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Mayor

Nancy Berry

Mayor Pro Tem

Karl Mooney

Interim City Manager

Kathy Merrill

Council members

Blanche Brick

Jess Fields

John Nichols

Julie M. Schultz

James Benham

Agenda
College Station City Council
Regular Meeting
Thursday, June 13, 2013 at 7:00 PM
City Hall Council Chamber, 1101 Texas Avenue
College Station, Texas

1. Pledge of Allegiance, Invocation, Consider absence request.

Hear Visitors: A citizen may address the City Council on any item which does not appear on the posted Agenda. Registration forms are available in the lobby and at the desk of the City Secretary. This form should be completed and delivered to the City Secretary by 5:30 pm. Please limit remarks to three minutes. A timer alarm will sound after 2 1/2 minutes to signal thirty seconds remaining to conclude your remarks. The City Council will receive the information, ask staff to look into the matter, or place the issue on a future agenda. Topics of operational concerns shall be directed to the City Manager. Comments should not personally attack other speakers, Council or staff.

Consent Agenda

At the discretion of the Mayor, individuals may be allowed to speak on a Consent Agenda Item. Individuals who wish to address the City Council on a consent agenda item not posted as a public hearing shall register with the City Secretary prior to the Mayor's reading of the agenda item. Registration forms are available in the lobby and at the desk of the City Secretary.

2. Presentation, possible action and discussion of consent agenda items which consists of ministerial or "housekeeping" items required by law. Items may be removed from the consent agenda by majority vote of the Council.

a. Presentation, possible action, and discussion of minutes for:

- May 23, 2013 Workshop
- May 23, 2013 Regular Council Meeting

b. Presentation, possible action and discussion regarding approval of a real estate contract between the City of College Station (Buyer) and Triangle Oaks, L.P. (Seller) for the purchase of 1.31 acres of land located at 1500 University Oaks Blvd.

c. Presentation, possible action, and discussion on the first reading of a franchise agreement amendment with Bryan Iron and Metal, Ltd. d/b/a Texas Commercial Waste; for the collection of construction and demolition debris, recycling, and organic waste collection from multifamily apartments and commercial business locations, and residential roll-off construction and demolition debris collection.

- d. Presentation, possible action, and discussion regarding the renewal of annual price agreement 11-031 to Brazos Paving, Inc. for the purchase of Cement Stabilized Sand for an amount not to exceed \$137,000 and authorizing the City Manager to execute the renewal agreement on behalf of the City Council.
- e. Presentation, possible action and discussion regarding the purchase of 5-15 kV electric distribution breakers in the amount of \$119,190 from V&S Schuler Utilities for system arc flash protection upgrades and for installation at Northgate Substation.
- f. Presentation, possible action and discussion on the first renewal and first amendment to the bank depository contract between City of College Station and Citibank, N.A.

Regular Agenda

At the discretion of the Mayor, individuals may be allowed to speak on a Regular Agenda Item. Individuals who wish to address the City Council **on a regular agenda item not posted as a public hearing** shall register with the City Secretary prior to the Mayor's reading of the agenda item. Registration forms are available in the lobby and at the desk of the City Secretary.

Individuals who wish to address the City Council on an item **posted as a public hearing** shall register with the City Secretary prior to the Mayor's announcement to open the public hearing. The Mayor will recognize individuals who wish to come forward to speak for or against the item. The speaker will state their name and address for the record and allowed three minutes. A timer alarm will sound at 2 1/2 minutes to signal thirty seconds remaining to conclude remarks. After a public hearing is closed, there shall be no additional public comments. If Council needs additional information from the general public, some limited comments may be allowed at the discretion of the Mayor.

If an individual does not wish to address the City Council, but still wishes to be recorded in the official minutes as being in support or opposition to an agenda item, the individual may complete the registration form provided in the lobby by providing the name, address, and comments about a city related subject. These comments will be referred to the City Council and City Manager.

- 1. Public Hearing, presentation, possible action, and discussion approving an ordinance vacating and abandoning a 0.094 acre, 20-foot wide public utility easement located on Lots 2, 3 & 4 of the North Park Section II Subdivision according to the plat recorded in Volume 494, Page 543 of the Deed Records of Brazos County, Texas.
- 2. Public Hearing, presentation, possible action, and discussion approving an ordinance vacating and abandoning five electrical and public utility easements located at 410 Texas Avenue: a 10-foot electrical utility easement (Exhibit "A"), a 15-foot electrical utility easement (Exhibit "B"), and a 10-foot electrical utility easement (Exhibit "C") recorded in Volume 639, Page 534 of the Deed Records of Brazos County, Texas; a 10-foot electrical utility easement recorded in Volume 740, Page 373 of the Deed Records of Brazos County, Texas; and a 0.07 acre public utility easement recorded in Volume 2709, Page 139 of the Deed Records of Brazos County, Texas.
- 3. Presentation, possible action and discussion regarding approval of a resolution for Parks and Recreation Department User Fees for facilities and programs for FY 2013-14.
- 4. Presentation, possible action and discussion on an ordinance authorizing the issuance of up to \$10,450,000 in principal amount of "City of College Station, Texas Certificates of Obligation, Series

2013"; delegating the authority to certain City Officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to the certificates; and enacting other provisions relating to the subject.

- 5. Presentation, possible action and discussion on an ordinance authorizing the issuance of up to \$23,000,000 in principal amount of "City of College Station, Texas General Obligation Improvement and Refunding Bonds, Series 2013;" delegating the authority to certain City Officials to execute certain documents relating to the sale of the bonds; approving and authorizing instruments and other procedures relating to said bonds; and enacting other provisions relating to the subject.

- 6. Adjourn.

If litigation issues arise to the posted subject matter of this Council Meeting an executive session will be held.

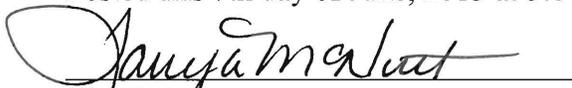
APPROVED:



 City Manager

Notice is hereby given that a Regular Meeting of the City Council of the City of College Station, Texas will be held on the Thursday, June 13, 2013 at 7:00 PM at the City Hall Council Chambers, 1101 Texas Avenue, College Station, Texas. The following subjects will be discussed, to wit: See Agenda.

Posted this 7th day of June, 2013 at 5:00 p.m.



 City Secretary

I, the undersigned, do hereby certify that the above Notice of Meeting of the Governing Body of the City of College Station, Texas, is a true and correct copy of said Notice and that I posted a true and correct copy of said notice on the bulletin board at City Hall, 1101 Texas Avenue, in College Station, Texas, and the City's website, www.cstx.gov . The Agenda and Notice are readily accessible to the general public at all times. Said Notice and Agenda were posted on June 7, 2013 at 5:00 p.m. and remained so posted continuously for at least 72 hours proceeding the scheduled time of said meeting.

This public notice was removed from the official posting board at the College Station City Hall on the following date and time: _____ by _____.

Dated this ____ day of _____, 2013 By _____

Subscribed and sworn to before me on this the ____ day of _____, 2013.

Notary Public – Brazos County, Texas My commission expires: _____

June 13, 2013
City Council Consent Agenda No. 2a
City Council Minutes

To: Kathy Merrill, Interim City Manager

From: Sherry Mashburn, City Secretary

Agenda Caption: Presentation, possible action, and discussion of minutes for:

- May 23, 2013 Workshop
- May 23, 2013 Regular Council Meeting

Attachments:

- May 23, 2013 Workshop
- May 23, 2013 Regular Council Meeting

MINUTES OF THE CITY COUNCIL WORKSHOP
CITY OF COLLEGE STATION
MAY 23, 2013

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Jess Fields
Karl Mooney
John Nichols
Julie Schultz
James Benham

City Staff:

Kathy Merrill, Interim City Manager
James “Rod” Hogan, Interim Assistant City Manager
Carla Robinson, City Attorney
Tanya McNutt, Deputy City Secretary
Ian Whittenton, Records Management Coordinator

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Workshop of the College Station City Council was called to order by Mayor Berry at 4:35 p.m. on Thursday, May 23, 2013 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77842.

2. Executive Session

In accordance with the Texas Government Code §551.071-Consultation with Attorney, §551.074-Personnel, and §551.087-Economic Development Negotiations, the College Station City Council convened into Executive Session at 4:36 p.m. on Thursday, May 23, 2013 in order to continue discussing matters pertaining to:

A. Consultation with Attorney to seek advice regarding pending or contemplated litigation; to wit:

- College Station v. Star Insurance Co., Civil Action No. 4:11-CV-02023.

- Patricia Kahlden, individ. and as rep. of the Estate of Lillie May Williams Bayless v. Laura Sue Streigler, City of College Station and James Steven Elkins, No. 11-003172-CV-272, in the 272nd District Court of Brazos County, TX
- Tom Jagielski v. City of College Station, Cause No. 12-002918-CU-361, In the 361st District Court of Brazos County, Texas
- State v. Carol Arnold, Cause Number 11-02697-CRF-85, In the 85th District Court, Brazos County, Texas

B. Consultation with Attorney to seek legal advice; to wit:

- Legal issues related to city funding for preferred facilities access agreement between T AMU and CVB
- Legal advice related to proposed ordinance adopting a new Rate Review Mechanism with Atmos Energy

C. Deliberation on the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer; to wit:

- City Manager

D. Deliberation on economic development negotiations regarding an offer of financial or other incentives for a business prospect; to wit:

- Discuss economic development incentive negotiations with TAMUS

The Executive Session adjourned at 6:05 p.m.

3. Take action, if any, on Executive Session.

No action was required from Executive Session.

Chuck Gilman presented special video presentation recognizing Public Works Week.

4. Presentation, possible action, and discussion on items listed on the consent agenda.

Item No. 2d was pulled for discussion.

Item No. 2d - Councilmember Fields inquired on the rate making process of the new Rate Review Mechanism Tariff with Atmos Energy Corporation, Mid-Tex Division. Jason Stuebe, Assistant to the City Manager, briefly explained the new rate making process.

5. Presentation, possible action, and discussion the FY 14 Budget calendar and review process.

Jeff Kersten, Executive Director Business Services, presented the FY 14 Budget calendar and review process. Staff recommends the City Council receive the report and provide any desired direction on the budget review meeting dates and times. The original schedule for Council review of the budget was August 12-15. Due to schedule conflicts a revised series of dates was suggested by the Finance and Budget Committee.

Council agreed with staff recommendation of proposed date changes of Monday, August 19, Tuesday, August 20, and Wednesday, August 21 from 4:00 p.m. to 7:00 p.m.

6. Council Calendar

- **May 27 City Offices Closed – HOLIDAY**
- **May 29 Council Transportation & Mobility Committee in Room 203 Conference Room A, Municipal Court - 310 Krenek Tap (2nd Floor) at 3:30 p.m.**
- **June 3 Bicycle, Pedestrian & Greenways Advisory Board Meeting, Council Chambers, 3:00 p.m.**
- **June 5 Newman 10 Business Performance Awards Luncheon, CS Hilton, 12:00 p.m.**
- **June 6 P&Z Workshop/Meeting, Council Chambers, 6:00 p.m. (James Benham, Liaison)**
- **June 7 152nd Basic Peace Officer Graduation, Annenberg Presidential Conference Center, 5:00 p.m.**
- **June 13 Council Photos/Executive Session/Workshop/Regular Meeting at 4:00, 6:00 & 7:00 p.m.**

Council reviewed the Council calendar.

7. Presentation, possible action, and discussion on future agenda items: a Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

Councilmember Fields requested a Workshop Agenda item on the service contract with the Library before the Budget.

Councilmember Benham asked for a Workshop Agenda item with the Appraisal District to discuss the status of the property evaluations and tax increase for the College Station Citizens.

Councilmember Mooney asked for a Workshop Agenda item on the contract with the School District and swimming facilities.

Councilmember Fields asked for report from Brian Hilton regarding warning systems and tornado sighting.

Councilmember Brick asked for report on emergency alert systems that includes information on safe building shelters for citizens.

8. Discussion, review and possible action regarding the following meetings: Animal Shelter Board, Arts Council of Brazos Valley, Arts Council Sub-committee, Audit Committee, Bicycle, Pedestrian, and Greenways Advisory Board, Bio-Corridor Board of Adjustments, Blinn College Brazos Valley Advisory Committee, Brazos County Health Dept., Brazos Valley Council of Governments, Bryan/College Station Chamber of Commerce, Budget

and Finance Committee, BVSWMA, BVWACS, Compensation and Benefits Committee, Convention & Visitors Bureau, Design Review Board, Economic Development Committee, Gigabit Broadband Initiative, Historic Preservation Committee, Interfaith Dialogue Association, Intergovernmental Committee, Joint Relief Funding Review Committee, Landmark Commission, Library Board, Metropolitan Planning Organization, Parks and Recreation Board, Planning and Zoning Commission, Research Valley Partnership, Research Valley Technology Council, Regional Transportation Committee for Council of Governments, Transportation and Mobility Committee, TAMU Student Senate, Texas Municipal League, Twin City Endowment, Youth Advisory Council, Zoning Board of Adjustments.

Councilmember Benham reported on the Research Valley Technology Council and Gigabit Broadband Initiative.

Councilmember Schultz reported on the Research Valley Partnership.

Councilmember Nichols reported on his travel to Washington DC with the Chamber of Commerce.

Mayor Berry reported on the CVB and MPO.

Councilmember Mooney reported on the landfill, BCS (Kyle Field and pending agreement)

Councilmember Brick reported on the BCS Community Development and the South Knoll Area Neighborhood Plan (Resource Team).

9. Adjournment

MOTION: There being no further business, Mayor Berry adjourned the workshop of the College Station City Council at 7:00 p.m. on Thursday, May 23, 2013.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF COLLEGE STATION
MAY 23, 2013

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Nancy Berry, Mayor

Council:

Blanche Brick
Jess Fields
Karl Mooney
John Nichols
Julie Schultz
James Benham

City Staff:

Kathy Merrill, Interim City Manager
James “Rod” Hogan, Interim Assistant City Manager
Carla Robinson, City Attorney
Tanya McNutt, Deputy City Secretary
Ian Whittenton, Records Management Coordinator

Call to Order and Announce a Quorum is Present

With a quorum present, the Regular Meeting of the College Station City Council was called to order by Mayor Berry at 7:00 p.m. on Thursday, May 23, 2013 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77842.

1. Pledge of Allegiance, Invocation, consider absence request.

Presentation:

Mayor Berry presented a proclamation to the A&M Garden Club in recognition as the recipients of the 2012 Texas Garden Club of the year Award.

Citizen Comments

Gary Ives, 3943 Blue Jay Court, stated his hopes and concerns regarding the Lick Creek Trail project. He would like to be given the opportunity to meaningfully engage with the City to help assure that the end result will enhance our community’s infrastructure, functionality, and aesthetics. His concerns were summarized to these points: quality of life for residents, preservation and renovation of landscaping elements, and continuing City commitment.

CONSENT AGENDA

2a. Presentation, possible action, and discussion of minutes for:

- May 9, 2013 Workshop
- May 9, 2013 Regular Council Meeting

2b. Presentation, possible action and discussion regarding the renewal of the Building Use Agreement between the City of College Station and the Arts Council of Brazos located at 2275 Dartmouth Drive.

2c. Presentation, possible action and discussion on the second of two readings of a non-exclusive franchise agreement Ordinance No. 2013-3497 with MedStar Services, LLC for the purpose of collecting and disposing treated and untreated medical waste from various healthcare related facilities.

2d. Presentation, possible action and discussion on an Ordinance No. 2013-3498 adopting a new Rate Review Mechanism Tariff with Atmos Energy Corporation, Mid-Tex Division.

2e. Presentation, possible action, and discussion regarding the award of two annual purchasing agreements for dewatering chemical (polymer) with Fort Bend Services, Inc. not to exceed \$130,800, and with Atlantic Coast Polymer, Inc. not to exceed \$7,400.

Items No. 2b & 2d were pulled for a separate vote.

MOTION: Upon a motion made by Councilmember Fields and a second by Councilmember Mooney, the City Council voted seven (7) for and none (0) opposed, to approve the Consent Agenda, less items 2b & 2d. The motion carried unanimously.

(2b)MOTION: Upon a motion made by Councilmember Nichols and a second by Councilmember Schultz, the City Council voted six (6) for and one (1) opposed, with Councilmember Fields voting against, to approve the renewal of the Building Use Agreement between the City of College Station and the Arts Council of the Brazos Valley located at 2275 Dartmouth Drive. The motion carried.

