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed having been received by the Paying Agent/Registrar prior to the giving of notice of such redemption, such notice shall state that said redemption may, at the option of the City, by conditional upon the satisfaction of all prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, and if such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

Section 5: Registration; Transfer and Exchange of Certificates; Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Certificates issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Certificate may be transferred or exchanged for Certificates of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Certificate (other than the Initial Certificate(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar

shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificate(s) (other than the Initial Certificate(s) authorized in Section 8 hereof) may be exchanged for other Certificate(s) of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificate(s) surrendered for exchange, upon surrender of the Certificate(s) to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Certificate is surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Certificates to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered in such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the Holder or assignee of the Holder in not more than three (3) business days after the receipt of the Certificates to be canceled, and the written instrument of transfer or request for exchange duly executed by the Holder or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Certificates" shall include any mutilated, lost, destroyed, or stolen Certificate for which a replacement Certificate has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 20 hereof and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Certificate called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Certificate; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate called for redemption in part.

Section 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4 and 5 hereof relating to the payment, and transfer/exchange of the Certificates, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the "DTC Participants"). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Certificates, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

Section 7: Execution; Registration. The Certificates shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Certificate Date shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals executing the same shall cease to be such officer at the time of delivery of the Certificates to the Underwriter and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in paragraph (c) of Exhibit A, manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in paragraph (d) of Exhibit A, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered and delivered.

Section 8: Initial Certificate(s). The Certificates herein authorized shall be initially issued either (i) as a single fully registered certificate in the total principal amount stated in Section 1 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered certificates, being one certificate for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Certificate(s)") and, in either case, the Initial Certificate(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Certificate(s) shall be the Certificates submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificate(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Certificate(s) delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor, all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the

designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

Section 9: Forms. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates, shall be substantially in the forms set forth in Exhibit A hereto with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification, including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association ("CUSIP Numbers"), and such legends and endorsements (including insurance legends in the event the Certificates, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Certificates, as evidenced by their execution; provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Certificates as to legality shall be responsible for CUSIP numbers incorrectly printed or typed on the Certificates. Any portion of the text of any Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates and the Initial Certificate(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all determined by the officers executing such Certificates as evidenced by their execution.

Section 10: Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Surplus Revenues therefor, capitalized words or terms, whenever the same appear herein without qualifying language, shall have the meaning assigned thereto in Exhibit B hereto.

Section 11: Certificate Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account or fund on the books and records of the City known as the "Special Series 2015 Tax and Revenue Certificate of Obligation Fund" (the "Certificate Fund"), and all moneys deposited to the credit of the Certificate Fund shall be kept and maintained in a special banking account at the City's depository bank. Authorized officials of the City are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the principal of and interest on the Certificates, as the same become due and payable, and to cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the "Public Funds Investment Act" (Chapter 2256, Texas Government Code, as amended); provided that all such investments shall be made in such a manner that the money required to be expended from said Certificate Fund will be available at the proper time or times. All interest and income derived from deposits and investments in

said Certificate Fund shall be credited to, and any losses debited to, the Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

Section 12: Tax Levy.

(a) To provide for the payment of the "Debt Service Requirements" on the Certificates being (i) the interest on said Certificates and (ii) a sinking fund for their payment at maturity or redemption or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied, a sufficient tax on each one hundred dollars' valuation of taxable property in the City, within the limitations prescribed by law, adequate to pay such Debt Service Requirements while the Certificates remain Outstanding, full allowance being made for delinquencies and costs of collection; and said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and said tax shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

(b) The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(1) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Council shall determine:

(i) The amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Surplus Revenues of the System appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(ii) The amount of Surplus Revenues of the System, appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(iii) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(2) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (iii) above less the sum total of the amounts established in paragraphs (i) and (ii), after taking into consideration delinquencies and costs of collecting such annual taxes.

(c) To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are

hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 13: Limited Pledge of Surplus Revenues. The City hereby covenants and agrees that, subject to the prior lien on and pledge of the Surplus Revenues of the System to the payment and security of Prior Lien Obligations, the Surplus Revenues of the System in an amount not to exceed $1,000 are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Certificates, and the limited pledge of $1,000 of the Surplus Revenues of the System herein made for the payment of the Certificates shall constitute a lien on the Surplus Revenues of the System until such time as the City shall pay all of such $1,000, after which time the pledge shall cease, all in accordance with the terms and provisions hereof and be valid and binding without further action by the City and without any filing or recording except for the filing of this Ordinance in the records of the City.

Section 14: Deposits to Certificate Fund. Subject to the provisions of Section 13 hereof, the City hereby covenants and agrees to cause to be deposited in the Certificate Fund from the pledged Surplus Revenues of the System in the System Fund, the amount of Surplus Revenues of the System pledged to the payment of the Certificates.

The City covenants and agrees that the amount of pledged Surplus Revenues of the System ($1,000), together with other lawfully available revenues appropriated by the City for payment of the debt service requirements on the Certificates and ad valorem taxes levied, collected, and deposited in the Certificate Fund for and on behalf of the Certificates, will be an amount equal to one hundred percent (100%) of the amount required to fully pay the interest and principal due and payable on the Certificates.

Section 15: Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

Section 16: Special Covenants. The City hereby further covenants as follows:

(a) It has the lawful power to pledge the Surplus Revenues of the System to the payment of the Certificates in the manner herein contemplated and has lawfully exercised such power under the Constitution and laws of the State of Texas, including said power existing under Sections 1502.056 and 1502.058, Texas Government Code, as amended, and Sections 271.041, et seq., Texas Local Government Code, as amended; and

(b) Other than for the payment of the Prior Lien Obligations, certificates of obligation payable in whole or in part from the Surplus Revenues of the System which have not fully paid the pledge of the Surplus Revenues associated with such certificates, and the Certificates, the Surplus Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System.

Section 17: Issuance of Prior Lien Obligations; Additional Obligations. The City hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, payable, in whole or in part, from the Surplus Revenues (without impairment of the obligation of contract with the Holders of the Certificates) upon such terms and conditions as the City Council may determine. Additionally, the City

reserves the right to issue additional obligations payable, in whole or in part, from the Surplus Revenues of the System and, to the extent provided, secured by a lien on and pledge of the Surplus Revenues of equal rank and dignity with the lien and pledge securing the payment of the Certificates.

Section 18: Application of Prior Lien Obligations Covenants and Agreements. It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements and covenants contained in the ordinances authorizing the issuance of the Prior Lien Obligations, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the Prior Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of the Prior Lien Obligations.

Section 19: Mutilated, Destroyed, Lost and Stolen Certificates. In case any Certificate shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Certificate of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Certificate, or in lieu of and in substitution for such destroyed, lost or stolen Certificate, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Certificate, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Certificate shall be borne by the Holder of the Certificate mutilated, or destroyed, lost or stolen.

Every replacement Certificate issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates, notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Certificates. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Certificates.

Section 20: Satisfaction of Obligation of City.

(a) If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the limited pledge of taxes levied under this Ordinance and the Surplus Revenues of the System and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

(b) The City may defease the provisions of this Ordinance and discharge its obligations to pay the principal of and interest on any or all of the Certificates (a "Defeased Certificate") in any manner now or hereafter permitted by law, including by depositing with the Paying Agent/Registrar, a trust company or commercial bank other than the Paying Agent/Registrar, or with the Comptroller of Public Accounts of the State of Texas either:

(1) cash in an amount equal to the principal amount of such Certificates and premium, if any, and interest thereon to the date of maturity or redemption; or

(2) pursuant to an escrow or trust agreement, cash and/or Government Securities, which (in the case of Government Securities) may be in book-entry form and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of, premium, if any, and interest on such Defeased Certificate(s) to their respective date(s) of maturity or earlier redemption;

provided, however, that if any of the Certificates are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Upon such deposit, such Certificates shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

(c) Any agreement pursuant to which the money and/or Government Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Government Securities or the substitution of other Government Securities that mature in amounts and at times that will satisfy the requirements specified in subsection (b) above. Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Defeased Certificates, or any principal amount(s) thereof or premium or interest thereon with respect to which such moneys have been so deposited, shall be remitted to the City or deposited as directed by the City.

(d) Any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Certificates such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Section 21: Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section and in Section 31 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders owning a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding

Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

Section 22: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

"Closing Date" means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148 1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148 1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148 1(c) of the Regulations, of the Certificates.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

"Rebate Amount" has the meaning set forth in Section 1.148 1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to

comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed or improved with such 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 such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Certificates.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038 G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States from the construction fund, or other appropriate fund, or it permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Certificate Fund, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148 3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount

required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager or Director of Finance, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

Section 23: Sale of Certificates. The sale of the Certificates to the Underwriter at a price of $_____ (representing the principal amount of the Certificates, plus a net premium on the Certificates of $_____ and less an underwriting discount of $_____), plus accrued interest on the Certificates to the date of delivery of the Certificates, is hereby approved; and delivery of the Certificates to the Underwriter shall be made upon payment therefor in accordance with the terms of the Bond Purchase Agreement, in substantially the form presented with this Ordinance and hereby approved by the City Council, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Mayor or the City Secretary and other appropriate officials of the City are hereby authorized and directed to execute such Bond Purchase Agreement on behalf of the City, and the Mayor and the City Secretary and all other officials, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Certificates.

Section 24: Official Statement. The use of the Preliminary Official Statement in the offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects, and the City Council hereby finds that the information and data contained in said Preliminary Official Statement pertaining to the City and its financial affairs is true and correct in all material respects and no material facts have been omitted therefrom which are necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. It is further hereby officially found, determined and declared that, as of the date thereof, the Preliminary Official Statement was an official statement of the City with respect to the Certificates that was deemed "final" by an authorized official of the City except for the omission of no more than the information permitted by subsection (b)(1) of the Rule.

The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, City Manager, Director of Finance, and City Secretary, individually or collectively), shall be and is hereby in all respects approved, and the Underwriter is hereby authorized to use and distribute said final Official Statement in the reoffering, sale and delivery of the Certificates to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Underwriter, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriter.

Section 25: Proceeds of Sale. The proceeds of sale of the Certificates, excluding accrued interest (if any) received from the Underwriter, shall be deposited in a special project fund maintained at the City's depository bank or used to pay costs of issuance. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Chapter 2256, Texas Government Code, as amended, including guaranteed investment contracts permitted by

Section 2256.015 et seq., Texas Government Code, as amended, and the City's investment policies and guidelines, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by an authorized officer of the City. Accrued interest as well as all surplus proceeds of sale of the Certificates, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund.

Section 26: Control and Custody of Certificates. The Mayor shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale and delivery of the Certificates and the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and the Mayor shall take and have charge and control of the Initial Certificate(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Underwriter.

Furthermore, the Mayor, City Manager, Director of Finance, and City Secretary, individually or collectively, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Certificates, including a certification as to facts, estimates, circumstances and reasonable expectations pertaining to the use and expenditure and investment of the proceeds of the Certificates as may be necessary for the approval of the Attorney General and their registration by the Comptroller of Public Accounts. In addition, such officials, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, are authorized and directed to make the necessary arrangements for the delivery of the Initial Certificate(s) to the Underwriter and the initial exchange thereof for definitive Certificates.

Section 27: Notices to Holders; Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Certificates. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 28: Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be returned to the City.

Section 29: Engagement of Bond Counsel; Bond Counsel's Opinion. The engagement of Andrews Kurth LLP, Austin, Texas, as bond counsel in connection with the issuance, sale and delivery of the Certificates

is hereby approved, ratified and confirmed; and, the Mayor or City Manager is hereby authorized to approve, execute and deliver an engagement letter in such form as may be approved by any such official. The Underwriter' obligation to accept delivery of the Certificates is subject to being furnished a final opinion of Andrews Kurth LLP, Austin, Texas, approving the Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Certificates. An executed counterpart of said opinion shall accompany the global certificates deposited with DTC or a reproduction thereof shall be printed on the definitive Certificates in the event the book-entry-only system shall be discontinued.

Section 30: Continuing Disclosure Undertaking.

(a) Annual Reports.

(1) The City shall provide annually to the MSRB, (A) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 24 of this Ordinance, being information of the type described in Exhibit C hereto, including financial statements of the City if audited financial statements of the City are then available, and (B) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(2) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) before the next date the City would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's website or filed with the SEC.

(b) Event Notices. The City shall notify the MSRB in a timely manner (not in excess of 10 Business Days after the occurrence of the event) of any of the following events with respect to the Certificates:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
(7) Modifications to rights of holders of the Certificates, if material;
(8) Certificate calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership or similar event of the City;
(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

As used in clause (xii) above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if jurisdiction has been assumed by leaving Council and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by subsection (a).

(c) Identifying Information. All documents shall be provided to the MSRB in an electronic format and accompanied by identifying information, as prescribed by the MSRB.

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants named in this Section for only so long as the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City will give written notice of any deposit made in accordance with this Ordinance, or applicable law, that causes any Certificate no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not undertake to provide any other information that may be relevant or

material to a complete presentation of the City's financial results, condition, or prospects or to update any information provided in accordance with this Section or otherwise, except as expressly provided in this Ordinance. The City does not make any representation or warranty concerning the information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS PART, BUT EVERY RIGHT AND REMEDY OF ANY PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since the offering as well as the changed circumstances and (2) either (x) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes an amendment) of the outstanding Certificates consent to the amendment or (y) a person that is unaffiliated with the City (such as nationally-recognized bond counsel) determines that the amendment will not materially impair the interest of the holders and beneficial owners of the Certificates. If the City amends the provisions of this Section, it shall include with the next financial information and operating data provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that the provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

Section 31: Benefits of Ordinance. Nothing in this Ordinance; expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, and this Ordinance and all its provisions is intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

Section 32: No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

Section 33: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 34: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 35: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 36: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

Section 37: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 38: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance 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 Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 39: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof.

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

PASSED AND ADOPTED, this August 18, 2015.

CITY OF ELGIN, TEXAS

_____

Mayor

ATTEST:

_____

City Secretary

(City Seal)

EXHIBIT A

FORM OF CERTIFICATE

(a) Form of Definitive Certificate.

REGISTERED NO._____ REGISTERED $_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ELGIN, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2015

Certificate Date:	Delivery Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
August 15, 2015	_____, 20__	_____	July 15, 20__	_____

Registered Owner:_____

Principal Amount:_____DOLLARS

The City of Elgin (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Bastrop, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the Delivery Date at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on January 15 and July 15 in each year, commencing January 15, 2016. Principal of this Certificate is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Certificate. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if

made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of $_____ (herein referred to as the "Certificates") for the purpose of providing funds with which to pay contractual obligations to be incurred by the City, to-wit: making and acquiring various public improvements for the City and the payment of fiscal, engineering and legal fees incurred in connection therewith, pursuant to authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Subchapter C of Chapter 271, Texas Local Government Code, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Certificates having Stated Maturities on and after July 15, 20___ may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on July 15, 20___, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

The Certificates maturing on July 15, 20__, will be issued as term certificates (the "Term Certificate") and shall be subject to the following mandatory redemption requirements:

[INSERT MANDATORY SINKING FUND REDEMPTION SCHEDULE]

To the extent that such Term Certificates have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Certificates so redeemed or purchased.

In lieu of mandatorily redeeming the Term Certificates, the City reserves the right to purchase for cancellation Term Certificates of the same maturity at a price no greater than the applicable redemption price of such Term Certificates.