(2d)MOTION: Upon a motion made by Councilmember Schultz and a second by Councilmember Mooney, the City Council voted six (6) for and one (1) opposed, with Councilmember Fields voting against, to approve Ordinance No. 2013-3498 adopting a new Rate Review Mechanism Tariff with Atmos Energy Corporation, Mid-Tex Division. The motion carried.

REGULAR AGENDA

1. Public Hearing, presentation, possible action, and discussion regarding Ordinance No. 2013-3499 amending Chapter 12, "Unified Development Ordinance, Section 4.2, "Official Zoning Map" of the Code of Ordinances of the City of College Station, Texas by rezoning approximately 3.7 acres, generally located at the intersection of Barron Road and Victoria Avenue, from A-O Agricultural Open to SC Suburban Commercial.

At approximately 7:15 p.m., Mayor Berry opened the Public Hearing.

Doug Bishop, 4000 Rehel Dr., stated his concerns with rezoning, which include 24-hour operations and drive thru business. Also, when attempting to sell, homeowners may encounter additional hardship in the form of decreased desirability and home value.

There being no further comments, the Public Hearing was closed at 7:20 p.m.

MOTION: Upon a motion made by Councilmember Fields and a second by Councilmember Nichols, the City Council voted seven (7) for and none (0) opposed, to approve Ordinance No. 2013-3499 rezoning approximately 3.7 acres, generally located at the intersection of Barron Road and Victoria Avenue, from A-O Agricultural Open to SC Suburban Commercial. The motion carried unanimously.

2. Public Hearing, presentation, possible action, and discussion on an Ordinance No. 2013-3500 establishing additional commercial loading zones in the Northgate District.

At approximately 7:25 p.m., Mayor Berry opened the Public Hearing.

Chris Scotti, 305 Gleeson Ct., stated his appreciation of staff and Council for having this item as a public hearing. He felt, even though there still will be challenges, this ordinance will establish a balance with deliveries and run smoother. This is the first step in addressing the challenges owing to the density and urban nature of the area. He supports staff recommendation as presented.

Stephanie Steele, 2943 Ambrose Dr., stated that her business is located by loading zones. She feels staff's recommendation will not help nor hurt their business. They have deliveries throughout the day. Most deliveries will work except with 18-wheelers. She also stated this will not help with the loading zones located on University and College Main.

Josh Haynes, 2407 Glacier Dr., stated he appreciated all the efforts with the loading zones presented but still feels there will be challenges, especially on the east side of Northgate.

There being no further comments, the Public Hearing was closed at 7:32 p.m.

MOTION: Upon a motion made by Councilmember Nichols and a second by Councilmember Benham, the City Council voted seven (7) for and none (0) opposed, to approve Ordinance No. 2013-3500 establishing additional commercial loading zones in the Northgate District. The motion carried unanimously.

3. Adjournment.

MOTION: There being no further business, Mayor Berry adjourned the Regular Meeting of the City Council at 7:46 p.m. on Thursday, May 23, 2013.

Nancy Berry, Mayor

ATTEST:

Sherry Mashburn, City Secretary

June 13, 2013
Consent Agenda Item No.2b
Greenway Property Acquisition
Real Estate Contract

To: Kathy Merrill, Interim City Manager

From: Bob Cowell, AICP, CNU-A, Executive Director - Planning & Development Services

Agenda Caption: Presentation, possible action and discussion regarding approval of a real estate contract between the City of College Station (Buyer) and Triangle Oaks, L.P. (Seller) for the purchase of 1.31 acres of land located at 1500 University Oaks Blvd.

Relationship to Strategic Goals: Core Services and Infrastructure, Improving Transportation, and a Sustainable City.

Recommendation(s): Staff recommends approval of the contract which will authorize the Mayor to execute the contract and the City Attorney to complete the transaction.

Summary: This real estate contract is for the purchase of property for the Greenways Program. Through the previous approval of bond funds by the taxpayers, the City was authorized to purchase flood-prone property for natural drainage, open space and recreational opportunities. This provides a cost-effective method of alleviating future flood damage along with general floodplain management while providing places for passive recreation. Other benefits include erosion control, buffering between land uses and the protection of habitat for existing flora and fauna. To date, over 600 acres have been protected with these funds.

Budget & Financial Summary: The contract purchase price is \$100,000 which is a negotiated amount. \$50,000 of the purchase price is a cash consideration to be paid to the seller with the remaining \$50,000 being a charitable contribution to the City from the seller. Additional funds will be required for surveying, environmental study, title insurance, closing costs and other fees. Funds are available as a part of the Greenway/Floodplain Fund project.

Reviewed and Approved by Legal: Yes

Attachments:

1. Location Map
2. Real Estate Contract – Available in City Secretary's Office



Legend

-  Owner: Triangle Oaks L.P.
-  Special Flood Hazard Area
-  Parcels
-  Rivers (MapMod)
-  Parks



June 13, 2013
Consent Agenda Item No.2c
Construction & Demolition Debris, Organic Waste, Recycling Collection
Franchise Agreement Amendment-
Bryan Iron and Metal, Ltd. dba Texas Commercial Waste

To: Kathy Merrill, Interim City Manager

From: Chuck Gilman, P.E., PMP, Public Works Director

Agenda Caption: Presentation, possible action, and discussion on the first reading of a franchise agreement amendment with Bryan Iron and Metal, Ltd. d/b/a Texas Commercial Waste; for the collection of construction and demolition debris, recycling, and organic waste collection from multifamily apartments and commercial business locations, and residential roll-off construction and demolition debris collection.

Relationship to Strategic Goals:

1. Core Services and Infrastructure.

Recommendation(s): Staff recommends approval of this franchise agreement.

Summary: Currently Bryan Iron and Metal, Ltd. d/b/a Texas Commercial Waste operates a construction and demolition debris and organic waste franchise agreement with the City of College Station. The proposed franchise agreement amendment will add the ability to collect multifamily and commercial recycling.

Construction and demolition debris is defined any building material waste resulting from demolition, remodeling, repairs, or construction, as well as materials discarded during periodic temporary facility clean-up generated within the City.

Organic waste is defined as waste of a biological origin recovered from the solid waste stream for the purposes of reuse, reclamation, or compost. Organic waste is not solid waste, unless it is abandoned or disposed of, rather than reprocessed into another product. Organic waste includes food waste, brush, manure, leaves, mulch, and compost.

Recyclables are defined as materials recovered from the solid waste stream for reuse or reclamation, a substantial portion of which are consistently used in the manufacture of products that may otherwise be produced using raw or virgin materials. Recyclable commodities or recyclables are not solid waste unless they are abandoned or disposed rather than reprocessed into another product.

The company will be responsible for developing onsite collection of construction and demolition debris, recyclables, and organic waste; so as not to interfere with the collection of municipal solid waste (MSW).

Section 104 of the City Charter states that "The City of College Station shall have the power by ordinance to grant any franchise or right mentioned in the preceding sections hereof,

which ordinance, however, shall not be passed finally until it shall have been read at three (2) separate regular meetings of the City Council.”

Budget & Financial Summary: N/A

Attachments:

1. Franchise Ordinance

2013 AMENDMENT TO THE ORDINANCE GRANTING A NON EXCLUSIVE FRANCHISE WITH TEXAS COMMERCIAL WASTE

Whereas, the City of College Station passed Ordinance No. 2010-3294a on November 10, 2010, entered into a franchise agreement with TEXAS COMMERCIAL WASTE; and

Whereas, TEXAS COMMERCIAL WASTE and the City of College Station desire to amend the franchise agreement with Ordinance No. 2010-3294a by adding Multifamily and Commercial Recycling Collection to the franchise (attached hereto as Exhibit A);

Whereas, TEXAS COMMERCIAL WASTE and the City of College Station agree that all mutual covenants, agreements, terms, and conditions, and valuable consideration from the original franchise will remain in effect and will apply to this amendment; and

Whereas, the College Station City Council must approve this amendment

NOW, THEREFORE, IN CONSIDERATION of the performance of the mutual covenants and promises contained herein, TEXAS COMMERCIAL WASTE and the City of College Station agree and contract as follows:

To amend the original franchise agreement sections I - XXVII, the amendment is to read as follows:

AN ORDINANCE GRANTING BRYAN IRON AND METAL, LTD., D/B/A TEXAS COMMERCIAL WASTE, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE FRANCHISE FOR THE PRIVILEGE AND USE OF PUBLIC STREETS, ALLEYS, AND PUBLIC WAYS WITHIN THE CORPORATE LIMITS OF THE CITY OF COLLEGE STATION FOR THE PURPOSE OF PROVIDING RESIDENTIAL AND COMMERCIAL DEMOLITION AND CONSTRUCTION DEBRIS, MULTI-FAMILY AND COMMERCIAL BUSINESS RECYCLING, AND MULTI-FAMILY AND COMMERCIAL ORGANIC WASTE COLLECTION; PRESCRIBING THE TERMS, CONDITIONS, OBLIGATIONS, AND LIMITATIONS UNDER WHICH SAID FRANCHISE SHALL BE EXERCISED; PROVIDING FOR THE CONSIDERATION; FOR THE PERIOD OF THE GRANT; FOR ASSIGNMENT; FOR THE METHOD OF ACCEPTANCE; FOR REPEAL OF CONFLICTING ORDINANCES; AND FOR PARTIAL INVALIDITY.

Whereas, the City of College Station, by ordinance, provides exclusively all solid waste collection and disposal services for solid waste generated from within the corporate limits of the City of College Station; and the City of College Station may, by ordinance and charter, grant franchises to other entities for the use of public streets, alleys and thoroughfares within the corporate limits of the City of College Station for the collection and disposal of solid waste generated from within the corporate limits of the City of College Station; and

Whereas, the City of College Station desires to exercise the authority provided to it by ordinance and charter to grant a franchise for the collection and disposal of a certain

classification of solid waste generated within the corporate limits of the City of College Station under the terms of this Franchise Agreement as set out below; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, THAT:

**ARTICLE I
DEFINITIONS**

1. **Contractor** means Bryan Iron and Metal, Ltd. d/b/a Texas Commercial Waste conducting residential and commercial business demolition and construction debris collection and multi-family apartment and commercial business recycling and organic waste collection.
2. **Brazos Valley Solid Waste Management Inc.** or BVSWMA means a landfill operated by an interlocal agreement.
3. **City of College Station** or City means the City of College Station, Texas a Home-Rule Municipal Corporation incorporated under the laws of Texas.
4. **City Council** or Council means the governing body of the City of College Station, Texas.
5. **Class 1 Waste** means that term as defined in the Texas Administrative Code as it now exists or as is hereafter amended.
6. **Compactor** means a bulk container used for the collection of refuse, equipped with a device to compact such materials and thereby increasing the storage capacity of the containers.
7. **Container** means an apparatus of varying capacity used for refuse collection. This apparatus must have a securable lid. This lid shall remain closed and secured with the exception of loading and collection. Containers shall not be made of any temporary material.
8. **Customer** means: those industrial, residential, or commercial premises located within the City that generate recyclables, demolition and construction debris, or organic waste.

a. Residential Customers

- i. Each single-family detached residential unit or residential units in a building with fewer than a total of four (4) attached residential units in a complex where each residential unit has been assigned a seventy-gallon automated solid waste container, receiving weekly garbage, rubbish, brush and recycling collection.
- ii. Each residential unit in a building with fewer than a total of four (4) attached residential units in a complex the City has not identified as a multi-family apartment complex, that has been assigned a shared three hundred-gallon or larger automated solid waste collection container,

receiving twice-per-week garbage collection, weekly curbside recycling collection, and weekly rubbish/brush collection.

- b. **Multi-family Customers** - Each residential unit in a building with a total of four (4) or more attached residential units in a complex the City has identified as a multi-family apartment complex, that has been assigned a large solid waste container shared by multiple residential units for garbage collection only.
 - c. **Commercial Customers** - Any customer who is an enterprise or establishment whose main purpose is to carry on a commercial for-profit or not-for-profit activity. Said definition shall include all uses not falling within the category of residential, including, but not limited to, churches, hospitals, schools and industries.
 - d. **Industrial Customers-** Real property on which manufacture or assembly employing labor or machinery is carried on for profit.
9. **Demolition and Construction Debris** means any building material waste resulting from demolition, remodeling, repairs, or construction, as well as materials discarded during periodic temporary facility clean-up generated within the City.
10. **Franchise Agreement** means this franchise between the City of College Station and Bryan Iron and Metal, Ltd. d/b/a Texas Commercial Waste for provision of demolition and construction debris, recycling, and organic waste collection from multi-family apartment and commercial business locations within the City of College Station; and for provision of residential demolition and construction debris collection within the City of College Station, under certain terms and conditions set out herein.
11. **Organic Waste** means waste of biological origin recovered from the solid waste stream for the purposes of reuse, reclamation, or compost. Organic Waste is not solid waste, unless it is abandoned or disposed rather than reprocessed into another product.
12. **Recyclables or Recyclable Commodities** means materials recovered from the solid waste stream for reuse or reclamation, a substantial portion of which are consistently used in the manufacture of products that may otherwise be produced using raw or virgin materials. Recyclable commodities or recyclables are not solid waste unless they are abandoned or disposed rather than reprocessed into another product.
13. **Residue** means the material regularly associated with and attached to recyclable commodities, as a part of the original packaging or use of that commodity, that is not recyclable itself.
14. **Roll-Off** means a container of varying capacity used for refuse collection.

**ARTICLE II
GRANT OF NON EXCLUSIVE FRANCHISE**

1. Nothing in this Franchise shall be construed as granting an exclusive franchise or right. City hereby grants Contractor a non-exclusive franchise to operate and establish in the City from the effective date of the Agreement, to engage in the business of collecting demolition and construction debris from commercial, industrial, multi-family, and residential sites; and recyclables and organic waste from commercial, industrial, and multifamily sites, for the purpose of recycling within the jurisdictional limits of the City.

2. Contractor is granted passage and right-of-way on, along and across the streets, avenues, rights-of-way, alleys, and highways within the corporate limits of the City, for any such services and lawful purpose as stated in this Franchise, provided that all such work, activity and undertakings by Contractor shall be subject to the terms and provisions of this Franchise and the continuing exercise by the City of its governmental and police powers, and provided further that nothing herein shall be construed to require or authorize Contractor to exceed any rights granted herein or by the TCEQ.

**ARTICLE III
DISPOSAL SITE TO BE USED**

Unless approved otherwise in writing by City, Contractor shall utilize BVSWMA, Inc. landfill for the disposal of all non-recyclable waste material collected by Contractor within the corporate limits of the City. Contractor will only use a City-approved recycling facility for processing all recyclable material collected by Contractor within the corporate limits of the City under this Franchise Agreement. Contractor shall not dispose of any Class 1 Waste at the BVSWMA, Inc. landfill.

**ARTICLE IV
RATES TO BE CHARGED BY TEXAS COMMERCIAL WASTE**

Attached hereto as **Exhibit "A"** and incorporated herein by reference is the Schedule of Base Rates, which Contractor shall charge for the aforementioned services. The Contractor shall notify the City in writing at least 30 days before making any rate changes.

**ARTICLE V
PAYMENTS TO CITY**

1. For and in consideration of the grant of the franchise herein, Contractor agrees and will pay during the term of this Franchise, a sum based on the following graduated fee schedule depending on the percentage of aggregate recycling accomplished.

- a. A fee is required equivalent to five percent (5%) of Contractor's monthly gross delivery and hauling revenues; including rates as described in **"Exhibit A"**, generated from Contractor's provision of demolition and construction debris, recyclable, and organic waste roll-off, compactor, or container collection services

within the City if Contractor reports aggregate recycling of at least sixty percent (60%) of demolition and construction debris, recyclables, and organic waste collected.

- b. A fee is required equivalent to six and one half percent (6.5%) of Contractor's monthly gross delivery and hauling revenues; including rates as described in **“Exhibit A”**, generated from Contractor’s provision of demolition and construction debris, recyclable, and organic waste roll-off, compactor, or container collection services within the City if Contractor’s reports aggregate recycling of at least fifty-five percent (55%) but less than sixty percent (60%) of demolition and construction debris, recyclables, and organic waste collected.
- c. A fee is required equivalent to eight percent (8%) of Contractor's monthly gross delivery and hauling revenues; including rates as described in **“Exhibit A”**, generated from Contractor’s provision of demolition and construction debris, recyclable, and organic waste roll-off, compactor, or container collection services within the City if Contractor reports aggregate recycling less than fifty-five percent (55%) of demolition and construction debris, recyclables, and organic waste collected.

2. Any revenue received by Contractor is subject to the franchise fee and shall be computed into Contractor's monthly gross delivery and hauling revenues, and rates as described in **“Exhibit A”**. Payment will be paid quarterly to the City, and shall be due by the twentieth day (20th) of the month following the end of the previous calendar quarter. Payment after that date shall incur a ten percent (10%) late fee on the outstanding account balance under this Article V.

3. Failure by Contractor to pay any amount due under this franchise constitutes a Failure to Perform under this contract and is subject to the provisions of Article XIV of this Franchise Agreement (FAILURE TO PERFORM).

ARTICLE VI ACCESS TO RECORDS & REPORTING

City shall have the right, upon reasonable notice and during normal business hours, to inspect Contractor’s records, billing records of customers served by Contractor, and all papers relating to the operation of demolition and construction debris, recyclables, organic waste collection, and disposal within the City. Contractor shall cooperate with City to allow the inspections.

Along with the payment to the City of the City’s agreed share of revenue from the monthly gross revenues, delivery revenues, and hauling revenues from collection of demolition and construction debris, recyclables, organic waste, and rates as described in **“Exhibit A”**, Contractor shall provide a Monthly Activity Report due to the City no later than the twentieth (20th) calendar day of each month, summarizing collection activity for the previous calendar month. Contractor’s report shall include the following information:

1. Total tonnage of all materials collected from all customers, broken down by material type.
2. Total tonnage of all materials collected from all customers from within the City, broken down by material type.
3. Reports of all complaints and investigations received/ action taken by Contractor, and results or final disposition of complaint and investigation.
4. A report of all Contractor accounts served and monthly revenue derived from the provision of collecting demolition and construction debris, recyclables, and organic waste in the City under terms of this franchise. The reports will include customer's address, frequency of pick-up, size of container, type of container, and monthly charges.
5. Such information concerning the business of collection, processing and marketing of recyclable materials as may be required by the City's representative.

**ARTICLE VII
PLACEMENT OF ROLL-OFFS, COMPACTORS, AND CONTAINERS**

1. All roll-off(s), compactor(s), and container(s) placed in service shall be located in such a manner so as not to be a safety or traffic hazard. Under no circumstances shall Contractor place roll-off(s), compactor(s), or container(s) on public streets, alleys or thoroughfares without the prior written approval of the City. City reserves the right to designate the exact location of any or all roll-off(s), compactor(s), or container(s) placed in service in the City.
2. Demolition and construction debris, recycling, and organic waste collection shall not interfere with the City's collection of municipal solid waste.
3. Under no circumstances shall contractor place roll-off(s), compactor(s), or container(s) in existing enclosures designated for City roll-off(s), compactor(s), and container(s).

**ARTICLE VIII
CONTAINER AND EQUIPMENT MAINTENANCE**

1. Contractor's vehicles shall at all times be clearly marked with Contractor's name, address, telephone number and if applicable, state permit number, in letters not less than three (3) inches in height. All equipment necessary for the performance of this franchise shall be in good condition and repair.
2. Contractor agrees to paint and properly maintain in a safe, clean, and sanitary condition, all roll-off(s), compactor(s), or container(s) placed out for service within the City. Organic waste and recycling roll-off(s), compactor(s), and container(s) must be clearly marked as used for

“Organic Waste Only” or “Recyclables Only” in letters at least twelve inches (12”) in height on the sides of the roll-off container(s), compactor(s), or container(s).

3. All vehicles used by Contractor in the removal of demolition and construction debris, organic waste, and recyclables must be covered during transport to prevent spillage, blowing, or scattering of refuse onto public streets or rights of way, private property or adjacent property. A stand-by vehicle shall always be available.

ARTICLE IX COMPLAINTS REGARDING SERVICE/SPILLAGE

Contractor shall handle directly any complaints pertaining to customer service, property damage or personal injury from their collection service. Any complaints received by City shall be forwarded to Contractor within twenty-four (24) hours of receipt by City. Contractor shall respond to all complaints within twenty-four (24) hours of receiving notice of complaint from City, shall resolve complaints promptly, and shall report to City the action taken. Failure by Contractor to respond and report to City on action taken within this twenty-four (24) hour period may subject Contractor to a \$100.00 per incident charge from City, payable with the next payment due City under Article V of this Franchise Agreement.

ARTICLE X COMPLIANCE WITH LAWS

1. This ordinance shall be construed in accordance with the City’s Charter and Code of Ordinances in effect on the Effective Date of this ordinance to the extent such City Charter and Code of Ordinances are not in conflict with or in violation of the Constitution and Laws of the United States or the State of Texas.

2. This Ordinance shall be governed in accordance with the Laws of the State of Texas. Performance and all matters related thereto shall be in Brazos County, Texas, United States of America.

3. Notwithstanding any other provision in this franchise to the contrary, City and Contractor shall at all times comply with all laws, rules, and regulations of the state and federal government and any administrative agencies thereof, with respect to the subject matter of this Ordinance.

4. All collections made under this Agreement shall be made by Contractor without unnecessary noise, disturbance, or commotion.

ARTICLE XI UNDERSTANDINGS PERTAINING TO NON-EXCLUSIVITY

This Franchise Agreement contains all the terms and conditions agreed on by the parties and no other agreements, or otherwise, regarding the subject matter of this franchise shall be of any force or effect. Both parties agree and understand that nothing in this Franchise Agreement

conveys to Contractor an exclusive franchise for the services described in this franchise and that this franchise is non-exclusive.

ARTICLE XII OWNERSHIP OF MATERIALS

Sole and exclusive title to all demolition and construction debris, recyclables or organic waste collected by Contractor under this Franchise Agreement will pass to Contractor when the debris is placed on Contractor's truck.

ARTICLE XIII CITY SERVICE

Contractor agrees to provide free service to City following natural disasters or acts of God.

ARTICLE XIV FAILURE TO PERFORM

It is expressly understood and agreed by the parties that if, at any time, Contractor shall fail to perform any of the terms, covenants, or conditions herein set forth, City may, after hearing as described herein, revoke and cancel the Franchise Agreement by and between the parties and said Franchise Agreement shall be null and void. Upon the determination by the staff of City that a hearing should be held before the Council of said City, City shall mail notice to Contractor, at the address designated herein or at such address as may be designated from time to time, by registered mail. The notice shall specify the time and place of the hearing and shall include the allegations being asserted for the revocation of this Franchise Agreement. The hearing shall be conducted in public before the City Council, and Contractor shall be allowed to present evidence and have an opportunity to answer all allegations for the termination set forth in the notice. In the event the Council determines the allegations set forth are true as set forth in the notice, it may by majority vote cancel this Franchise Agreement between the parties at no penalty to the City.

ARTICLE XV RELEASE AND INDEMNIFICATION

1. Contractor assumes full responsibility for the work to be performed hereunder, and hereby releases, relinquishes, and discharges City, its officers, agents and employees, from all claims, demands, and causes of action of every kind and character including the cost of defense thereof, for any injury to, including death of, any person whether that person be a third person party, Contractor, or an employee of either of the parties hereto, and any loss of or damage to property, whether the same be that of either of the parties hereto or of third parties, caused by or alleged to be caused by, arising out of or in connection with the grant of this franchise to Contractor, whether or not said claims, demands and causes of action in whole or in part are covered by insurance.

2. Contractor agrees to and shall indemnify and hold City harmless and defend the City, its officers, agents and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys' fees, for injury to or death of any person, and for damage to any property, out of or in connection with operation of Contractor's recycling business under this franchise and disposal or resale of the recyclable waste collected by it, and arising out of or in connection with the performance of this Agreement, whether the Contractor's negligence is the sole or concurring cause of the injury, death, or damages, and whether the City's negligence is the sole or concurring cause of the injury, death, or damages. It is the express intention of the parties hereto, that the indemnity provided for hereinabove is intended by the Contractor to indemnify and protect the City from the consequences of both the City's own negligence, whether that negligence is the sole or a concurring cause of the injury, death or damage; or the Contractor's negligence, whether that negligence is the sole or a concurring cause of the injury, death or damage.

3. Contractor assumes responsibility and liability and hereby agrees to indemnify the City from any liability caused by Contractor's failure to comply with applicable federal, state, or local laws and regulations, touching upon the maintenance of a safe and protected working environment, and the safe use and operation of machinery and equipment in that working environment.

ARTICLE XVI INSURANCE

1. For the duration of this Agreement, Contractor shall procure and maintain, at its sole cost and expense, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work under the terms of this Agreement by Contractor, its agents, representatives, volunteers, employees, or subcontractors.

2. Contractor's insurance shall be endorsed to name the City as additional insured. Contractor's insurance shall be primary with respect to the City, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees, or volunteers, shall be considered in excess of Contractor's insurance and shall not contribute to it.

3. Contractor shall include any and all subcontractors as additional insureds under its policies. All coverages for subcontractors shall be subject to all of the requirements and endorsements stated herein.

4. Certificates of Insurance and endorsements shall be furnished to City and approved by City before work commences. During the term of this Agreement, Contractor's insurance policies shall meet the following requirements:

a. Standard Insurance Policies Required

1. Commercial General Liability
2. Business Automobile Liability

3. Workers' Compensation

b. General Requirements Applicable to All Policies

1. Only Insurance Carriers licensed and authorized to do business in the State of Texas will be accepted.
2. Deductibles shall be listed on the Certificate of Insurance and are acceptable only on a per occurrence basis for property damage only.
3. "Claims Made" policies are not accepted.
4. Coverage shall not be suspended, voided, canceled, reduced in coverage or in limits of liability, except after thirty (30) days prior written notice has been given to the City of College Station.
5. In the event of a claim and upon request, Contractor shall furnish copies of all insurance policies to the City of College Station.
6. The City of College Station, its officials, employees and volunteers, are to be named as "Additional Insured" on the Commercial General and Business Automobile Liability policies. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.

c. Commercial General Liability

1. General Liability insurance shall be written by a carrier with a "A: VIII" or better rating in accordance with the current A. M. Best Key Rating Guide.
2. Limit of \$1,000,000.00 per occurrence for bodily injury and property damage with an annual aggregate limit of \$2,000,000.00 which limits shall be endorsed per Project.
3. Coverage shall be at least as broad as ISO form CG 00 01.
4. No coverage shall be excluded from the standard policy without notification of individual exclusions being attached for review and acceptance.
5. The coverage shall include but not be limited to the following: premises/operations with separate aggregate; independent contracts; products/completed operations; contractual liability, MSC 90 Pollution Coverage.

d. Endorsements

1. The additional insured endorsement shall be in a form at least as broad as ISO form GC 2026. Waiver of subrogation in a form at least as broad as ISO form 2404 shall be provided in favor of the City on all policies obtained by the Contractor in compliance with the terms of this Agreement. Contractor shall be responsible for all deductibles on any policies obtained in compliance with the terms of this Agreement. All coverage for subcontractors shall be subject to the requirements stated herein. All Certificates of Insurance and endorsements shall be furnished to the City's Representative at the time of execution of this Agreement, attached hereto as **Exhibit "B"**, and approved by the City before work commences.

e. Workers Compensation Insurance

1. Pursuant to the requirements set forth in Title 28, Section 110.110 of the Texas Administrative Code, all employees of the Contractor, all employees of any and all subcontractors, and all other persons providing services on the Project must be covered by a worker's compensation insurance policy, either directly through their employer's policy (the Contractor's or subcontractor's policy) or through an executed coverage agreement on an approved Texas Department of Insurance Division of Workers Compensation (DWC) form. Accordingly, if a subcontractor does not have his or her own policy and a coverage agreement is used, contractors and subcontractors must use that portion of the form whereby the hiring contractor agrees to provide coverage to the employees of the subcontractor. The portion of the form that would otherwise allow them not to provide coverage for the employees of an independent Contractor may not be used.
2. Workers' compensation insurance shall include the following terms:
 - A. Employer's Liability minimum limits of \$1,000,000.00 for each accident/each disease/each employee is required.
 - B. "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy.
 - C. Texas must appear in Item 3A of the Workers Compensation coverage or Item 3C must contain the following: All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY.
3. Pursuant to the explicit terms of Title 28, Section 110.110(c) (7) of the Texas Administrative Code, the bid specifications, this Agreement, and all subcontracts on this Project must include the following terms and conditions in the following language, without any additional words or changes, except those required to accommodate the specific document in which they are contained or to impose stricter standards of documentation:

Definitions:

- A. Certificate of coverage ("certificate") – An original certificate of insurance, a certificate of authority to self-insure issued by the Division of Workers Compensation, or a coverage agreement (DWC-81, DWC-83, or DWC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.
- B. Duration of the project - includes the time from the beginning of the work on the project until the Contractor's/person's work on the project has been completed and accepted by the governmental entity.

- C. Persons providing services on the project (“subcontractors” in § 406.096 [of the Texas Labor Code) - includes all persons or entities performing all or part of the services the Contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the Contractor and regardless of whether that person has employees. This includes, without limitation, independent Contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. “Services” include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. “Services” does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.
4. The Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the project, for the duration of the project.
 5. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.
 6. If the coverage period shown on the Contractor’s current certificate of coverage ends during the duration of the project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.
 7. The Contractor shall obtain from each person providing services on a project, and provide to the governmental entity:
 - A. a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and
 - B. no later than seven calendar days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
 8. The Contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.
 9. The Contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 calendar days after the Contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
 10. The Contractor shall post on each project site a notice, in the text, form and manner prescribed by the Division of Workers Compensation, informing all

persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

- 11.** The Contractor shall contractually require each person with whom it contracts to provide services on a project, to:
 - A.** Provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;
 - B.** Provide to the Contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;
 - C.** Provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - D.** Obtain from each other person with whom it contracts, and provide to the Contractor:
 - i.** A certificate of coverage, prior to the other person beginning work on the project; and
 - ii.** A new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - E.** Retain all required certificates of coverage on file for the duration of the project and for one year thereafter;
 - F.** Notify the governmental entity in writing by certified mail or personal delivery, within 10 calendar days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and
 - G.** Contractually require each person with whom it contracts to perform as required by paragraphs (a) - (g), with the certificates of coverage to be provided to the person for whom they are providing services.

- 12.** By signing this contract, or providing, or causing to be provided a certificate of coverage, the Contractor is representing to the governmental entity that all employees of the Contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project; that the coverage will be based on proper reporting of classification codes and payroll amounts; and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the Commission's Division of Self-Insurance Regulation. Providing false or misleading information may

subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

13. The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor that entitles the governmental entity to declare the contract void if the Contractor does not remedy the breach within ten calendar days after receipt of notice of breach from the governmental entity.

f. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent, and shall contain the following provisions and warranties:

1. The company is licensed and authorized to do business in the State of Texas.
2. The insurance policies provided by the insurance company are underwritten on forms provided by the Texas State Board of Insurance or ISO.
3. All endorsements and insurance coverages according to requirements and instructions contained herein.
4. The form of the notice of cancellation, termination, or change in coverage provisions to the City of College Station.
5. Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.

**ARTICLE XVII
ASSIGNMENT**

This Agreement and the rights and obligations contained herein may not be assigned by Contractor without the specific prior written approval of the City Council. The Contractor may request assignment of the Contractor's rights or obligations under this Agreement upon written request to the City. City shall take the requested assignment before the City Council within thirty (30) days of receipt of request from Contractor, and will be recommended for approval by staff unless deemed unreasonable.

**ARTICLE XVIII
SAFETY AND LIABILITY FOR INJURIES TO CITY OR ABUTTING PROPERTY**

1. Contractor shall perform the collection in accordance with the applicable laws, codes, ordinances and regulations of the United States, State of Texas, Brazos County, and City of College Station and in compliance with OSHA and other laws as they apply to its employees. It is the intent of the parties that safety precautions are part of the collection techniques for which Contractor is solely responsible. In carrying on the services herein provided for, Contractor shall use all proper skill and care, and Contractor shall exercise all due and proper precautions to prevent injury to any property, or person(s).

2. Contractor shall pay for all damages to City property resulting from the operation of its service, and shall pay every owner of property abutting the residential property on which the container is located, for all damages or injuries caused by any act or omission of Contractor or of any of its subcontractors or employees in the operation of the Contractor service.