The Paying Agent/Registrar will select by lot the specific Term Certificates (or with respect to Term Certificates having a denomination in excess of $5,000, each $5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Certificates required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates having the same maturity which have been purchased or redeemed by the City as follows, at least 45 days prior to the mandatory redemption date: (1) if the City directs the Paying Agent to purchase Term Certificates with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Term Certificates purchased may be made against the next mandatory redemption installment due, or (2) if the City purchases or redeems Term Certificates with other available moneys, then the principal amount of such Term Certificates may be credited against future mandatory redemption installments in any order, and in any annual amount, that the City may direct.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions

relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

The Certificates are payable from the proceeds of an annual ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City, and are additionally payable from and equally and ratably secured by a lien on and limited pledge of the Surplus Revenues (as defined in the Ordinance) of the City's Waterworks and Sewer System (the "System"), such lien and pledge being limited to an amount not in excess of $1,000 and being junior and subordinate to the lien on and pledge of the Surplus Revenues of the System securing the payment of "Prior Lien Obligations" (defined in the Ordinance) now outstanding and hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations while the Certificates are outstanding without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise, as well as the right to issue additional obligations payable from the same sources as the Certificates and, together with the Certificates, equally and ratably secured by a parity lien on and pledge of the Surplus Revenues of the System.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificates; the nature and extent of the pledge of the Surplus Revenues securing the payment of the Certificates; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar, the terms and provisions upon which the tax levy and the pledge of the Surplus Revenues and covenants made in the Ordinance may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered

Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates as aforestated. In case any provision in this Certificate shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City as of the Certificate Date.

CITY OF ELGIN, TEXAS

_____

Mayor

COUNTERSIGNED:

_____

City Secretary

(SEAL)

(b) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Certificate(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

(c) Form of Certificate of Paying Agent/Registrar to appear on Definitive Certificates only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued and registered under the provisions of the within mentioned Ordinance; the certificate or certificates of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar located in Houston, Texas, is the "Designated Payment/Transfer Office" for this Certificate.

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent/Registrar

Registration Date:

_____

By_____
Authorized Signature

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)_____

_____

_____(Social Security or other identifying number) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

_____

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

(e) The Initial Certificate(s) shall be in the form set forth in paragraph (a) of this Exhibit A, except that the form of a single fully registered Initial Certificate shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ELGIN, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2015

Certificate Date: _____, 2015; Delivery Date: _____, 20__

Registered Owner:_____

Principal Amount:_____

The City of Elgin (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Bastrop, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on August 15 in each of the years and in principal installments in accordance with the following schedule:

Principal Interest

Year	Installments	Rate

(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Delivery Date at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on January 15 and July 15 of each year, commencing January 15, 2016. Principal installments of this Certificate are payable at its Stated Maturity or on a redemption date to the registered owner hereof by U.S. Bank National Association (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in Houston, Texas (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Certificate whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

EXHIBIT B

DEFINITIONS

Capitalized words or terms, whenever the same appear in the Ordinance without qualifying language, shall have the following meaning:

"Attorney General" shall mean the Attorney General of the State of Texas.

"Bond Purchase Agreement" shall mean the purchase agreement by and between the City and the Underwriter, in substantially the form presented to the City Council with this Ordinance.

"Certificates" shall mean the "City of Elgin, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2015" authorized by the Ordinance.

"Certificate Date" shall have the meaning set forth in Section 2.

"Certificate Fund" shall mean the special Fund created and established under the provisions of Section 11 of the Ordinance.

"City" shall mean the City of Elgin, Texas and, where appropriate, its City Council.

"City Council" shall mean the governing body of the City.

"Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

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

"Debt Service Requirements" shall mean, for any Fiscal Year, the principal of and interest on all Bonds coming due at Stated Maturity in such Fiscal Year.

"Defeased Certififcate" shall have the meaning set forth in Section 20 hereof.

"Delivery Date" shall mean the date of delivery of the Certificates to the Underwriter.

"Depository Agreement" shall have the meaning set forth in Section 6 hereof.

"Designated Payment/Transfer Office" shall have the meaning set forth in Section 3 hereof.

"DTC" shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, or any successor securities depository.

"DTC Participant" shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Fiscal Year" shall mean the twelve-month period ending September 30 of each year, unless otherwise designated by the City.

"Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and (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 are rated, as to investment quality, by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

"Holder" shall mean the person or entity in whose name any Certificate is registered in the Security Register.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Ordinance" shall mean Ordinance No. _____ adopted by the City Council on August 18, 2015, authorizing the issuance of the Certificates, and all amendments thereof and supplements thereto.

"Outstanding" when used with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except: (1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation; (2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 21 of this Ordinance; and (3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 20 of the Ordinance.

"Paying Agent/Registrar" shall mean U.S. Bank National Association, Houston, Texas, and its successors in that capacity.

"Paying Agent/Registrar Agreement" shall mean the agreement between the City and the Paying Agent/Registrar setting forth the duties and obligations of the Paying Agent/Registrar with respect to the Certificates.

"Record Date" shall mean the close of business on the last business day of the month next preceding the applicable interest payment date.

"Prior Lien Obligations" shall mean (1) all revenue bonds or other obligations, now outstanding and hereafter issued, payable solely from and secured by a lien on and pledge of revenues of the System, which may be limited to a pledge of Surplus Revenues, and (2) obligations hereafter issued which by the terms of this Ordinance and the ordinances authorizing their issuance have a prior right and claim on the Surplus Revenues to the claim and right securing the payment of the Certificates.

"Rule" shall mean SEC Rule 15c2 12, as amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Security Register" shall have the meaning set forth in Section 3 hereof.

"Special Record Date" shall have the meaning set forth in Section 3 hereof.

"Stated Maturity" shall have the meaning set forth in Section 2 hereof.

"Surplus Revenues" shall mean those revenues from the operation of the System remaining after payment of all operation and maintenance expenses of the System and other obligations incurred to which the revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of the revenues to the Certificates.

"System" shall mean the City's waterworks and wastewater system.

"Underwriter" shall mean the entity or entities designated in the Bond Purchase Agreement.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 28 of the Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The financial statements of the City appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.

2. The information in the Official Statement under Tables 1 through 6 and 8 through 21.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

COUNCIL MEETING: August 18, 2015

ITEM: 3. Discussion and action to consider adoption of an Ordinance authorizing the issuance of "City of Elgin, Texas, general obligation refunding bonds, series 2015"; specifying the terms and features of said bonds; providing for the payment of said bonds by the levy of an ad valorem tax upon all taxable property within the City; approving an official statement; and resolving other matters incident and related to the issuance, payment, security, sale and delivery of said bonds.

RESOURCE PERSON(S): **Kerry Lacy, City Manager**
Jerry V. Kyle, Jr., Bond Council and Partner with Andrew Kurt LLP
Chris W. Allen, Financial Advisor and Senior Vice President with First Southwest

SUMMARY: **Our pound Council and Financial Advisor will provide the original Ordinance at the meeting with the data filled in after pricing for Council action and the signatures required.**

RECOMMENDATION(S): **Approve the proposed Ordinance.**

ATTACHMENT: **1-Copy of the proposed Ordinance**

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF ELGIN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015"; SPECIFYING THE TERMS AND FEATURES OF SAID BONDS; PROVIDING FOR THE PAYMENT OF SAID BONDS BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY; APPROVING AN OFFICIAL STATEMENT; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID BONDS

WHEREAS, the City of Elgin, Texas (herein referred to as the "City"), acting through its City Council, has heretofore issued, assumed or undertaken and there remain outstanding the obligations described in Schedule I attached hereto (the "Refunded Obligations");

WHEREAS, the City is authorized by Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), to issue refunding bonds for the purpose of refunding the Refunded Obligations;

WHEREAS, the City desires to refund the Refunded Obligations in advance of their maturities in order to achieve net present value debt service savings for the City;

WHEREAS, the City is authorized by Chapter 1207 to accomplish such refunding by depositing directly with any place of payment for the Refunded Obligations or a trust company or commercial bank proceeds from the sale of such refunding bonds, together with any other lawfully available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and pursuant to Chapter 1207 such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit referred to above, the Refunded Obligations shall no longer be regarded as being outstanding, except for the purpose of being paid from such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the ordinance authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated and defeased; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS:

Section 1: Authorization; Designation; Principal Amount; Purpose. Bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of $_____, to be designated and bear the title "City of Elgin, Texas, General Obligation Refunding Bonds, Series 2015" (hereinafter referred to as the "Bonds"), for the purposes of (i) refunding the Refunded Obligations, and (ii) paying the costs of issuing the Bonds and refunding the Refunded Obligations.

It is hereby found and determined that (i) the issuance of the Bonds and the refunding of the Refunded Obligations will benefit the City by providing total gross debt service savings of $_____ and total net present value debt service savings of $_____, (ii) such benefit is sufficient consideration for the issuance of the Bonds and (iii) the issuance of the Bonds is in the best interests of the City.

Section 2: Fully Registered Obligations; Authorized Denominations; Stated Maturities; Date. The Bonds are issuable in fully registered form only; shall be dated August 15, 2015 (the "Bond Date"); and shall be

issued in denominations of $5,000 or any integral multiple thereof (within a Stated Maturity) and the Bonds shall become due and payable on July 15 in each of the years (each a "Stated Maturity") and in principal amounts and bear interest at the per annum rate(s) in accordance with the following schedule:

Year of Stated Maturity	Principal Amount	Interest Rates
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		

The Bonds shall bear interest on the unpaid principal amounts from the Delivery Date at the rates per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30 day months), and such interest shall be payable on January 15 and July 15 of each year, commencing January 15, 2016.

Section 3: Terms of Payment; Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of U.S. Bank National Association, Houston, Texas, to serve as paying agent/registrar (the "Paying Agent/Registrar") for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, substantially in the form presented with this Ordinance, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary are authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities thereof only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office initially in Houston, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the fifteenth day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after July 15, 20___ shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on July 15, 20___, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying

Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the City.

(b) Mandatory Sinking Fund Redemption. The Bonds maturing on July 15, 20__, will be issued as term certificates (the "Term Bonds") and shall be subject to the following mandatory redemption requirements:

Term Bonds Maturing July 15, 20__

Mandatory Redemption Date (July 15)	Principal Amount	Redemption Price
20__	$_____	___%
20__	_____	___

To the extent that such Term Bonds have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Bonds so redeemed or purchased.

In lieu of mandatorily redeeming the Term Bonds, the City reserves the right to purchase for cancellation Term Bonds of the same maturity at a price no greater than the applicable redemption price of such Term Bonds.

The Paying Agent/Registrar will select by lot or other customary random selection method the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of $5,000, each $5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Bonds having the same maturity which have been purchased or redeemed by the City as follows, at least 45 days prior to the mandatory redemption date:

(1) if the City directs the Paying Agent to purchase Term Bonds with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Term Bonds purchased may be made against the next mandatory redemption installment due, or

(2) if the City purchases or redeems Term Bonds with other available moneys, then the principal amount of such Term Bonds may be credited against future mandatory redemption installments in any order, and in any annual amount, that the City may direct.

(c) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal

amount of such Bonds by $5,000 and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender of the Bonds. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

With respect to any optional redemption of the Bonds, unless all prerequisites to such redemption required by this Ordinance have been met, including moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed having been received by the Paying Agent/Registrar prior to the giving of notice of such redemption, such notice shall state that said redemption may, at the option of the City, by conditional upon the satisfaction of all prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, and if such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 5: Registration; Transfer and Exchange of Bonds; Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds of

authorized denominations and having the same Stated Maturity and of a like aggregate principal amount and interest rate as the Bond or Bonds surrendered for transfer.

At the option of the Holders, Bonds (other than the Initial Bond(s) authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Holder or assignee of the Holder in not more than three (3) business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the Holder or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 19 of this Ordinance and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Section 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4 and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

Section 7: Execution; Registration. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals executing the same shall cease to be such officer at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Exhibit A, manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Exhibit A, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

Section 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the total principal amount stated in Section 1 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Underwriter (hereinafter defined). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the Underwriter, or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Underwriter, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

Section 9: Forms. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of the Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in Exhibit A hereto with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers

and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds, as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the certificate.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all determined by the officers executing such Bonds as evidenced by their execution.

Section 10: Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Bonds herein authorized, and the levy of taxes therefor, the following words or terms, whenever the same appears herein without qualifying language, shall have the meaning assigned thereto in Exhibit B hereto.

Section 11: Bond Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Bonds, there shall be and is hereby created a special account or fund on the books and records of the City known as the "Special Series 2015 General Obligation Refunding Bond Fund," and all moneys deposited to the credit of such Fund shall be shall be kept and maintained in a special banking account at the City's depository bank. Authorized officials of the City are hereby authorized and directed to make withdrawals from said Fund sufficient to pay the principal of and interest on the Bonds, as the same become due and payable, and to cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Bond Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Bonds.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Bond Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the "Public Funds Investment Act" (Chapter 2256, Texas Government Code, as amended); provided that all such investments shall be made in such a manner that the money required to be expended from said Bond Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Bond Fund shall be credited to, and any losses debited to, the Bond Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Section 12: Tax Levy.

(a) To provide for the payment of the Debt Service Requirements on the Bonds being (i) the interest on said Bonds and (ii) a sinking fund for their payment at Stated Maturity or redemption or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied a sufficient tax on each one hundred dollars' valuation of taxable property in the City, within the limitations prescribed by law, adequate to pay such Debt Service Requirements while the Bonds remain Outstanding, full allowance being made for delinquencies and costs of collection; and said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and said tax shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Bond Fund.

(b) The City hereby declares its purpose and intent to provide and levy a tax legally sufficient to pay the principal of and interest on the Bonds, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax.

(c) To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 13: Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

Section 14: Mutilated, Destroyed, Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds, notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

Section 15: Satisfaction of Obligation of City.

(a) If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of the taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

(b) The City may defease the provisions of this Ordinance and discharge its obligations to pay the principal of and interest on any or all of the Bonds (a "Defeased Bond") in any manner now or hereafter permitted by law, including by depositing with the Paying Agent/Registrar, a trust company or commercial bank other than the Paying Agent/Registrar, or with the Comptroller of Public Accounts of the State of Texas any one or more of the following:

(1) cash in an amount equal to the principal amount of such Bonds and premium, if any, and interest thereon to the date of maturity or redemption; or

(2) pursuant to an escrow or trust agreement, cash and/or Government Securities, which (in the case of Government Securities) may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption;

provided, however, that if any of the Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Upon such deposit, such Bonds shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

(c) Any agreement pursuant to which the money and/or Government Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Government Securities or the substitution of other Government Securities upon the satisfaction of the requirements specified in subsection (b) above. All income from such Government Securities which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City. Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City.

(d) Any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Section 16: Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 40 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any

other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission.

Section 17: Covenants to Maintain Tax-Exempt Status.

(a) The City intends that the interest on the Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, (the "Code") and all applicable temporary, proposed and final regulations (the "Regulations") and procedures promulgated thereunder and applicable to the Bonds. For this purpose, the City covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds (including all property, the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Bonds or the Refunded Obligations) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause the interest on the Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the City shall comply with each of the following covenants:

(1) The City shall not use, permit the use of or omit to use gross proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with gross proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(2) Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times prior to the last stated maturity of the Bonds:

(i) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with gross proceeds of such series of the Bonds (including property financed with gross proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations and not use or permit the use of such gross proceeds or any property acquired, constructed, or improved with such gross proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(ii) not directly or indirectly impose or accept any charge or other payment for use of gross proceeds of such series of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such gross proceeds (including property financed with gross proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations other than taxes of

general application and interest earned on investments acquired with such gross proceeds pending application for their intended purposes.