**ARTICLE XIX
AD VALOREM TAXES**

Contractor agrees to render all personal property utilized in its solid waste operation services to Brazos County Appraisal District so said personal property will be the subject of ad valorem taxation for the benefit of City.

**ARTICLE XX
NOTICES AND PAYMENTS**

1. All notices and payments required under the terms of this Contract to be given by either party to the other party shall be in writing, and unless otherwise specified in writing by the respective parties, shall be sent to the parties at the addresses following:

Recycling Coordinator	Ron Schmidt
City of College Station	General Manager
P.O. Box 9960	Texas Commercial Waste
College Station, Texas 77842	P. O. Box 645
	Bryan, Texas 77806

2. All notices shall be deemed to have been properly served only if sent by Registered or Certified Mail, to the person(s) at the address designated as above provided, or to any other person at the address which either party may hereinafter designate by written notice to the other party.

**ARTICLE XXI
PENALTY**

Any person, firm or corporation violating any provision of this ordinance shall receive a citation and fine not to exceed \$2,000.00 for each offense, and each and every day said violation continues constitutes a separate offense.

**ARTICLE XXII
AMENDMENTS**

It is hereby understood and agreed by the parties to this franchise that no amendment to the terms of this franchise shall be made unless made in writing, approved by both parties, and attached to this Franchise Agreement to become a part hereof.

**ARTICLE XXIII
SEVERABILITY**

If any section, sentence, clause, or paragraph of this Agreement shall be held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The parties shall use their best efforts to replace the invalid, illegal or unenforceable provision(s)

of this Agreement with valid legal terms and conditions approximating the original intent of the parties.

**ARTICLE XXIV
AUTHORIZATION TO EXECUTE**

The parties signing this Franchise Agreement shall provide adequate proof of their authority to execute this Franchise Agreement. This Franchise Agreement shall inure to the benefit and is binding upon the parties hereto and their respective successors or assigns, but shall not be assignable by either party without the written consent of the other party.

**ARTICLE XXV
TERM AND TERMINATION OF FRANCHISE**

1. The term of this Franchise Agreement shall be for a period of five (5) years beginning on the date of acceptance.
2. In addition to all other rights and powers retained by City under this Franchise or otherwise, City reserves the right to declare this Franchise forfeited and to terminate the Franchise and all rights and privileges of Contractor hereunder in the event of a material breach of the terms, covenants, or conditions herein set forth. A material breach by Contractor shall include, but not be limited to, the following:
 - a. Failure to pay the fees prescribed by Article V
 - b. Failure to materially deliver the services provided for in this Franchise
 - c. Material misrepresentation of fact in the application for or negotiation of this Franchise
 - d. Conviction of any director, officer, employee, or agent of Contractor of the offense of bribery or fraud connected with or resulting from the awarding of this Franchise
 - e. Material misrepresentations of fact knowingly made to City with respect to or regarding Contractor's operations, management, revenues, services or reports required pursuant to this Franchise
 - f. Revocation or denial of registration or renewal of registration by TCEQ
 - g. Excessive interruption in service for a period of seventy-two (72) hours or more due to causes other than force majeure
3. Contractor shall not be excused by mere economic hardship nor by misfeasance or malfeasance of its directors, officers, or employees.
4. City may after a hearing as described herein, revoke and cancel this Franchise by and between the parties and said Franchise shall be null and void. City shall mail notice to Contractor, at the address designated herein or at such address as may be designated from time to time, by registered mail. The notice shall specify the time and place of the hearing and shall include the allegations being asserted for the revocation of this Agreement. The hearing shall be conducted in public before the City Council, and Contractor shall be allowed to present evidence and be given an opportunity to answer all allegations for the termination set forth in the notice.

In the event the Council determines the allegations set forth are true as set forth in the notice it may by majority vote cancel this Agreement between the parties at no penalty to the City.

**ARTICLE XXVI
ACCEPTANCE OF FRANCHISE**

In accordance with City of College Station City Charter, Section 120, Contractor shall have sixty (60) days from and after the final passage and approval of this Ordinance to file its written acceptance thereof with the City Secretary. Within thirty (30) days from the final adoption of this Ordinance, and upon acceptance being filed, this Ordinance shall take effect and be in force from and after the date of its acceptance. Such acceptance shall be typed or printed on the letterhead of Contractor and, with the blank spaces appropriately completed, shall be as follows:

Attn: Public Works Director

TEXAS COMMERCIAL WASTE, acting by and through its undersigned who is acting within his or her official capacity and authority, hereby accepts the franchise to operate construction and demolition debris, organic waste, and recycling collection services within the City of College Station, Texas ("College Station") as said franchise is set forth and provided for in Ordinance No. _____ (the "Ordinance"). TEXAS COMMERCIAL WASTE agrees to be bound and governed by the terms, provision and condition of the Ordinance, to accept and to give the benefits provided for in the Ordinance in a businesslike and reasonable manner and in compliance with the Ordinance.

By: 
Name: RONALD SCUM
Title: CEO MGR
Date: 5-30-13

By accepting this Agreement, Contractor represents it has, by careful examination, satisfied itself as to the nature and location of the work; the character, quality and quantity of work to be performed; the character of the equipment and facilities necessary to fulfill its obligations under this Agreement; and the general and local conditions and all other matters that in any way affect the work to be performed under this Agreement.

**ARTICLE XXVII
PUBLIC MEETING**

It is hereby found and determined that the meetings at which this ordinance was passed were open to the public, as required by Texas Government Code § 551, as amended, and that advance public notice of time, place, and purpose of said meetings was given.

First Consideration & Approval on the _____ day of _____ 2013

Second Consideration & Approval on the _____ day of _____ 2013

**BRYAN IRON AND METAL, LTD.
d/b/a Texas Commercial Waste**

CITY OF COLLEGE STATION

By: 

By: _____

Printed Name: RONALD SCHMIDT

Mayor

Date: _____

Title: GENERAL MANAGER

Date: 5-30-13

ATTEST:

City Secretary
Date: _____

APPROVED:

City Manager
Date: _____

City Attorney
Date: _____

Executive Dir. Business Services
Date: _____

EXHIBIT "A"
SCHEDULE OF BASE RATES

EXHIBIT "B"
CERTIFICATES OF INSURANCE AND ENDORSEMENTS

June 13, 2013
Consent Agenda Item No. 2d
Annual Price Agreement for Cement Stabilized Sand

To: Kathy Merrill, Interim City Manager

From: Chuck Gilman, P.E., PMP, Public Works Director

Agenda Caption: Presentation, possible action, and discussion regarding the renewal of annual price agreement 11-031 to Brazos Paving, Inc. for the purchase of Cement Stabilized Sand for an amount not to exceed \$137,000 and authorizing the City Manager to execute the renewal agreement on behalf of the City Council.

Relationship to Strategic Goals: Financially Sustainable City Providing Response to Core Services and Infrastructure -Spending taxpayer money efficiently

Recommendation(s): Staff recommends approval of the authorization to participate with the City of Bryan for the renewal of annual price agreement 11-031 and authorization for the City Manager to execute the renewal agreement.

Summary: The City of Bryan requested bids (City of Bryan Bid #11-031) for an annual price agreement for Cement Stabilized Sand on May 17, 2011. Three bids were received from Texcon, Brazos Paving, Inc. and Knife River. Our Interlocal Purchasing Agreement with the City of Bryan allows the City to utilize contracts that have been competitively solicited by either entity. The lowest Total Annual Bid Price was received from Brazos Paving, Inc. for \$16.50 for material to be picked up by City crews and \$21.50 for material to be delivered to the job site by contractor crews. The amount estimated to be picked up by City of College Station crews for regular and emergency maintenance is 7,000 tons at \$16.50 for \$115,500. The amount estimated to be delivered by contractor crews to the job site would be 1,000 tons at \$21.50 for \$21,500. The total amount would not exceed \$137,000. This is Renewal #1 of two allowable renewals.

Budget & Financial Summary: Funds to purchase cement stabilized sand are budgeted and available in the General Fund within the Operations Budget of the Streets and Drainage Divisions.

Attachments:

1. City of Bryan Renewal Letter



CITY OF BRYAN
The Good Life. Texas Style

May 13, 2013

Brazos Paving
Mr. Billy Prewitt
P O Box 714
Bryan, Texas 77807

RE: 2nd Extension of Contract No. 11-031 entitled "Annual Price Agreement for Cement Stabilized Sand"

Dear Mr. Prewitt:

Please be advised that the above referenced price agreement will expire on June 14, 2012, and it is our intent to recommend to the City Council to extend said agreement for one (1) additional period of one (1) year, beginning the day following the expiration date of said agreement.

If your company is willing and able to extend Agreement No. 11-031 under the same prices, terms, conditions and provisions as those contained in the original agreement, please complete the following information and return this original within ten (10) days from the date of this notification.

I, Billy Prewitt Vice President
Name Title

Of Brazos Paving, Inc (BPI)
Company Name

agree to extend Agreement No. 11-031 with the City of Bryan, under the same prices, terms, conditions and provisions as those contained in the original agreement, for a period of one (1) year beginning June 15, 2012 and expiring June 14, 2013 upon approval of City Council.

Signed By: Billy Prewitt Date 5/16/13

Karen Sonley
Karen Sonley, Buyer
City of Bryan - Purchasing Department

June 13, 2013
Consent Agenda Item No. 2e
Distribution Breaker Purchase

To: Kathy Merrill, Interim City Manager

From: Timothy Crabb, Director of Electric Utilities

Agenda Caption: Presentation, possible action and discussion regarding the purchase of 5-15 kV electric distribution breakers in the amount of \$119,190 from V&S Schuler Utilities for system arc flash protection upgrades and for installation at Northgate Substation.

Relationship to Strategic Goals:

1. Core Services and Infrastructure

Recommendation(s): Staff recommends award to the lowest bidder meeting equipment specifications, V&S Schuler Utilities, in the amount of \$119,190.

Summary: On May 22, 2013 three bids were received by the Purchasing Department. The lowest bid was selected because all the aspects were equivalent among the bidders. Three of the five 15 kV distribution breakers being ordered are required as owner furnished material for Northgate Substation. These will provide service to the growth in the Northgate area. The other two breakers are required in order to replace older distribution breakers not capable of providing arc flash protection for line personnel. Arc flash settings are utilized to reduce exposure to high fault currents when line personnel must work on energized lines.

Budget & Financial Summary: Funds for this purchase are budgeted in the Electric Capital Improvement Projects Budget. Three of the breakers will be in the Northgate Substation. The Northgate Substation expenditures (\$77,410) are covered by the Northgate Substation Debt Reimbursement Resolution that was approved by Council on 9/27/12. The remaining two breakers will be put into the electric distribution system to provide arc flash protection (\$41,780).

Reviewed and Approved by Legal: Not Applicable

Attachments:

1. Bid Tabulation for #13-070 Purchase of Substation Breakers



City of College Station - Purchasing Division
Bid Tabulation for #13-070
"Purchase of Substation Breakers"
Open Date: Wednesday, May 22, 2013 @ 2:00 p.m.

			V&S Schuler Utilities	DIS-TRAN Packaged Substations	Wesco
Group	Qty	Description			
A1	3	1200 AMP Distribution Circuit			
		Manufacturer	ABB	ABB	ABB
		Catalog No.	MB11130CCMH5KMZ402	MB1130CCMH5KMZ402	MB11130CCMH5KZ407
		Delivery Time	13-14 weeks ARO	13-14 Weeks ARO	13-14 weeks
		Unit Price	\$20,890.00	\$22,755.67	\$22,193.00
		SUBTOTAL	\$62,670.00	\$68,267.01	\$66,579.00
Group	Qty	Description			
A1	2	3000 AMP Distribution Circuit			
		Manufacturer	ABB	ABB	ABB
		Catalog No.	MB11440PPMH5KMZ401	MB11440PPMH5KMZ401	MB11440PPMH5KMZ402
		Delivery Time	13-14 Weeks WRO	13-14 Weeks	13-14 Weeks
		Unit Price	\$28,260.00	\$30,782.49	\$30,021.00
		SUBTOTAL	\$56,520.00	\$61,564.98	\$60,042.00
		GRAND TOTAL	\$119,190.00	\$129,831.99	\$126,621.00
		Bid Certification	Y	Y	Y
		Exceptions	None	None	None
			Rank 1	Rank 3	Rank 2
			5 year Warranty	5 year Warranty	5 year Warranty

June 13, 2013
Consent Agenda Item No.2f
Bank Depository Renewal and Amendment

To: Kathy Merrill, Interim City Manager

From: Jeff Kersten, Executive Director of Business Services

Agenda Caption: Presentation, possible action and discussion on the first renewal and first amendment to the bank depository contract between City of College Station and Citibank, N.A.

Relationship to Strategic Goals: Goal I - Financially Sustainable City Providing Response to Core Services and Infrastructure

Recommendation(s): Staff recommends approval of the first one-year renewal option and contract amendment.

Summary: The current bank depository agreement with Citibank expires on September 30, 2013. On August 26, 2010, the Council selected Citibank as the City's depository bank. The depository agreement was for three (3) years with an option for two (2) one-year renewals under the same terms and conditions and upon mutual consent of both parties. Due to economic conditions, Citibank has expressed that they will not be able to offer the current excess earnings interest rate of the average fed fund rate plus fifty basis points. To help offset the lower interest rate returned item fess will be reduced. The contract amendment allows the City to negotiate mutually agreed upon changes to rates, fees or other cost.

Citibank was selected as the city's depository account based on lowest cost for banking services, ability to present the city with innovative cash management options, having a dedicated governmental division with numerous governmental clients and the only bank offering to pay the City interest on excess earning. On April 5, 2013 the renewal and amendment was brought before and discussed with the Budget and Finance Committee. The committee moved to accept staff's recommendation and present to Council for consideration.

Budget & Financial Summary: The annual cost for the services provided by Citibank is not expected to exceed \$40,000 annually. The expenditure for banking services is budgeted in the General Fund and the Utility Customer Service Fund. The interest rate on the account is the average fed fund rate plus 20 basis points and returned item fees will be reduced. Currently, the City is averaging roughly \$29,000 a month in interest earnings. The new rate will reduce the City's monthly earnings roughly by half. Staff will continue to look for investment opportunities to maximize earnings on excess balances to help offset the interest rate reduction in the City's depository account.

Legal Review: Yes

Attachments:

1. First Renewal and First Amendment to the Bank Depository Contract

**FIRST RENEWAL AND FIRST AMENDMENT TO THE BANK DEPOSITORY
CONTRACT BETWEEN CITY OF COLLEGE STATION
AND
CITIBANK N.A.**

WHEREAS, the City of College Station, Texas entered into a depository contract with Citibank N.A. dated September 1, 2010, contract number 10-274m ("Original Contract") for Bank Depository Services; and

WHEREAS, the Original Contract was approved by the City Council on August 26, 2010 in the amount of \$170,000 for a three year term; and

WHEREAS, the City desires to amend the specific terms and conditions to allow the City to consider contract renewals which may include mutually agreeable rates, fees or other acceptable changes in pricing; and

WHEREAS, pursuant to the terms and conditions of the agreement, the City desires to renew the contract for one (1) additional year.

NOW THEREFORE, for and in consideration of the recitation above and the covenant expressed herein below, the parties agree as follows:

1. Request for Application Bank Depository Services, Paragraph 2, Specific Terms and Conditions, of Depository Contract No. 10-274m is amended to read in its entirety "The City shall have the option of renewing this contract, for two (2) additional one (1) year terms to be awarded one (1) year at a time. Contracts may be renewed upon mutual agreement of the Financial Institution and the City. The City will not consider Contract renewals which include any change in the Contract terms and conditions, except that the City may, upon renewal, mutually agree to change rates, fees or other costs. City will notify Bank thirty (30) days prior to end of original contract term of its desire to renew the contract."
2. Attached hereto, as Exhibit A, is the revised fee schedule for banking depository services for this renewal term.
3. Citibank N.A. and the City agree to renew the depository contract, as amended, for the period of October 1, 2013 through September 30, 2014.
4. All other terms and conditions of the Original Contract shall remain unchanged and in full force and effect.

CITIBANK N.A.

By: Eugene D. Lyles, Jr.

Printed Name: Eugene D. Lyles, Jr.