(3) Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall not use gross proceeds of the Bonds to make or finance 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 (i) property acquired, constructed or improved with gross proceeds (including property financed with gross proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (ii) 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 (iii) indirect benefits, or burdens and benefits of ownership, of such gross proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(4) Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Refunded Obligations, directly or indirectly invest gross proceeds of such Bonds in any Investment (or use such gross proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such gross proceeds whether then held or previously disposed of, exceeds the Yield on the Refunded Obligations.

(5) Based on all of the facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered, the City reasonably expects that the proceeds of the Bonds and the Refunded Obligations (to the extent any of such proceeds remain unexpended) will not be used in a manner that would cause the Bonds or the Refunded Obligations or any portion thereof to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(6) At all times while the Bonds are outstanding, the City will identify and properly account for all amounts constituting gross proceeds of the Bonds in accordance with the Regulations. The City will monitor the yield on the investments of the proceeds of the Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds. To the extent necessary to prevent the Bonds from constituting "arbitrage bonds," the City will make such payments as are necessary to cause the yield on all yield restricted non-purpose investments allocable to the Bonds to be less than the yield that is materially higher than the yield on the Bonds.

(7) The City will not take any action or knowingly omit to take any action, if taken or omitted, would cause the Bonds to be treated as "federally guaranteed" obligations for purposes of Section 149(b) of the Code.

(8) The City represents that not more than fifty percent (50%) of the proceeds of any new money portion of the Bonds or any new money issue refunded by, the Refunded Obligations was invested in non-purpose investments (as defined in Section 148(f)(b)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the City reasonably expected at the time each issue of the

Refunded Obligations was issued that at least eighty-five percent (85%) of the spendable proceeds of the Bonds or the Refunded Obligations would be used to carry out the governmental purpose of such Bonds within the corresponding three-year period beginning on the respective dates of the Bonds or the Refunded Obligations.

(9) The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, if any, be rebated to the federal government. Specifically, the City will

(i) maintain records regarding the receipt, investment and expenditure of the gross proceeds of the Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the City allocable to other obligations of the City or moneys which do not represent gross proceeds of any obligations of the City and retain such records for at least six years after the day on which the last outstanding Bond is discharged,

(ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid, in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of the gross proceeds,

(iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds, and

(iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the City will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, including interest thereon and penalty.

(10) The City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(11) The City will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as the Secretary may prescribe.

(12) The City will not issue or use the Bonds as part of an "abusive arbitrage device" (as defined in Section 1.148 10(a) of the Regulations). Without limiting the foregoing, the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent

the provisions of Section 148 of the Code and the Regulations, by (i) enabling the City to exploit the difference between tax exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

(b) Proper officers of the City charged with the responsibility for issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Bonds and stating whether there are facts, estimates or circumstances that would materially change the City's expectations. On or after the date of issuance of the Bonds, the City will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

The covenants and representations made or required by this Section are for the benefit of the Holders and any subsequent Holder, and may be relied upon by the Holder and any subsequent Holder and bond counsel to the City.

In complying with the foregoing covenants, the City may rely upon an unqualified opinion issued to the City by nationally recognized bond counsel that any action by the City or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds to be includable in gross income for federal income tax purposes under existing law.

Notwithstanding any other provision of this Ordinance, the City's representations and obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion of interest on the Bonds from the gross income of the owners for federal income tax purposes.

Section 18: Sale of Bonds. The sale of the Bonds to the Underwriter at a price of $_____ (representing the principal amount of the Bonds, plus a net premium on the Bonds of $_____ and less an underwriting discount of $_____), plus accrued interest on the Bonds to the date of delivery of the Bonds, is hereby approved; and delivery of the Bonds to the Underwriter shall be made upon payment therefor in accordance with the terms of the Bond Purchase Agreement, in substantially the form presented with this Ordinance and hereby approved by the City Council, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Mayor or the City Secretary and other appropriate officials of the City are hereby authorized and directed to execute such Bond Purchase Agreement on behalf of the City, and the Mayor and the City Secretary and all other officials, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds.

Section 19: Official Statement. The use of the Preliminary Official Statement in the offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects, and the City Council hereby finds that the information and data contained in said Preliminary Official Statement pertaining to the City and its financial affairs is true and correct in all material respects and no material facts have been omitted therefrom which are necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. It is further hereby officially found, determined and declared that, as of the date thereof, the Preliminary Official Statement was an official statement of the City with respect to the Bonds that was deemed "final" by an authorized official of the City except for the omission of no more than the information permitted by subsection (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, City Manager, Director of Finance, and City Secretary, individually or collectively), shall be and is hereby in all respects approved and the Underwriter is hereby authorized to use and distribute said final Official Statement, dated June 14, 2011, in the reoffering, sale and delivery of the Bonds to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Underwriter, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriter.

Section 20: Proceeds of Sale. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

(a) A portion of the proceeds shall be applied to refund the Refunded Obligations;

(b) To the extent not otherwise paid, a portion of the proceeds shall be applied to pay all expenses arising in connection with the issuance of the Bonds and the refunding of the Refunded Obligations; and

(c) Any proceeds from the sale of the Bonds remaining after making all the foregoing deposits and payments shall be deposited into the Bond Fund and used to pay debt service on the Bonds.

Section 21: Escrow Agreement. The Mayor, City Manager, Director of Finance, and City Secretary are authorized to execute and deliver escrow agreements, deposit agreements or similar agreements (each an "Escrow Agreement"), letters of instructions or any other instruments relating to the safekeeping, investment, administration and disposition of moneys deposited to effect the defeasance of the Refunded Obligations in such form and subject to such terms and conditions as the officer executing such instrument determines may be necessary or convenient to (a) carry out the program designed for the City by the City's Financial Advisor, (b) minimize the City's costs of refunding, (c) comply with all applicable laws and regulations relating to the refunding of the Refunded Obligations and (d) carry out the other intents and purposes of this Ordinance.

Section 22: Redemption Prior to Maturity of Refunded Obligations. To minimize the City's costs of refunding, the City hereby authorizes and directs that certain of the Refunded Obligations shall be called for redemption prior to maturity in the amounts, on the dates and at the redemption prices set forth in Schedule I, and the Mayor, City Manager, Director of Finance, and City Secretary are hereby authorized and directed to take all necessary and appropriate action to give or cause to be given any notice of redemption and/or notice of defeasance to the holders or paying agent/registrars, as appropriate, of such obligations, and, if required, to publish such notices, all in the manner required by the documents authorizing the issuance of such Refunded Obligations.

Section 23: Purchase of Escrowed Securities. To assure the purchase of the Escrowed Securities (if any) referred to in the Escrow Agreement, the Mayor, City Manager and Director of Finance and other officers and employees of the City are hereby authorized to subscribe for, agree to purchase and purchase Escrowed Securities, in such amounts and maturities and bearing interest at such rates as may be provided for in the Escrow Agreement, and to execute any and all subscriptions, purchase agreements, investment contracts, commitments, letters of authorization and other documents necessary to effectuate the foregoing. Any actions heretofore taken for such purpose are hereby ratified and approved.

Section 24: Control and Custody of Bonds; Further Procedures. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale of the Bonds and the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and the Mayor shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Underwriter.

Furthermore, the Mayor, City Manager, Director of Finance, and City Secretary, individually or collectively, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Bonds, including a certification as to facts, estimates, circumstances and reasonable expectations pertaining to the use and expenditure and investment of the proceeds of the Bonds as may be necessary for the approval of the Attorney General and their registration by the Comptroller of Public Accounts. In addition, such officials, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, are authorized and directed to (a) take all other actions that are necessary to provide for the issuance and delivery of the Bonds and the defeasance, redemption and discharge of the Refunded Obligations, including, without limitation, executing and delivering on behalf of the City all instructions, subscriptions, instruments, certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and the ordinance authorizing the issuance of the Refunded Obligations and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance and (b) make the necessary arrangements for the delivery of the Initial Bond(s) to the Underwriter and the initial exchange thereof for definitive Bonds.

Section 25: Notices to Holders; Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 26: Cancellation. All Bonds surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

Section 27: Engagement of Bond Counsel; Bond Counsel's Opinion. The engagement of Andrews Kurth LLP, Austin, Texas, as bond counsel in connection with the issuance, sale and delivery of the Bonds is hereby approved, ratified and confirmed; and, the Mayor or City Manager is hereby authorized to approve, execute and deliver an engagement letter in such form as may be approved by any such official. The

Underwriter's obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Andrews Kurth LLP, Austin, Texas, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. An executed counterpart of said opinion shall accompany the global certificates deposited with DTC or a reproduction thereof shall be printed on the definitive Bonds in the event the book-entry-only system shall be discontinued.

Section 28: Continuing Disclosure Undertaking.

(a) Annual Reports.

(1) The City shall provide annually to the MSRB, (A) within six months after the end of each fiscal year of the City, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 19 of this Ordinance, being information of the type described in Exhibit C hereto, including financial statements of the City if audited financial statements of the City are then available, and (B) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

(2) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) before the next date the City would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's website or filed with the SEC.

(b) Event Notices. The City shall notify the MSRB in a timely manner (not in excess of 10 Business Days after the occurrence of the event) of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-

TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of holders of the Bonds, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the City;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

As used in clause (xii) above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if jurisdiction has been assumed by leaving Council and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by subsection (a).

(c) Identifying Information. All documents shall be provided to the MSRB in an electronic format and accompanied by identifying information, as prescribed by the MSRB.

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants named in this Section for only so long as the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City will give written notice of any deposit made in accordance with this Ordinance, or applicable law, that causes any Bond no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or to update any information provided in accordance with this Section or otherwise, except as expressly provided in

this Ordinance. The City does not make any representation or warranty concerning the information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS PART, BUT EVERY RIGHT AND REMEDY OF ANY PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since the offering as well as the changed circumstances and (2) either (x) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes an amendment) of the outstanding Bonds consent to the amendment or (y) a person that is unaffiliated with the City (such as nationally-recognized bond counsel) determines that the amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the City amends the provisions of this Section, it shall include with the next financial information and operating data provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that the provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 29: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

Section 30: Benefits of Ordinance. Nothing in this Ordinance; expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar, the Underwriter and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, and this Ordinance and all its provisions is intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar, the Underwriter and the Holders.

Section 31: No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Bond.

Section 32: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 33: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 34: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 35: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

Section 36: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 37: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance 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 Ordinance, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 38: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof.

[Remainder of page left blank intentionally.]

PASSED AND ADOPTED, this August 18, 2015.

CITY OF ELGIN, TEXAS

_____

Mayor

ATTEST:

_____

City Secretary

(City Seal)

SCHEDULE I

DESCRIPTION OF REFUNDED OBLIGATIONS

City of Elgin, Texas
Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2005

Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
07/15/16	4.375%	$110,000.00	09/30/15	100%
07/15/17	4.375%	110,000.00	09/30/15	100%
07/15/18	4.375%	110,000.00	09/30/15	100%
07/15/19	4.375%	110,000.00	09/30/15	100%
07/15/20	4.375%	115,000.00	09/30/15	100%
07/15/21	4.375%	115,000.00	09/30/15	100%
07/15/22	4.375%	115,000.00	09/30/15	100%
07/15/23	4.375%	115,000.00	09/30/15	100%
07/15/24	4.375%	115,000.00	09/30/15	100%
07/15/25	4.375%	115,000.00	09/30/15	100%
07/15/26	4.375%	115,000.00	09/30/15	100%
07/15/27	4.375%	115,000.00	09/30/15	100%
07/15/28	4.375%	115,000.00	09/30/15	100%
07/15/29	4.375%	115,000.00	09/30/15	100%
07/15/30	4.375%	115,000.00	09/30/15	100%
07/15/31	4.375%	115,000.00	09/30/15	100%
07/15/32	4.375%	115,000.00	09/30/15	100%
07/15/33	4.375%	115,000.00	09/30/15	100%
07/15/34	4.375%	115,000.00	09/30/15	100%
07/15/35	4.375%	115,000.00	09/30/15	100%
07/15/36	4.375%	115,000.00	09/30/15	100%
07/15/37	4.375%	115,000.00	09/30/15	100%
07/15/38	4.375%	115,000.00	09/30/15	100%
07/15/39	4.375%	115,000.00	09/30/15	100%
07/15/40	4.375%	115,000.00	09/30/15	100%
07/15/41	4.375%	115,000.00	09/30/15	100%
07/15/42	4.375%	115,000.00	09/30/15	100%
07/15/43	4.375%	115,000.00	09/30/15	100%
07/15/44	4.375%	115,000.00	09/30/15	100%
07/15/45	4.375%	112,000.00	09/30/15	100%

EXHIBIT A

FORM OF BOND

a. Form of Definitive Bond.

REGISTERED NO._____ REGISTERED $_____

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF ELGIN, TEXAS,
GENERAL OBLIGATION REFUNDING BOND
SERIES 2015

Bond Date:	Delivery Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
August 15, 2015	_____, 20__	_____	July 15, 20__	_____

Registered Owner:_____

Principal Amount:_____DOLLARS

The City of Elgin (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Bastrop, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated, and to pay interest on the unpaid principal amount hereof from the Delivery Date at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on January 15 and July 15 in each year, commencing January 15, 2016. Principal of this Bond is payable at its Stated Maturity to the registered owner hereof, upon presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this

Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of $_____ (herein referred to as the "Bonds") for the purpose of (i) refunding the Refunded Obligations, and (ii) paying the costs of issuing the Bonds and refunding the Refunded Obligations, all under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1207, Texas Government Code, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance"). All capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the Ordinance.

The Bonds having Stated Maturities on and after July 15, 20___ may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on July 15, 20___, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

The Bonds maturing on July 15, 20__, will be issued as term bonds (the "Term Bond") and shall be subject to the following mandatory redemption requirements:

[INSERT MANDATORY SINKING FUND REDEMPTION SCHEDULE]

To the extent that such Term Bonds have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Bonds so redeemed or purchased.

In lieu of mandatorily redeeming the Term Bonds, the City reserves the right to purchase for cancellation Term Bonds of the same maturity at a price no greater than the applicable redemption price of such Term Bonds.

The Paying Agent/Registrar will select by lot the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of $5,000, each $5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Bonds having the same maturity which have been purchased or redeemed by the City as follows, at least 45 days prior to the mandatory redemption date: (1) if the City directs the Paying Agent to purchase Term Bonds with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Term Bonds purchased may be made against the next mandatory redemption installment due, or (2) if the City purchases or redeems Term Bonds with other available moneys, then the principal amount of such Term Bonds may be credited against future mandatory redemption installments in any order, and in any annual amount, that the City may direct.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Bond (or the

portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the nature and extent of the pledge of the revenues securing the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar, the terms and provisions upon which the tax levy and covenants made in the Ordinance may be discharged at or prior to the maturity of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the

scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds as aforestated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Bond Date.

CITY OF ELGIN, TEXAS

_____
Mayor

COUNTERSIGNED:

_____
City Secretary

(SEAL)

b. Form of Registration Bond of Comptroller of Public Accounts to appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

c. Form of Bond of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within mentioned Ordinance; the certificate or certificates of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar located in Houston, Texas, is the Designated Payment/Transfer Office for this Bond.