Title: Vice President

Date: MAY 10, 2013

CITY OF COLLEGE STATION

By: _____

Mayor

Date: _____

ATTEST:

City Secretary

Date: _____

APPROVED:

City Manager

Date: _____

Atty. General

for City Attorney

Date: May 14, 2013

Executive Director Business Services

Date: _____

EXHIBIT A

Citibank, N.A.
South College Station
2717 Texas Ave. S.
College Station, TX 77840

Tel: 979-260-4360
Fax: 979-764-8694

March 14, 2013



City of College Station
Cheryl Wright, Treasurer
1101 Texas Avenue
College Station, TX 77840

Re: 2013-2014 Depository Contract Renewal Pricing Adjustments

Mrs. Wright,

We truly appreciate the opportunity to continue working with the City of College Station as its depository institution. We feel the relationship has been mutually beneficial and look forward to the continued partnership.

For the first annual extension Citibank will conduct changes to the following pricing line items. All other items will remain as presented in the original Depository Contract executed on September 1, 2010.

- I) Interest on excess balances
 - a. Current – Fed Funds + .50%
 - b. Proposed – Fed Funds + .20%

- II) Returned Deposit Items
 - a. Current - \$3.00 each
 - b. Proposed - \$1.50 each

- III) Rejected ACH Items
 - a. Current - \$5.00 each
 - b. Proposed - \$1.50 each

- IV) Returned ACH Items
 - a. Current - \$5.00 each
 - b. Proposed - \$1.50 each

The items above will be effective October 1, 2013 through September 30, 2014. For a complete listing please refer to the attached pricing adjusted schedule.

Again, we appreciate the City's business and look forward to serving the City's depository needs in the future. Should you have any questions please contact my office at (979)691-2759 or by email at donnie.fowler@citi.com.

Sincerely,

Donnie Fowler
SVP, Texas Public Funds Relationship Manager

EXHIBIT A



CITY OF COLLEGE STATION RENEWAL PRICING 2013

Service	Cost
Interest on Excess Balances	Fed Funds + .20%
Account Maintenance (3 accounts)	7.00
Account Analysis	NC
Deposit Services:	
Checks Paid	0.140
Deposits Posted (Tickets)	0.140
Items Deposited: (Including Encoding)	
Local Items	0.080
Coin Vault Deposit per \$100	0.070
ICL Implementation Fee (UCS)	250.000
ICL Implementation Monthly Maintenance (UCS)	100.000
Returned Items (chargeback's)	1.50
Stop Payments	10.00
Citibusiness On-line:	
Electronic Balance Inquiry-Citibusiness Intra day \$35 master \$10 add'l acct	55.00
ACH Maintenance On-line Module	10.00
Cash Management	
ZBA Parent/Child	10.00
Account Reconciliation	
Stand Alone Positive Pay Mthly/full acct recon	50.00
Payee Positive Pay Monthly	10.00
Stand Alone Positive Pay Items	0.03
CD Rom per item	0.01
CD ROM for Archived Statements and Checks	25.00
ACH File Origination	
ACH Draft Originated	0.100
Payroll Direct Deposit - 26 payrolls	5.00
Utility Payment Drafts - 120 cycles	5.00
IRS Payroll Tax Remittance - approx 26	5.00
ACH Rejected Items	1.50
ACH Return Items	1.50
ACH Reversal	3.00
EDI Monthly Service	10.00
EDI Report	5.00
ACH-EDI Addenda Report	50.00
Wire Transfers	
Outgoing	8.50
Incoming	5.00
Remote Check Deposit	
Maintenance (No longer using)	60.00
Automated Clearing House (ACH)	
Debit Filter/Blocks	
ACH Credits Received	0.10
ACH Debits Received	0.10
ACH Debit Filter	5.00
MISC Services	
Coin Bag	NC
Deposit bags	NC
Electronic Payment Authorization System (3 Accounts)	NC
Non-Monthly Charge Rates:	
3-Part Deposit Slips	No Charge
Payroll Debit Card System	Not available
Travelers Checks	No Charge
Cashiers Checks	No Charge
Electronic Balance Inquiry Citibusiness Online Basic	No Charge
Intrabank Transfer Online	No Charge
Manually	2.00
Positive Pay System Citibusiness Online Basic	No Charge
Void after 90 days on Checks	No Charge
Bank program providing capability for electronic transmission via modem. Citibusiness Online Basic	No Charge
Ability to transmit via modem directly to bank and have debits and credits done automatically not manually. Citibusiness Online Basic	No Charge

June 13, 2013
Regular Agenda Item No. 1
20-ft Public Utility Easement Abandonment –
130, 132 & 134 (former) Meadowland Street

To: Kathy Merrill, Interim City Manager

From: Bob Cowell, Executive Director of Planning and Development Services

Agenda Caption: Public Hearing, presentation, possible action, and discussion approving an ordinance vacating and abandoning a 0.094 acre, 20-foot wide public utility easement located on Lots 2, 3 & 4 of the North Park Section II Subdivision according to the plat recorded in Volume 494, Page 543 of the Deed Records of Brazos County, Texas.

Relationship to Strategic Initiatives: Core Services and Infrastructure, and a Diverse Growing Economy

Recommendation(s): Staff recommends approval of the ordinance.

Summary: This easement abandonment accommodates the future development of a hotel on Lots 2, 3 & 4. There are no public or private utilities in the subject portion of easement to be abandoned.

The 0.094 acre, 20-foot wide public utility easement to be abandoned is located on Lots 2, 3 & 4 of the North Park Section II Subdivision according to the plat recorded in Volume 494, Page 543 of the Deed Records of Brazos County, Texas.

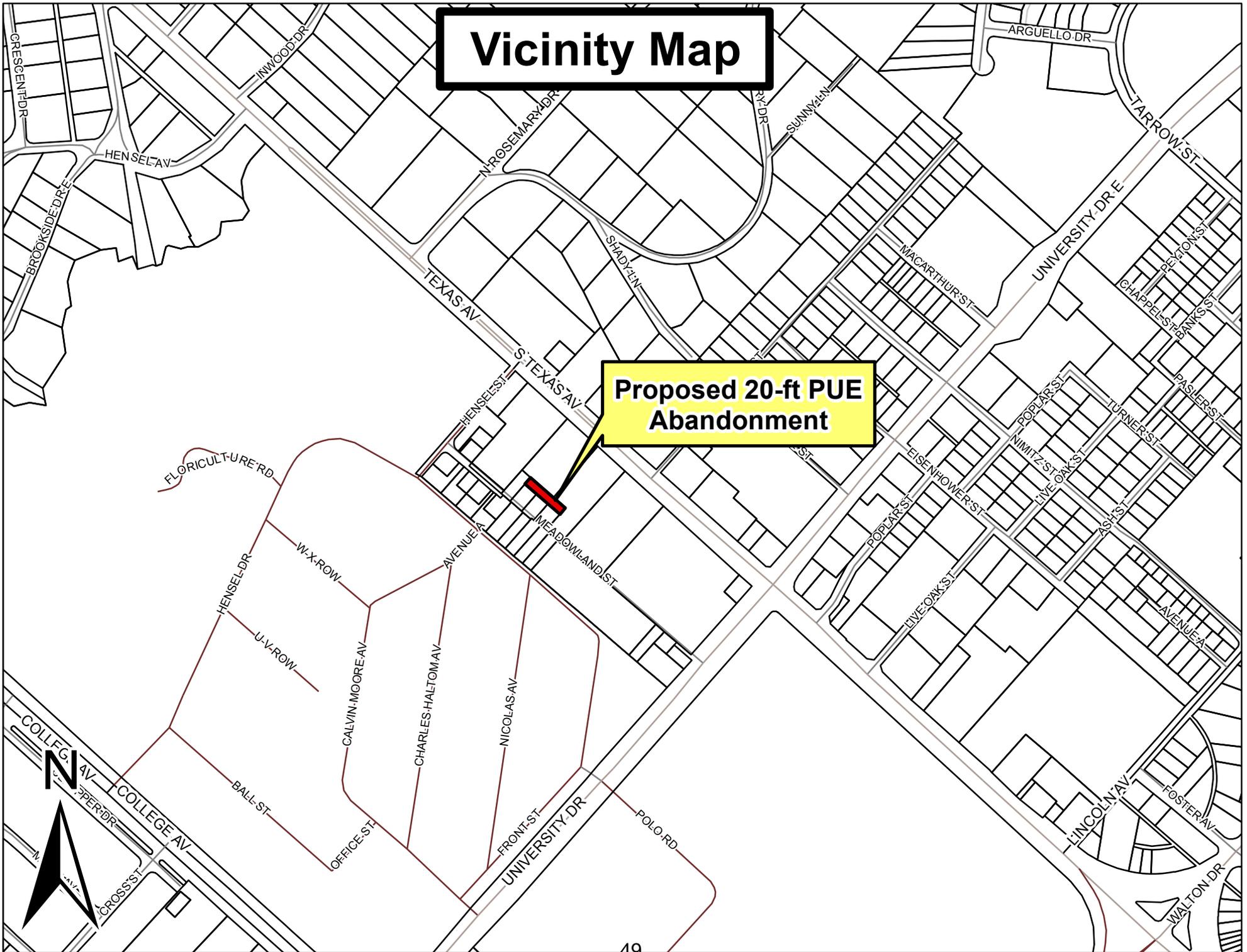
Budget & Financial Summary: N/A

Attachments:

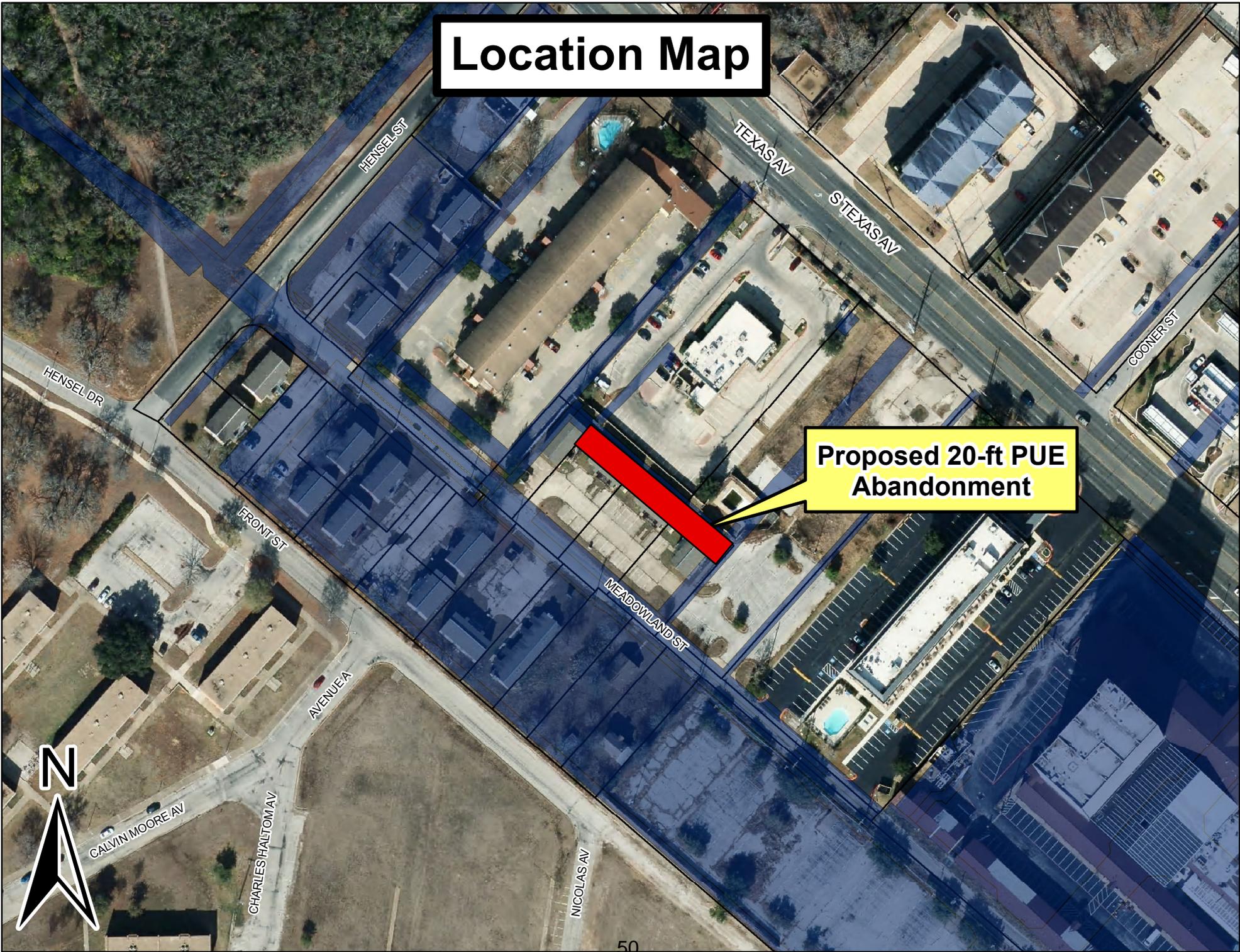
1. Attachment 1 - Vicinity Map
2. Attachment 2 - Location Map
3. Attachment 3 - Ordinance
- Ordinance Exhibit "A"
4. Application for Abandonment (On file at the City Engineer's Office)

Vicinity Map

**Proposed 20-ft PUE
Abandonment**



Location Map



**Proposed 20-ft PUE
Abandonment**

ORDINANCE NO. _____

AN ORDINANCE MAKING CERTAIN AFFIRMATIVE FINDINGS AND VACATING AND ABANDONING A 0.094 ACRE, 20-FOOT WIDE PUBLIC UTILITY EASEMENT LOCATED ON LOTS 2, 3 & 4 OF THE NORTH PARK SECTION II SUBDIVISION ACCORDING TO THE PLAT RECORDED IN VOLUME 494, PAGE 543 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS.

WHEREAS, the City of College Station, Texas, has received an application for the vacation and abandonment of a 0.094 acre, 20-foot wide public utility easement located on Lots 2, 3 & 4 of the North Park Section II Subdivision according to the plat recorded in Volume 494, Page 543 of the Deed Records of Brazos County, Texas, as described in Exhibit "A" attached hereto (such portions collectively hereinafter referred to as the "Easement"); and

WHEREAS, in order for the Easement to be vacated and abandoned by the City Council of the City of College Station, Texas, the City Council must make certain affirmative findings; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That after opening and closing a public hearing, the City Council finds the following pertaining to the vacating and abandoning of the Easement in the manner and as described in Exhibit "A" attached hereto and made a part of this ordinance for all purposes.

1. Abandonment of the Easement will not result in property that does not have access to public roadways or utilities;
2. There is no public need or use for the Easement;
3. There is no anticipated future public need or use for the Easement;
4. Abandonment of the Easement will not impact access for all public utilities to serve current and future customers;

PART 2: That the Easement described above and in Exhibit "A" attached hereto be abandoned and vacated by the City.

ORDINANCE NO. _____

Page 2

PASSED, ADOPTED and APPROVED this _____ day of _____, 2013.

APPROVED:

Mayor

ATTEST:

City Secretary

APPROVED:

Carla A Robinson

City Attorney

EXHIBIT "A"

City of College Station
20-foot wide Utility Easement Abandonment
0.094 of an Acre

J.E. Scott Survey
Abstract No. 50

STATE OF TEXAS §

COUNTY OF BRAZOS §

A METES & BOUNDS description of a certain 0.094 acre Utility Easement Abandonment (20-foot wide) situated in the J.E. Scott Survey, Abstract No. 50 in Brazos County, Texas; being a portion of Lot 2, Lot 3, and Lot 4 of North Park Section II recorded in Volume 494, Page 543 of the Deed Records of Brazos County; said 0.094 acre tract being more particularly described as follows with all bearings being based on the Texas Coordinate System, Central Zone, NAD 83;

COMMENCING at a found 5/8-inch iron rod (with cap stamped "Kerr 4502") marking the west corner of said Lot 4 being common with the south corner of Lot 5 of said North Park Section II, and being in the northeast abandoned right-of-way of Meadowland Street recorded in Volume 9673, Page 288 of the Official Public Records of Brazos County, from which four (4) found 5/8-inch iron rods (with cap stamped "Kerr 4502") bear South 49°03'00" East, 67.08 feet, 134.16 feet, 203.87 feet, 304.07 feet respectively, and a 1/2-inch iron rod bears North 49°03'00" West, 51.33 feet.

THENCE, North 40°55'39" East, along the northwest line of said Lot 4 being common with the southeast line of said Lot 5, 100.00 feet to the **POINT OF BEGINNING** of the herein described 0.094 acre Utility Easement Abandonment;

THENCE, North 40°55'39" East, continuing along said common line, 20.00 feet to a found 1/2-inch iron rod marking the north corner of said Lot 4 and the east corner of said Lot 5 and also being in the southwest line of Lodgeco Subdivision recorded in Volume 1996, Page 331 of the Official Public Records of Brazos County;

THENCE, South 49°03'23" East, along the southwest line of the said Lodgeco Subdivision, being common with the northeast line of said North Park Section II, passing at 67.08 feet a found 1/2-inch iron rod, passing at 134.16 feet a found 1/2-inch iron rod, continuing in all a total distance of 204.84 feet to a found mag nail in asphalt marking an interior corner to Lot 2, Block 1 of said Lodgeco Subdivision, also being the east corner of Lot 2 of said North Park Section II;

THENCE, South 41°23'10" West, along the southeast line of Lot 2 of said North Park Section II, being common with a northwest line of Lot 2, Block 1 of said Lodgeco Subdivision, 20.00 feet to a point for corner;

THENCE, North 49°03'23" West, 204.68 feet to the **POINT OF BEGINNING, CONTAINING** 0.094 acre of land in Brazos County, Texas as shown on Drawing No. 1072 in the office of Jones & Carter in Bryan, Texas.

S:\0-JOB\C0120 ADR Designs, LLC\C0120-001 Home2 Suites\SURVEY\Leagal description\Easement Abandonment

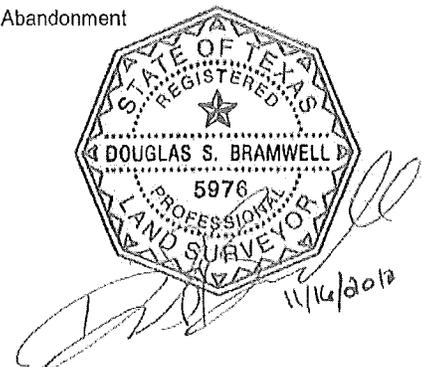


EXHIBIT "A"

LEGEND:

- BCDR BRAZOS COUNTY DEED RECORDS
- ESMT EASEMENT
- FND FOUND
- IR IRON ROD
- OPRBC OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY
- PG PAGE
- POB POINT OF BEGINNING
- POC POINT OF COMMENCEMENT
- VOL VOLUME
- W/ WITH

LINE	BEARING	DISTANCE
L1	N 40°55'39" E	20.00'
L2	S 41°23'10" W	20.00'

GENERAL NOTES:

1. A legal description of this Utility Easement Abandonment was prepared along with this exhibit.
2. Bearings shown hereon are based on Texas Coordinate System, Central Zone (NAD 83).

EXHIBIT

OF A

20-FOOT WIDE

UTILITY EASEMENT ABANDONMENT

BEING

0.094 ACRES

OUT OF THE

J.E. SCOTT SURVEY, A-50

BRAZOS COUNTY, TEXAS

NOVEMBER 2012

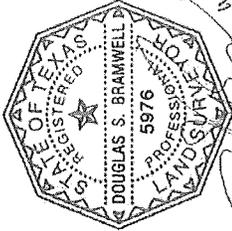
JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS

1716 Briarcrest Drive, Suite 160
Bryan, Texas 77802-2776

(979)731-8000 www.jonescarter.com

JOB No. C0120-001

DWG No. 1072

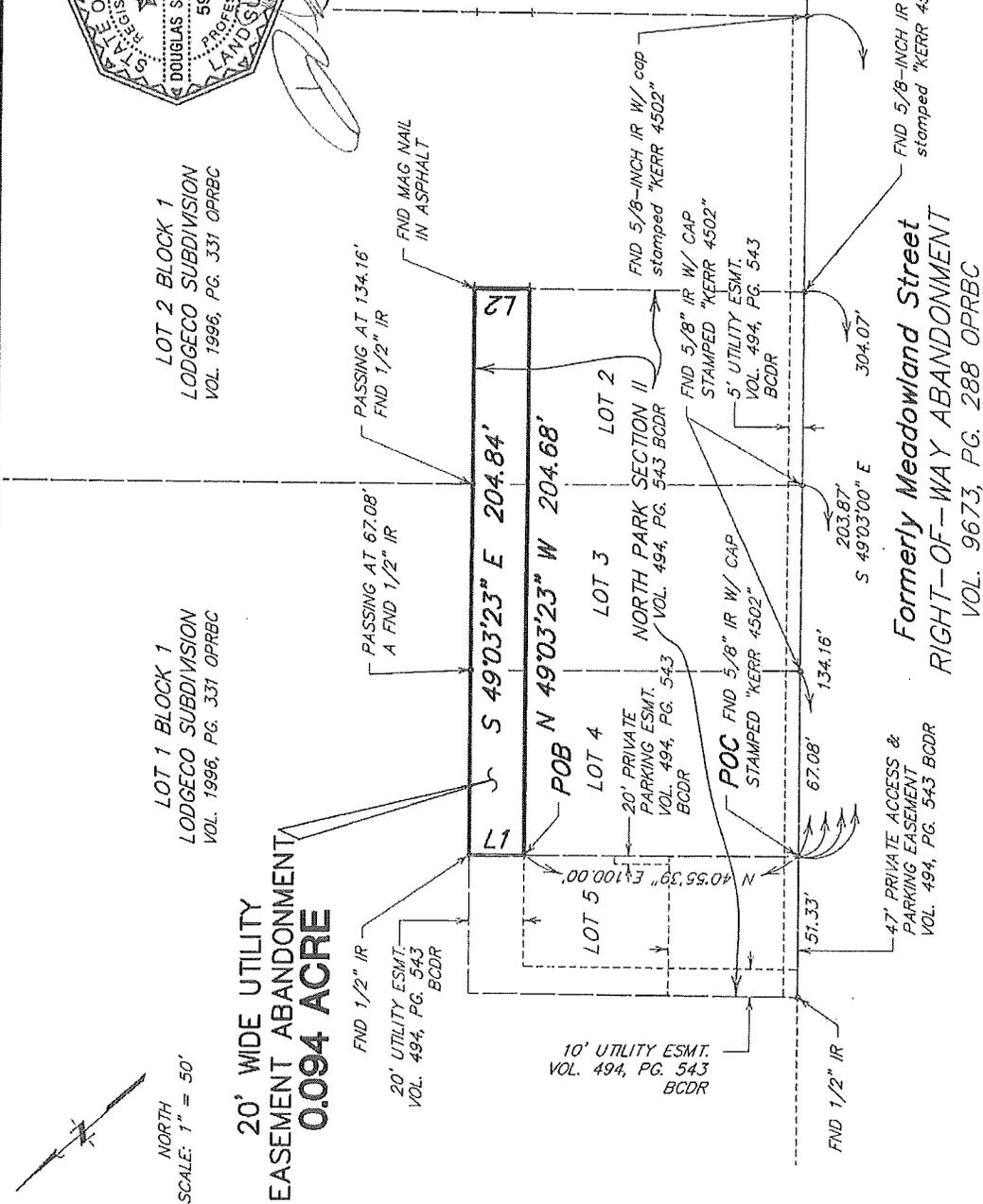


CALLED 1.855 ACRES
EQI COLLETA PARTNERSHIP, L.P.
SPECIAL WARRANTY DEED
VOL. 7619, PG. 141 OPRBC

LOT 2 BLOCK 1
LODGEKO SUBDIVISION
VOL. 1996, PG. 331 OPRBC

LOT 1 BLOCK 1
LODGEKO SUBDIVISION
VOL. 1996, PG. 331 OPRBC

**20' WIDE UTILITY
EASEMENT ABANDONMENT
0.094 ACRE**



Formerly Meadowland Street
RIGHT-OF-WAY ABANDONMENT
VOL. 9673, PG. 288 OPRBC

NORTH
SCALE: 1" = 50'

June 13, 2013
Regular Agenda Item No. 2
Electrical & Public Utility Easement Abandonments – 410 Texas Avenue

To: Kathy Merrill, Interim City Manager

From: Bob Cowell, Executive Director of Planning and Development Services

Agenda Caption: Public Hearing, presentation, possible action, and discussion approving an ordinance vacating and abandoning five electrical and public utility easements located at 410 Texas Avenue: a 10-foot electrical utility easement (Exhibit "A"), a 15-foot electrical utility easement (Exhibit "B"), and a 10-foot electrical utility easement (Exhibit "C") recorded in Volume 639, Page 534 of the Deed Records of Brazos County, Texas; a 10-foot electrical utility easement recorded in Volume 740, Page 373 of the Deed Records of Brazos County, Texas; and a 0.07 acre public utility easement recorded in Volume 2709, Page 139 of the Deed Records of Brazos County, Texas.

The 10-foot electrical utility easement, a 15-foot electrical utility easement, and a 10-foot electrical utility easement recorded in Volume 639, Page 534 of the Deed Records of Brazos County, Texas are located on Lot 2, Block 1 of the Northpoint Crossing Subdivision according to the plat recorded in Volume 11193, Page 160 of the Deed Records of Brazos County, Texas.

The 10-foot electrical utility easement recorded in Volume 740, Page 373 of the Deed Records of Brazos County, Texas and the 0.07 acre public utility easement recorded in Volume 2709, Page 139 of the Deed Records of Brazos County, Texas are located on Lot 1, Block 1 of the Northpoint Crossing Subdivision according to the plat recorded in Volume 11193, Page 160 of the Deed Records of Brazos County, Texas.

Recommendation(s): Staff recommends approval of the ordinance.

Summary: This easement abandonment accommodates future development of the subject property in accordance with the approved Planned Development District (PDD) zoning. The City has received a temporary blanket easement for the entire site which will continue to provide sufficient access to public and private utilities until infrastructure is removed and relocated at the owners' expense and a new public utility easement is granted with the future site development.

Budget & Financial Summary: N/A

Attachments:

1. Attachment 1 - Vicinity Map
2. Attachment 2 - Location Map
3. Attachment 3 - Ordinance
- Ordinance Exhibit "A"
4. Application for Abandonment (On file at the City Engineer's Office)

Vicinity Map

**Proposed 10-ft Electrical
Utility Easement Abandonment
(Exhibit "B") (V.639, P.534)**

**Proposed 0.07-acre
PUE Abandonment
(V.2709, P.139)**

**Proposed 10-ft Electrical
Utility Easement Abandonment
(Exhibit "C") (V.639, P.534)**

**Proposed 10-ft Electrical
Utility Easement Abandonment
(V.740, P.373)**

**Proposed 10-ft Electrical
Utility Easement Abandonment
(Exhibit "A") (V.639, P.534)**



Location Map

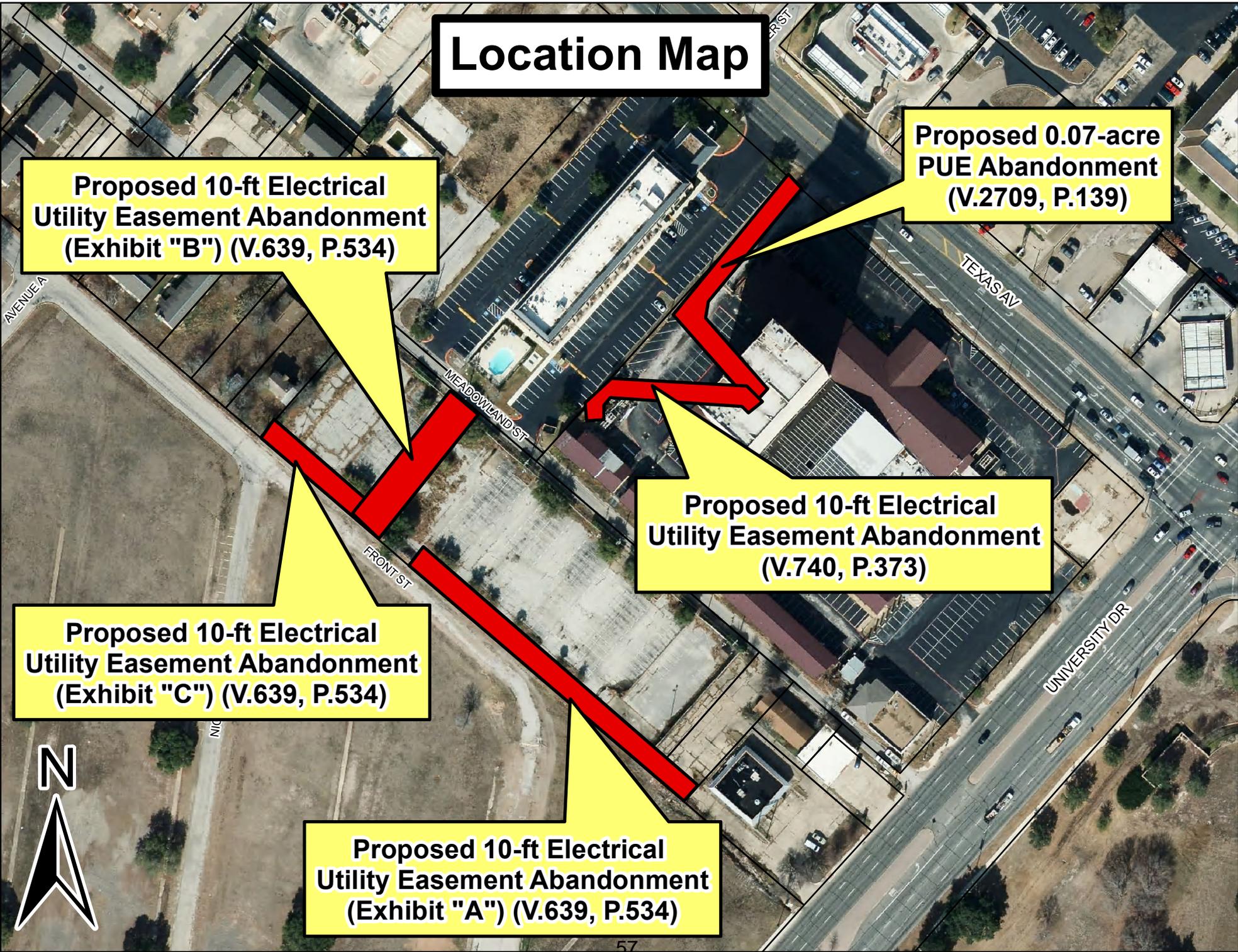
**Proposed 10-ft Electrical
Utility Easement Abandonment
(Exhibit "B") (V.639, P.534)**

**Proposed 0.07-acre
PUE Abandonment
(V.2709, P.139)**

**Proposed 10-ft Electrical
Utility Easement Abandonment
(V.740, P.373)**

**Proposed 10-ft Electrical
Utility Easement Abandonment
(Exhibit "C") (V.639, P.534)**

**Proposed 10-ft Electrical
Utility Easement Abandonment
(Exhibit "A") (V.639, P.534)**



ORDINANCE NO. _____

AN ORDINANCE MAKING CERTAIN AFFIRMATIVE FINDINGS AND VACATING AND ABANDONING FIVE UTILITY EASEMENTS LOCATED AT 410 TEXAS AVENUE, TO WIT: A 10-FOOT ELECTRICAL UTILITY EASEMENT, A 15-FOOT ELECTRICAL UTILITY EASEMENT, AND A 10-FOOT ELECTRICAL UTILITY EASEMENT RECORDED IN VOLUME 639, PAGE 534 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS; A 10-FOOT ELECTRICAL UTILITY EASEMENT RECORDED IN VOLUME 740, PAGE 373 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS; AND A 0.07 ACRE PUBLIC UTILITY EASEMENT RECORDED IN VOLUME 2709, PAGE 139 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS.