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent/Registrar

Registration Date:

_____ By_____
Authorized Signature

d. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)_____
_____
_____(Social Security or other identifying number) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____
_____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

_____

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

e. The Initial Bond(s) shall be in the form set forth in paragraph (a) of this Exhibit A, except that the form of a single fully registered Initial Bond shall be modified as follows:

REGISTERED
NO. T-1

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF ELGIN, TEXAS
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2015

Bond Date: August 15, 2015; Delivery Date _____, 20__.

Registered Owner:_____

Principal Amount:_____

The City of Elgin (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Bastrop, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on July 15 in each of the years and in principal installments in accordance with the following schedule:

Year	Principal Installments	Interest Rate

(Information to be inserted from schedule in Section 2 hereof).

and to pay interest on the unpaid principal amounts hereof from the Delivery Date at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on January 15 and July 15 of each year, commencing January 15, 2016. Principal installments of this Bond are payable at its Stated Maturity to the registered owner hereof by U.S. Bank, national association (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in Houston, Texas (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the last day of the month next preceding each interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when

banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

EXHIBIT B

DEFINITIONS

Capitalized words or terms, whenever the same appear in the Ordinance without qualifying language, shall have the following meaning:

"Attorney General" shall mean the Attorney General of the State of Texas.

"Bond Date" shall have the meaning set forth in Section 2 hereof.

"Bond Fund" shall mean the special Fund created and established under the provisions of Section 11 of this Ordinance.

"Bond Purchase Agreement" shall mean the purchase agreement by and between the City and the Underwriter, in substantially the form presented to the City Council with this Ordinance.

"Bonds" shall mean the "City of Elgin, Texas, General Obligation Refunding Bonds, Series 2015" authorized by this Ordinance.

"City" shall mean the City of Elgin, Texas, and where appropriate, the City Council as its governing body.

"City Council" shall mean the governing body of the City.

"Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

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

"Debt Service Requirements" shall mean, for any Fiscal Year, the principal of and interest on all Bonds coming due at Stated Maturity in such Fiscal Year.

"Defeased Bond" shall have the meaning set forth in Section 20 hereof.

"Delivery Date" shall mean the date of delivery of the Bonds to the Underwriter.

"Depository Agreement" shall have the meaning set forth in Section 6 hereof.

"Designated Payment/Transfer Office" shall have the meaning set forth in Section 3 hereof.

"DTC" shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, or any successor securities depository.

"DTC Participant" shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Fiscal Year" shall mean the twelve-month period ending September 30 of each year, unless otherwise designated by the City.

"Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and (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 are rated, as to investment quality, by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

"Holder" shall mean the person or entity in whose name any Certificate is registered in the Security Register.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Ordinance" shall mean Ordinance No. _____ adopted by the City Council on August 18, 2015, authorizing the issuance of the Bonds, and all amendments thereof and supplements thereto.

"Outstanding" when used in this Ordinance with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except: (1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation; (2) those Bonds for which payment has been duly provided by the City in accordance with the provisions of Section 20 hereof; and (3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 19 hereof.

"Paying Agent for the Refunded Obligations" shall mean U.S. Bank National Association, Houston, Texas, in its capacity as paying agent for the Refunded Obligations, and its successors in that capacity.

"Paying Agent/Registrar" shall mean U.S. Bank National Association, Houston, Texas, in its capacity as paying agent/registrar under the Paying Agent/Registrar Agreement.

"Paying Agent/Registrar Agreement" shall mean the agreement between the City and the Paying Agent/Registrar setting forth the duties and obligations of the Paying Agent/Registrar with respect to the Certificates.

"Predecessor Bonds" shall have the meaning set forth in Section 5 hereof.

"Record Date" shall mean the close of business on the last business day of the month next preceding the applicable interest payment date.

"Refunded Obligations" shall mean the bonds described in Schedule I attached hereto.

"Rule" shall mean SEC Rule 15c2 12, as amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Security Register" shall have the meaning set forth in Section 3 hereof.

"Special Record Date" shall have the meaning set forth in Section 3 hereof.

"Stated Maturity" shall have the meaning set forth in Section 2 hereof.

"Underwriter" shall mean the purchaser(s) of the Bonds identified in the Bond Purchase Agreement.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 28 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The financial statements of the City appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.

2. The information in the Official Statement under Tables 1 through 6 and 8 through 21.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

COUNCIL MEETING: August 18, 2015

ITEM: 4. Discussion and action to consider authorizing the City Manager to enter into an agreement for the 2015 Street Maintenance contract to the selected contractor.

RESOURCE PERSON(S): **Kerry Lacy, City Manager**
Joe Parten, Public Works Director
Beau Perry, City Engineer

SUMMARY: **Notification was properly published in the Elgin Courier on July 29 and August 5 for advertisement for bids for the 2015 Street Maintenance contract. Bids were received and opened on August 11, 2015 at 2:30 p.m. at the City Hall Annex.**

RECOMMENDATION(S): **Staff recommends approval.**

ATTACHMENT:
1-Bid tabulation
2-Letter of recommendation
3-Map

CITY OF ELGIN
2015 Street Maintenance
Bid Tabulation
August 11, 2015 - 2:30 PM

				Lone Star Paving Company P.O. Box 200608 Austin, Texas 78720	
Item	Item Description	Qty.	Unit	Unit Price	Total
	PROPOSAL - 2015 STREET MAINTENANCE				
P.1.	2" Type D HMAC	10,961	SY	$16.00	$175,376.00
P.2.	Two-Course Surface Treatment	12,387	SY	$10.00	$123,870.00
P.3.	One Course Surface Treatment	28,180	SY	$4.50	$126,810.00
	TOTAL PROPOSAL				**$426,056.00**

T.B.P.E. #F-8632

505 East Huntland Drive
Suite 250
Austin, TX 78752

512.454.8716 PHONE
512.454.2433 FAX

www.TRCsolutions.com

August 12, 2015

Honorable Mayor and City Council
City of Elgin
310 North Main
Elgin, Texas 78621

Attn: Mr. Kerry Lacy, City Manager

Re: 2015 Street Maintenance
Bid Award Recommendation

Dear Mayor Holm and Council Members:

One (1) sealed bid was received at Elgin City Hall on August 11, 2015 at 2:30 P.M. for the above-referenced project. The work included in the project includes the following:

2" HMAC Overlay
- South Avenue A (from West Cleveland Street to LP-109)
- Reyna Street (from South Avenue C to End)
- East Austin Street (from South Main Street to MLK Boulevard)
- North Avenue E (from East 1st Street to Lexington Road)
- Lark Street (from West 10th Street to West 11th Street)

2-Course Surface Treatment
- Masonic Street (from Houston Street to End)
- Ridings Street (from Church Street to Brown Street)
- Alley A (from Kennedy Street to South Avenue A)
- Alley (from Alley A to Central Avenue)
- Harris Street
- South Avenue D (from East Alamo Street to East Brenham Street)
- Monroe Street (from Washington Street to MLK Boulevard)
- Canada Street (from North Main Street to Taylor Road)
- Taylor Lane (from East 2nd Street to End)
- Pistol Hill Lane (from Old McDade Road to RR Tracks)
- East 1st Street (from MLK Boulevard to Avenue G to East 2nd Street)

Single Course Treatment
- Central Avenue (from 100' west of Dildy Drive to South Avenue A)
- West 11th Street (from US 290 to North Main Street)

The construction completion period is 30 days.