WHEREAS, the City of College Station, Texas, has received an application for the vacation and abandonment of five utility easements located at 410 Texas Avenue, to wit: a 10-foot electrical utility easement, a 15-foot electrical utility easement, and a 10-foot electrical utility easement recorded in Volume 639, Page 534 of the Deed Records of Brazos County, Texas, as described in Exhibit "B"; a 10-foot electrical utility easement recorded in Volume 740, Page 373 of the Deed Records of Brazos County, Texas, as described in Exhibit "C"; and a 0.07 acre public utility easement recorded in Volume 2709, Page 139 of the Deed Records of Brazos County, Texas, as described in Exhibit "D" (such portions collectively hereinafter referred to as the "Easements"); and

WHEREAS, the 10-foot electrical utility easement, 15-foot electrical utility easement, and 10-foot electrical utility easement recorded in Volume 639, Page 534 of the Deed Records of Brazos County, Texas are located on Lot 2, Block 1 of the Northpoint Crossing Subdivision according to the plat recorded in Volume 11193, Page 160 of the Deed Records of Brazos County, Texas; and the 10-foot electrical utility easement recorded in Volume 740, Page 373 of the Deed Records of Brazos County, Texas and the 0.07 acre public utility easement recorded in Volume 2709, Page 139 of the Deed Records of Brazos County, Texas are located on Lot 1, Block 1 of the Northpoint Crossing Subdivision according to the plat recorded in Volume 11193, Page 160 of the Deed Records of Brazos County, Texas as described in Exhibit "A" attached hereto; and

WHEREAS, in order for the Easements to be vacated and abandoned by the City Council of the City of College Station, Texas, the City Council must make certain affirmative findings; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That after opening and closing a public hearing, the City Council finds the following pertaining to the vacating and abandoning of the Easements as

described in Exhibits "A", "B", "C" and "D" attached hereto and made a part of this ordinance for all purposes.

1. Abandonment of the Easements will not result in property that does not have access to public roadways or utilities;
2. There is no public need or use for the Easements;
3. There is no anticipated future public need or use for the Easements;
4. Abandonment of the Easements will not impact access for all public utilities to serve current and future customers;

PART 2: That the Easements described above and in Exhibits "A", "B", "C" and "D" attached hereto be abandoned and vacated by the City.

PASSED, ADOPTED and APPROVED this _____ day of _____, 2013.

APPROVED:

Mayor

ATTEST:

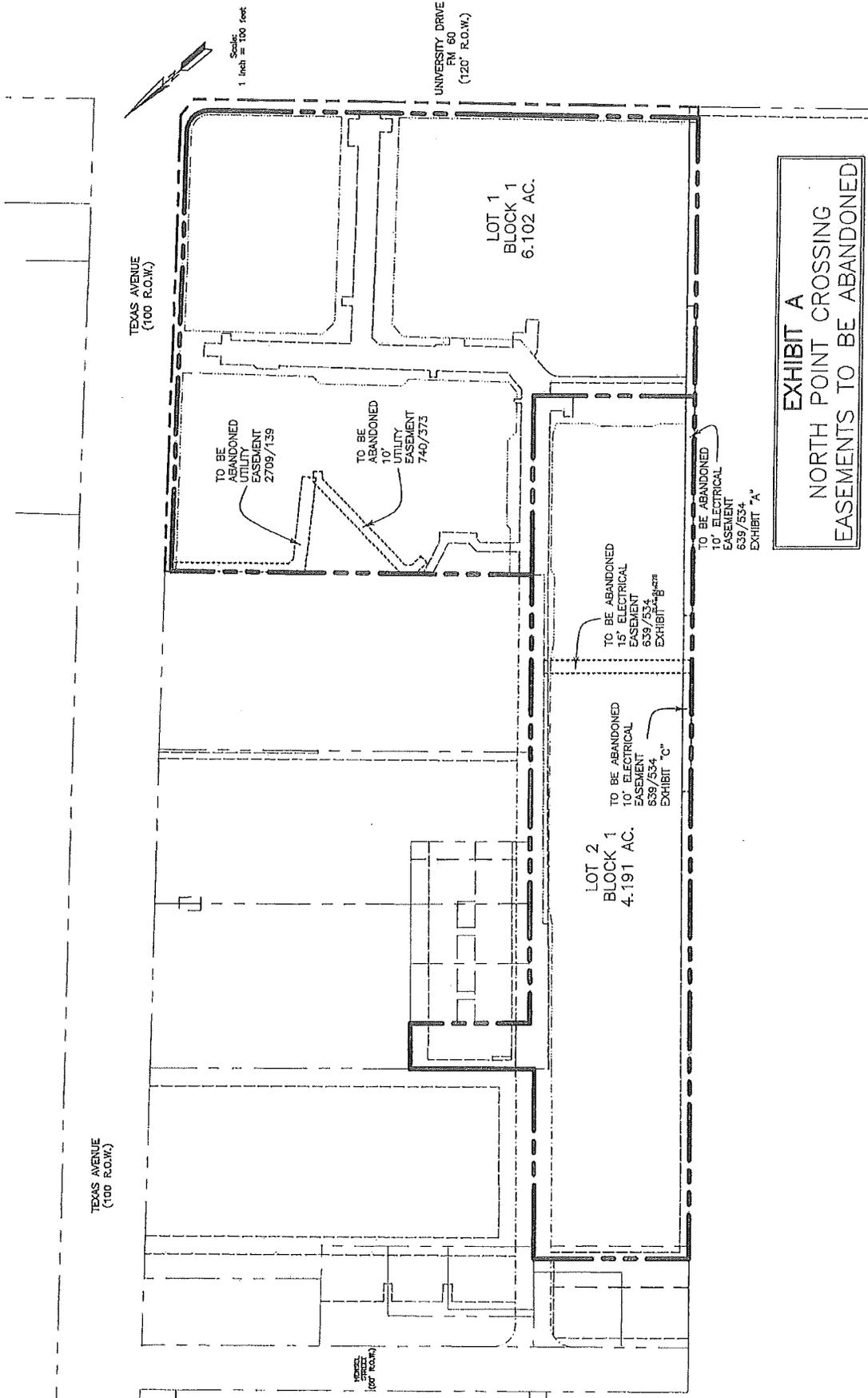
City Secretary

APPROVED:



City Attorney

EXHIBIT "A"



OPR 639/534

UTILITY EASEMENT
(Specific Property)

STATE OF TEXAS *

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF BRAZOS *

THAT, JOE A. FERRERI, INC., GRANTOR, a Texas Corporation, of the County of Brazos, State of Texas, for and in consideration of the payment of TEN AND NO/100 DOLLARS, cash, and other good and valuable consideration, in hand paid to GRANTOR by the City of College Station, Texas, the receipt of which is hereby acknowledged,

HAS GRANTED, SOLD, AND CONVEYED and by these presents does GRANT, SELL, and CONVEY unto the said City of College Station, a Texas Municipal Corporation certain rights and interests in the nature of a perpetual EASEMENT on and through the following described property:

Being a part of that tract through Lots 6, 7, 8, 9, 10, 11, 12, 14, 15 and 16 of Meadowland Addition conveyed to Joe A. Ferreri, Inc. by deed recorded in Volume 498, Page 687 of the Deed Records of Brazos County, Texas.

Provided however, that this conveyance shall grant the rights herein specified only as to that portion of the above described property more particularly described by course, width, and centerline on the attached Exhibits "A", "B", and "C", known as the "Easement Area", and any additional area outside the easement area necessary to install and attach all equipment and facilities necessary and incident to the uses of the Easement Area.

To erect, construct, install, and thereafter use, operate, inspect, repair, maintain, reconstruct, modify, and remove the following:

FILED
AT 10:35 O'Clock A.M.

JAN 11 1984

FRANK MURSKIE
County Clerk, Brazos County, Texas

287198

VOL 639 PAGE 534

Electric transmission and distribution lines

upon, over, and across said property as herein described and any ways, streets, roads, or alleys abutting same; and to cut, trim and control the growth of trees and other vegetation on and in the easement area or on adjoining property of Grantor, which might interfere with or threaten the operation and maintenance of any public utility equipment, accessories, or operations. It is understood and agreed that any and all equipment and facilities placed upon said property shall remain the property of Grantee.

Grantor expressly subordinates all rights of surface use incident to the mineral estate to the above described uses of said surface by Grantee, and agree to subdivider's subordinations on behalf of Grantee upon request.

It is expressly understood that the Grantor or future Owners of this property reserve the right to use this EASEMENT for all purposes which do not interfere with or prevent its use by the Grantee.

TO HAVE AND TO HOLD the rights and interests herein described unto the CITY OF COLLEGE STATION, TEXAS, and its successors and assigns forever, and GRANTOR DOES hereby bind itself, its successors and assigns to warrant and forever defend, all and singular, these rights and interests unto the CITY OF COLLEGE STATION, TEXAS, and its successors and assigns, against every person whosoever lawfully claiming, or to claim same, or any part thereof.

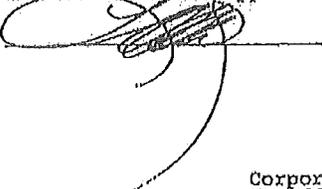
EXECUTED this 9 day of January, 1983.

JOE A. FERRERI, INC.

BY: Jose M. Ferreri Pres.
JOE A. FERRERI

VOL 639 PAGE 535

Approved as to Form
This Document may not
be changed without
re-submission for approval.



Corporate Acknowledgment

State of Texas *

County of Brazos *

This instrument was acknowledged before me on the 9
day of January, 1984, by JOE A. FERRERI, as President of JOE
A. FERRERI, INC., a Texas Corporation, on behalf of said
corporation.



Estelle Scott
Title Notary Public
My commission expires 6-5-85

JOE ORR, INC.

Surveyors & Engineers

Office Phone 693-3370 • Rt. 3, Box 413

COLLEGE STATION, TEXAS 77010

10' EASEMENT
LOTS 6 THRU 12
MEADOWLAND ADDITION
COLLEGE STATION, TEXAS
5 JANUARY 1983

Being an easement ten feet (10') in width through Lots 6, 7, 8, 9, 10, 11 and 12 of Meadowland Addition to the City of College Station, Texas, according to plats of record in Volume 92, Page 19 and Volume 94, Page 278 of the Deed Records of Brazos County, Texas, being a part of that tract conveyed to Joe A. Ferreri, Inc. by deed recorded in Volume 498, Page 687 of the Deed Records of Brazos County, Texas, lying along and adjoining the southwest line of Lots 6, 7, 8, 9, 10, 11 and 12 and extending from the line between Lot 4 and Lot 6 to the line between Lot 12 and Lot 13.

VIII. 639 PAGE 537

EXHIBIT "A"

JOE ORR, INC.

Surveyors & Engineers
Office Phone 693-3370 • Rt. 3, Box 413
COLLEGE STATION, TEXAS 77840

15' EASEMENT
LOT 14
MEADOWLAND ADDITION
COLLEGE STATION, TEXAS
5 JANUARY 1983

Being an easement fifteen feet (15') in width through Lot 14 of Meadowland Addition to the City of College Station, Texas, according to plats of record in Volume 92, Page 19 and Volume 94, Page 278 of the Deed Records of Brazos County, Texas, being a part of that tract conveyed to Joe A. Ferreri, Inc. by deed recorded in Volume 498, Page 687 of the Deed Records of Brazos County, Texas, lying along and adjoining the line between Lot 14 and Lot 13 and extending from the southwest line of Lot 14 to the northeast line of Lot 14 which is the southwest line of Meadowland Street.

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EXHIBIT "B"

JOE ORR, INC.

Surveyors & Engineers
Office Phone 691-3376 • Rt. 3, Box 413
COLLEGE STATION, TEXAS 77840

10' EASEMENT
LOTS 14 THRU 16
MEADOWLAND ADDITION
COLLEGE STATION, TEXAS
5 JANUARY 1983

Being an easement ten feet (10') in width through Lots 14, 15 and 16 of Meadowland Addition to the City of College Station, Texas, according to plats of record in Volume 92, Page 19 and Volume 94, Page 278 of the Deed Records of Brazos County, Texas, being a part of that tract conveyed to Joe A. Ferrari, Inc. by deed recorded in Volume 498, Page 687 of the Deed Records of Brazos County, Texas, lying along and adjoining the southwest line of Lots 14, 15 and 16 and extending from the line between Lot 13 and Lot 14 to the line between Lot 15 and Lot 16.

EXHIBIT "c"

VOL. 639 PAGE 539

OPR 740/373

313695

FILED

1964 NOV 13 PM 2:48

UTILITY EASEMENT
(Specific Property)

*By: [Signature] County Clerk
of Brazos County, Texas
Dellie C. Kenbill*

STATE OF TEXAS)
COUNTY OF BRAZOS)

KNOW ALL MEN BY THESE PRESENTS:

THAT, RAMADA INN, INC., a Texas Corporation, GRANTOR, of the County of Brazos, State of Texas, for and in consideration of the payment of TEN and NO/100 DOLLARS, cash, and other good and valuable consideration, in hand paid to GRANTOR by the CITY OF COLLEGE STATION, TEXAS, the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED and by these presents does GRANT, SELL, and CONVEY unto the said CITY OF COLLEGE STATION, a Texas Municipal Corporation, certain rights and interests in the nature of a perpetual EASEMENT on and through the following described property:

Being a ten (10') foot wide utility easement lying and being situated in the J. E. Scott League, Abstract 50, College Station, Brazos County, Texas, and being part of a 4.5047 acre tract as described by a Deed of Trust recorded in Volume 338, Page 199 of the Deed of Trust Records of Brazos County, Texas.

Provided, however, that this conveyance shall grant the rights herein specified only as to that portion of the above described property more particularly described by course, width, and centerline on the attached Exhibit "A", known as the "Easement Area", and any additional area outside the easement area necessary to install and attach equipment, guy wires, and anchors necessary and incident to the uses of the Easement Area.

To erect, construct, install, and thereafter use, operate, inspect, repair, maintain, reconstruct, modify, and remove the following:

Electric transmission and distribution lines;

upon, over, and across said property as herein described and any ways, streets, roads, or alleys abutting same; and to cut, trim and control the growth of trees and other vegetation on and in the easement area or on adjoining property of GRANTOR, which might interfere with or threaten the operation and maintenance of any public utility equipment, accessories, or operations. It is understood and agreed that any and all equipment and facilities placed upon said property shall remain the property of GRANTEE.

GRANTOR expressly subordinates all rights of surface use incident to the mineral estate to the above described uses of said surface by GRANTEE, and agrees to sublander's subordinations on behalf of GRANTEE upon request.

It is expressly understood that the GRANTOR or future Owners of this property reserve the right to use this EASEMENT for all purposes which do not interfere with or prevent its use by the GRANTEE.

TO HAVE AND TO HOLD the rights and interests herein described unto the CITY OF COLLEGE STATION, TEXAS, and its successors and assigns, forever, and GRANTOR does hereby bind itself, its

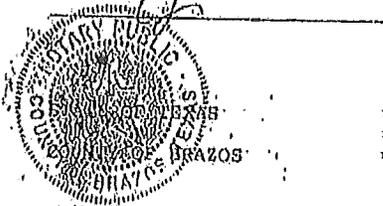
successors and assigns, to warrant and forever defend, all and singular, these rights and interests unto the CITY OF COLLEGE STATION, TEXAS, and its successors and assigns, against every person whomsoever lawfully claiming, or to claim same, or any part thereof.

EXECUTED this 6 day of November, 1984.

RAMADA INN, INC.
COLLEGE STATION, TEXAS

BY: Joe A. Ferreri
JOE A. FERRERI
President

APPROVED AS TO FORM
THIS DOCUMENT MAY NOT
BE CHANGED WITHOUT
RE-SUBMISSION FOR APPROVAL.



*
* CORPORATION ACKNOWLEDGMENT
*

This instrument was acknowledged before me on the 6 day of November, 1984, by JOE A. FERRERI, as President of RAMADA INN, INC. COLLEGE STATION, TEXAS.

Scottie Scott
Title Notary Coordinator
My Commission Expires: 12-5-85

Metes and Bounds Description
of a
Ten (10) Foot Wide Utility Easement
J.E. Scott League, Abstract 50
College Station, Brazos County, Texas

Metes and bounds description of a ten (10) foot wide utility easement lying and being situated in the J.E. Scott League, Abstract 50, College Station, Brazos County, Texas, and being part of a called 4.8047 acre tract as described by a Deed of Trust recorded in Volume 330, Page 199 of the Deed of Trust Records of Brazos County, Texas. Said easement being ten (10) feet in width and lying five (5) feet on each side of the following described line as found on the ground:

BEGINNING at a point being N 45°06'36" E along the northwest line of said tract for a distance of 111.10 feet and S 44°53'24" E for a distance of 12.4 feet from the northwest corner of said tract;

THENCE N 00°06'36" E for a distance of 16.00 feet to a point;

THENCE N 45°06'36" E for a distance of 12.00 feet to a point;

THENCE S 89°53'24" E for a distance of 139.43 feet to a point;

THENCE S 44°53'24" E for a distance of 10.00 feet to the end of this easement.

October 1984

Prepared by: Paulson Surveying Inc.
P.O. Box 9384
College Station, Texas 77840

Project No. 84-4077

VOL 740 PAGE 375

OPR 2709/139
616782

FILED

UTILITY EASEMENT

96 OCT 22 AM 8:49

DATE:

October 15, 1996

GRANTOR:

TEXAS STUDENT HOUSING CORPORATION, a Texas Corporation
Brazos County Courthouse
By: Steven J. Ross
DEPUTY

GRANTOR'S MAILING ADDRESS:

P.O. Box 10539
Los Angeles County
Beverly Hills, California 90213

GRANTEE:

CITY OF COLLEGE STATION, TEXAS

GRANTEE'S MAILING ADDRESS:

1101 Texas Avenue
Brazos County
College Station, Texas 77840

CONSIDERATION:

Ten Dollars (\$10.00) and other
good and valuable consideration.

PROPERTY:

Being all that certain tract or parcel of land lying and being
situated in the J.E. Scott League, Abstract No. 50, in
College Station, Brazos County, Texas, being a part of that
4.5047 acre tract conveyed to Texas Student Housing
Corporation by deed recorded in Volume 2519, Page 202,
of the Official Records of Brazos County, Texas, and being
more particularly described on Exhibit "A" attached hereto
and made a part hereof for all purposes.

This conveyance shall grant the rights herein specified only as to that portion of the above-described Property more particularly described on the attached Exhibit "A" known as the "Easement Area," and any additional area outside the Easement Area necessary to install and attach equipment, guy wires, and anchors necessary and incident to the uses of the Easement Area to erect, construct, install, and thereafter use, operate, inspect, repair, maintain, reconstruct, modify and remove the following:

Electric transmission and distribution lines;
Water lines and sanitary sewer lines, connecting lines,
access facilities, and related equipment;
Storm sewers and collection facilities;
Television, telephone, and communications lines;
Drainage ditches, drainage pipes and all other drainage
structures, surface and subsurface;

upon, over, and across the said Property as described and any ways, streets, roads, or alleys abutting same; and to cut, trim, and control the growth of trees and other vegetation on and in the easement area or on adjoining property of Grantor, which might interfere with or threaten the operation and maintenance of any public utility equipment, accessories, or operations. It being understood and agreed that any and all equipment and facilities placed upon said property shall remain the property of Grantee.

Grantor expressly subordinates all rights of surface use incident to the mineral estate to the above described uses of said surface by Grantee, and agrees to lender's subordinations on behalf of Grantee. Grantor will provide Grantee with the names and addresses of all lenders.

This easement replaces and releases the Temporary Blanket Utility Easement on this property recorded in Volume 2658, Page 317, Official Records of Brazos County, Texas.

RESERVATIONS AND RESTRICTIONS: None

TO HAVE AND TO HOLD, the rights and interests herein described unto the CITY OF COLLEGE STATION, TEXAS, and its successors and assigns, forever, and Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular, these rights and interests unto the CITY OF COLLEGE STATION, TEXAS, and its successors and assigns, against every person whomsoever lawfully claiming, or to claim same, or any part thereof.

TEXAS STUDENT HOUSING CORPORATION,
a Texas Corporation
By: SSRS, INC. (Manager)

BY: Steven J. Ross
STEVEN J. ROSS, President

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10/10/96

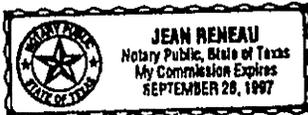
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STATE OF TEXAS
COUNTY OF BRAZOS

ACKNOWLEDGMENT

This instrument was acknowledged before me on this 15th day of October, 1996, by Steven J. Ross as President of SSRS, Inc. as Manager of TEXAS STUDENT HOUSING CORPORATION, a Texas Corporation, on behalf of said corporation.

Jean Reneau
Notary Public in and for the
State of Texas



PREPARED IN THE OFFICE OF:
City of College Station
Legal Department
P.O. Box 9960
College Station, Texas 77842-9960
File Info: University Towers

RETURN ORIGINAL DOCUMENT TO:
City of College Station
Legal Department
P.O. Box 9960
College Station, Texas 77842-9960

- 2 -

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10/10/96

VOL. 2709 PAGE 140

Joe Orr, Inc.
Surveyors & Engineers
 2167 Post Oak Circle
 College Station, Texas 77845
 (409) 690-3378

Proposed Easement
 University Tower Tract
 J.E. Scott League
 College Station, Texas
 29 August 1996

All that certain tract or parcel of land lying and being situated in the J.E. Scott League, Abstract No. 50, in College Station, Brazos County, Texas, being a part of that 4.5047 acre tract conveyed to Texas Student Housing Corporation by deed recorded in Volume 2519, Page 202 of the Official Records of Brazos County, Texas, and being more particularly described as follows:

Beginning in the southwest line of Texas Avenue at a $\frac{3}{4}$ " iron rod found at the common corner of the said Texas Student Housing Corporation tract and that 1,855 acre tract conveyed to Equity Inns Partnership, L.P. by deed recorded in Volume 2050, Page 111 of the Official Records of Brazos County, Texas.

Thence S 47° 35' 26" E - 10.00 feet along the southwest line of Texas Avenue;

Thence through the said Texas Student Housing Corporation tract as follows:

S 41° 33' 12" W - 139.27 feet;

S 00° 47' 47" E - 7.39 feet;

S 43° 08' 47" E - 93.11 feet;

S 46° 51' 13" W - 15.00 feet;

N 43° 08' 47" W - 106.76 feet to the line between the said Texas Student Housing Corporation tract and the said Equity Inns Partnership, L.P. tract;

Thence N 41° 33' 12" E - 158.56 feet along the line between the said Texas Student Housing Corporation tract and the said Equity Inns Partnership, L.P. tract to the Point of Beginning and containing 0.07 acres of land more or less.



EXHIBIT "A"

VOL 2709 PAGE 141

June 13, 2013
Regular Agenda Item No. 3
A Resolution Approving Parks and Recreation Department
FY 2013-14 User Fees for Facilities and Programs

To: Kathy Merrill, Interim City Manager

From: David Schmitz, Director, Parks and Recreation Department

Agenda Caption: Presentation, possible action and discussion regarding approval of a resolution for Parks and Recreation Department User Fees for facilities and programs for FY 2013-14.

Relationship to Strategic Goals: (Select all that apply)

1. Financially Sustainable City
2. Core Services and Infrastructure

Recommendation(s): The Parks and Recreation Advisory Board and staff recommend approval of the resolution and fees schedule as submitted.

Summary: The Parks and Recreation Department conducts annual reviews of user fees to determine direct costs, as well as local "market" rates for individual programs and facilities. Further, the Parks and Recreation Advisory Board established a departmental fees policy statement to provide guidance in the establishment of fees. This policy is consistent with the City's fiscal and budgetary policy. The Parks and Recreation Advisory Board reviewed all of the proposed fees on March 12, 2013 and voted 7:0 to recommend approval of the fees as submitted.

Resident and Non-Resident fee pricing was approved by the City Council in January 2010.

Budget & Financial Summary: These fees will go into effect upon approval by City Council.

Reviewed and Approved by Legal: Yes

Attachments:

1. General Fund Fees – DRAFT
2. Recreation Fund Fees – DRAFT
3. Redlined Version General Fund Fees - DRAFT
4. Redlined Version Recreation Fund Fees - DRAFT
5. Minutes of the Parks and Recreation Advisory Board Meeting of March 12, 2013
6. Resolution

PARKS & RECREATION DEPARTMENT
2013 GENERAL FUND USER FEES – DRAFT #6
(Effective Upon Approval by Council)

ATHLETIC FIELDS	2010	2011	2012	2013
Athletic Field Rental ~ One (1) Field, Per Day 1. (Includes Field Redevelopment Fee of \$15)	\$120 / day	\$120 / day	\$150 / day	\$150 / day
Athletic Field Rental ~ One (1) Field, Per Hour, up to Seven (7) Hours. (Includes Field Redevelopment Fee of \$5)	\$20 / hour	\$20 / hour	\$30 / hour	\$30 / hour
3. Athletic Field Rental Deposit	Varies	Varies	Varies	Varies
4. Lights for Field Rentals (Per hour/Per field)	\$15 / hour	\$15 / hour	\$20 / hour	\$20 / hour
5. Game Field Prep Fee, Per Field	\$50 / field	\$50 / field	\$75 / Field	\$75 / Field
6. Bee Creek Batting Cage Rental, Per Hour	\$10 / hour	\$10 / hour	\$15 / hour	\$15 / hour
7. Tournament Rate	Contact Parks & Recreation Office for Pricing.			
8. Key Fee (New Annual Fee and Replacement Fee)	\$10 each	\$10 each	\$10 each	\$10 each
9. TAMU Game Day Parking Fee @ a City Facility Parking Lot (City Hall, Conference Center, Wayne Smith Complex)	\$10 / day	\$10 / day	\$10 / day	\$10 / day
<p><i>~ In addition to the rental fees, a deposit will be charged and paid by the renter <u>in advance of any tournament</u>. The deposit will vary depending on the type and size of the tournament.</i></p> <p><i>~ In addition to the rental and deposit fees, additional fees may be assessed to the renter depending on the length and type of tournament in order to cover expenses incurred by the City for personnel and supplies needed to facilitate the tournament.</i></p> <p><i>~ Initial game field prep and light fees are included in the daily rental fee, but not in hourly rental fees.</i></p>				

PAVILION RENTALS PER DAY	2010		2011		2012		2013	
	<i>Resident Rate</i>	<i>Non Resident Rate</i>						
1. Bee Creek (100); Oaks (40)								
Monday – Thursday	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
Friday – Sunday & Holidays	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
2. Central (200) / Southwood Pavilions (300)								
Monday – Thursday	\$150	\$225	\$150	\$225	\$200	\$400	\$200	\$400
Friday – Sunday, and Holidays	\$225	\$340	\$225	\$340	\$250	\$500	\$250	\$500
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
3. John Crompton Park Pavilion (80)								
Monday – Thursday	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Friday – Sunday, and Holidays	\$175	\$265	\$175	\$265	\$200	\$400	\$200	\$400
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
4. American Pavilion in Veterans Park (500)								
Monday – Thursday	\$250	\$375	\$250	\$375	\$300	\$600	\$300	\$600
Friday – Sunday, and Holidays	\$350	\$525	\$350	\$525	\$350	\$700	\$350	\$700
Deposit	\$400	\$600	\$400	\$600	\$400	\$400	\$400	\$400
5. Dog Park Rentals – (Steeplechase Park and University Park) Per day								
	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300
6. Transfer / Cancellation Fee Per Change	\$10		\$10		\$20		\$20	
<p><i>~ Deposits are refundable if the facility is left clean, damage-free, and the keys are returned.</i></p> <p><i>~ Deposits are refundable, less the \$10 cancellation fee if reservation is cancelled no later than seven (7) days prior to rental date.</i></p> <p><i>~ () – The parenthesis by each pavilion shows the limit of occupants that the pavilion can facilitate.</i></p>								

PERMITS & COMMISSIONS	2010	2011	2012	2013
1. Vendor Permit	\$50	\$50	\$50	\$50
Alcohol Permit (Required when alcohol is served at Lincoln Center, Southwood Center, Conference Center, Wolf Pen Creek and Veterans Park rentals.)	N/A	\$55	\$55	\$55
2. Commissions: (Gross Sales minus Sales Tax)				
Food & Drinks	10 - 15 %	10 - 15 %	10 - 15 %	10%
Other Goods	10 - 15 %	10 - 15 %	10 - 15 %	10%
Alcoholic Beverages	20 - 25 %	20 - 25 %	20 - 25 %	20%

RACE EQUIPMENT RENTALS	2010		2011		2012		2013	
	<i>Resident Rate</i>	<i>Non Resident Rate</i>						
1. Printing Stop Watch / Non-printing Stop Watch	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
2. Cones (10)	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
3. Bases, Poles, and Flagging (10)	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
4. Big Time Clock	\$60	\$90	\$60	\$90	\$60	\$90	\$10	\$20
5. Water Cooler / Ice Chest	\$5	\$10	\$5	\$10	\$5	\$10	\$5	\$10
6. Tables	\$10	\$15	\$10	\$15	\$15	\$30	\$15	\$30
7. Traffic Flags and Vests (10)	\$5	\$10	\$5	\$10	\$10	\$20	\$10	\$20
8. Rental Package #1: Big time clock, 1 printing stopwatch, 10 cones, 10 bases/poles and flagging, 2 water coolers, 2 tables, 10 traffic flags, and vests.	\$85	\$130	\$85	\$130	\$100	\$200	\$100	\$200
9. Rental Package #2: Big time clock, 2 printing stop-watches, 30 cones, 20 bases/poles and flagging, 6 water coolers, 4 tables, 15 traffic flags and vests.	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
10. Rental Package #3: Big time clock, 4 printing stop-watches, 60 cones, 30 bases/poles and flagging, 12 water coolers, 6 tables, 20 traffic flags and vests	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
11. Deposit for Any Package	N/A				\$200		\$200	

WOLF PEN CREEK	2010		2011		2012		2013	
	<i>Mon-Thur</i>	<i>Fri-Sun</i>	<i>Mon-Thur</i>	<i>Fri-Sun</i>	<i>Mon-Thur</i>	<i>Fri-Sun</i>	<i>Mon-Thur</i>	<i>Fri-Sun</i>
1. Amphitheater Rentals Per Day:								
Private Rental	\$300	\$400	\$300	\$400	\$500	\$600	\$500	\$600
Non Commercial ~ Benefit Rental	\$600	\$700	\$600	\$700	\$750	\$900	\$750	\$900
Professional/Commercial Rentals	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,200	\$1,000	\$1,200
2. Green Room Events ~ Four Hrs or Less								
Non Commercial	\$100	\$125	\$100	\$125	\$110	\$140	\$110	\$140
Commercial	\$125	\$175	\$125	\$175	\$150	\$200	\$150	\$200
3. Green Room Events ~ Five to Twelve Hrs								
Non Commercial	\$250	\$300	\$250	\$300	\$275	\$325	\$275	\$325
Commercial	\$300	\$350	\$300	\$350	\$325	\$375	\$325	\$375
4. The Plaza at Wolf Pen Creek								
Rental (Includes Pavilion and Restrooms)	\$100	\$150	\$100	\$150	\$110	\$160	\$110	\$160
5. Festival Site Rental								
Private Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$200	\$300
Non-Commercial ~ Benefit Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$400	\$500
Private Commercial Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$600	\$700

WOLF PEN CREEK	2010		2011		2012		2013	
	<i>Mon -Thur</i>	<i>Fri-Sun</i>	<i>Mon -Thur</i>	<i>Fri-Sun</i>	<i>Mon -Thur</i>	<i>Fri-Sun</i>	<i>Mon -Thur</i>	<i>Fri-Sun</i>
6. Amphitheater & Festival Site Rental								
Private Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$600	\$800
Non-Commercial ~ Benefit Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$950	\$1,200
Private Commercial Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$1,200	\$1,500
7. Deposit								
For Green Room, Plaza or Festival Site	Varied According to Event						\$200	
For Amphitheater	Varied According to Event						\$600	
<i>~ A percentage of ticketing and fees for service personnel and vending charges will be added accordingly for amphitheater rentals.</i> <i>~ A percentage of the gate will be negotiated for commercial events.</i> <i>~ Non Commercial is defined as: Non-profit, student, civic or private.</i> <i>~ Security deposits are based upon participants/attendees.</i>								

CEMETERY FEES		2010	2011	2012	2013
1. College Station Cemetery:	Standard Space	\$1,125	\$1,125	\$1,250	\$1,375
	Cremate Space	\$350	\$350	\$400	\$440
	Infant Space	\$175	\$175	\$200	\$220
2. Memorial Cemetery of College Station:					
Municipal Section:	Standard Space	\$1,125	\$1,125	\$1,250	\$1,375
“ “ “	Columbaria Niche	\$690	\$690	\$750	\$825
“ “ “	Infant Space	\$175	\$175	\$200	\$220
Aggie Field of Honor:	Standard Space	\$2,350	\$2,350	\$2,500	\$2,750
“ “ “	Columbaria Niche	\$1,380	\$1,380	\$1,500	\$1,650
3. Grave Opening and Closing Fee		N/A	N/A	N/A	\$150
4. Mark the Grave and Set the Monument		N/A	N/A	N/A	\$100
5. Memorial Bench Set Fee		N/A	N/