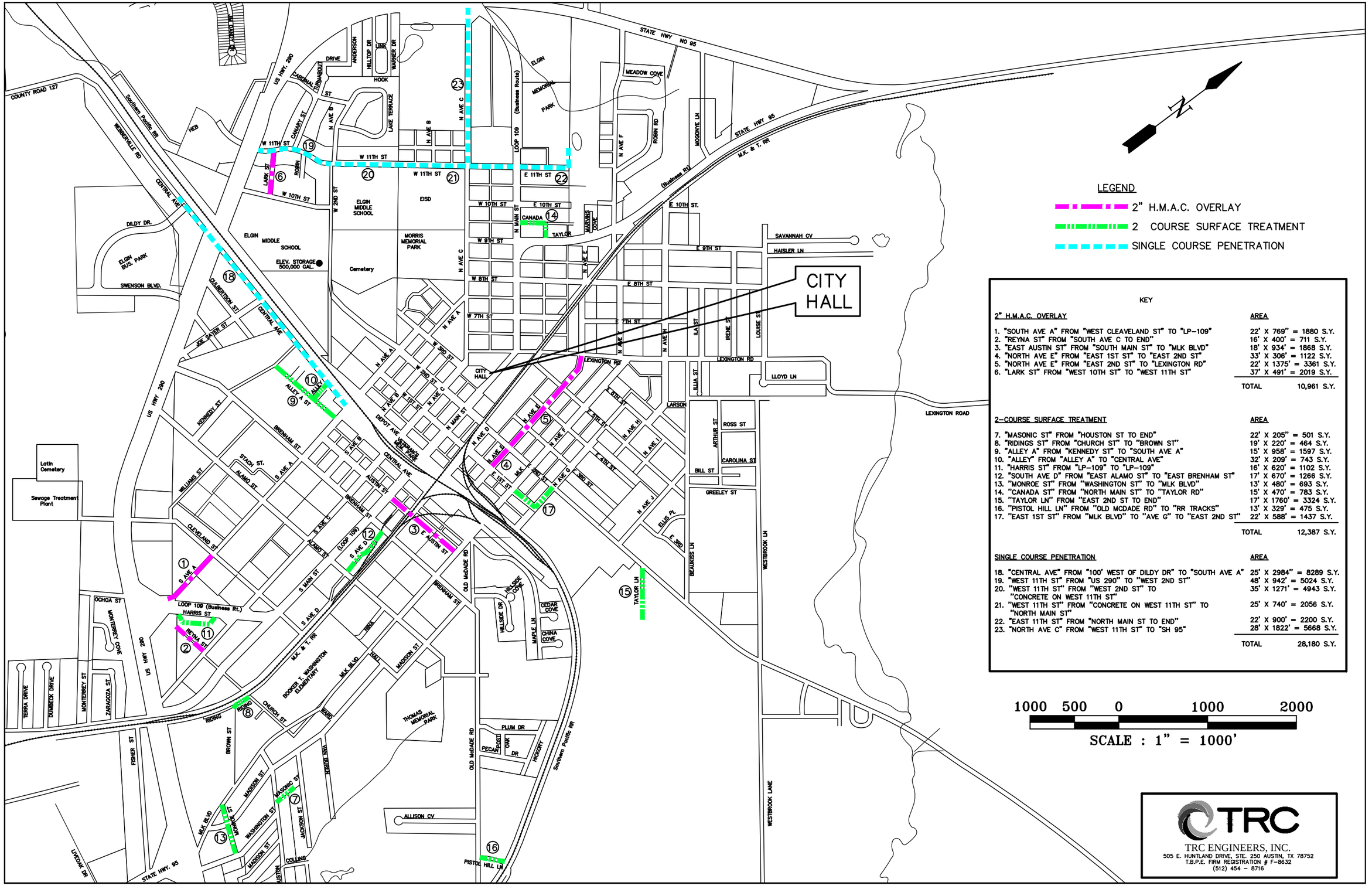
It is recommended that Lone Star Paving Company be awarded the construction project in the amount of $426,056.00. The contractor has a bid bond and will be required to furnish a Standard Form of Agreement, Performance Bond and Payment Bond to the City. A detailed bid tabulation is attached for your reference. If you have any other questions or comments, please do not hesitate to contact this office.

Sincerely,

K. Beau Perry, P.E.
Principal

Enclosures

cc: Mr. Joe Parten, Public Works Director, City of Elgin



KEY

2" H.M.A.C. OVERLAY

	AREA
1. "SOUTH AVE A" FROM "WEST CLEAVELAND ST" TO "LP-109"	22' X 769" = 1880 S.Y.
2. "REYNA ST" FROM "SOUTH AVE C TO END"	16' X 400' = 711 S.Y.
3. "EAST AUSTIN ST" FROM "SOUTH MAIN ST" TO "MLK BLVD"	18' X 934' = 1868 S.Y.
4. "NORTH AVE E" FROM "EAST 1ST ST" TO "EAST 2ND ST"	33' X 306' = 1122 S.Y.
5. "NORTH AVE E" FROM "EAST 2ND ST" TO "LEXINGTON RD"	22' X 1375' = 3361 S.Y.
6. "LARK ST" FROM "WEST 10TH ST" TO "WEST 11TH ST"	37' X 491' = 2019 S.Y.
	TOTAL 10,961 S.Y.

2-COURSE SURFACE TREATMENT

	AREA
7. "MASONIC ST" FROM "HOUSTON ST TO END"	22' X 205" = 501 S.Y.
8. "RIDINGS ST" FROM "CHURCH ST" TO "BROWN ST"	19' X 220' = 464 S.Y.
9. "ALLEY A" FROM "KENNEDY ST" TO "SOUTH AVE A"	15' X 958' = 1597 S.Y.
10. "ALLEY" FROM "ALLEY A" TO "CENTRAL AVE"	32' X 209' = 743 S.Y.
11. "HARRIS ST" FROM "LP-109" TO "LP-109"	16' X 620' = 1102 S.Y.
12. "SOUTH AVE D" FROM "EAST ALAMO ST" TO "EAST BRENHAM ST"	17' X 670' = 1266 S.Y.
13. "MONROE ST" FROM "WASHINGTON ST" TO "MLK BLVD"	13' X 480' = 693 S.Y.
14. "CANADA ST" FROM "NORTH MAIN ST" TO "TAYLOR RD"	15' X 470' = 783 S.Y.
15. "TAYLOR LN" FROM "EAST 2ND ST TO END"	17' X 1760' = 3324 S.Y.
16. "PISTOL HILL LN" FROM "OLD MCDADE RD" TO "RR TRACKS"	13' X 329' = 475 S.Y.
17. "EAST 1ST ST" FROM "MLK BLVD" TO "AVE G" TO "EAST 2ND ST"	22' X 588' = 1437 S.Y.
	TOTAL 12,387 S.Y.

SINGLE COURSE PENETRATION

	AREA
18. "CENTRAL AVE" FROM "100' WEST OF DILDY DR" TO "SOUTH AVE A"	25' X 2984" = 8289 S.Y.
19. "WEST 11TH ST" FROM "US 290" TO "WEST 2ND ST"	48' X 942' = 5024 S.Y.
20. "WEST 11TH ST" FROM "WEST 2ND ST" TO "CONCRETE ON WEST 11TH ST"	35' X 1271' = 4943 S.Y.
21. "WEST 11TH ST" FROM "CONCRETE ON WEST 11TH ST" TO "NORTH MAIN ST"	25' X 740' = 2056 S.Y.
22. "EAST 11TH ST" FROM "NORTH MAIN ST TO END"	22' X 900' = 2200 S.Y.
23. "NORTH AVE C" FROM "WEST 11TH ST" TO "SH 95"	28' X 1822' = 5668 S.Y.
	TOTAL 28,180 S.Y.

TRC
TRC ENGINEERS, INC.
505 E. HUNTLAND DRIVE, STE. 250 AUSTIN, TX 78752
T.B.P.E. FIRM REGISTRATION # F-8632
(512) 454 - 8716

COUNCIL MEETING: August 18, 2015

ITEM: **1.** The City Council will convene in Executive Session pursuant to Section 551.074(a)(1) and (c) of the Texas Government Code to deliberate the annual performance evaluation of the City Manager and the possible amendment of the employment agreement between the City of Elgin and the City Manager.

RESOURCE PERSON(S):

SUMMARY:

RECOMMENDATION(S):

ATTACHMENT: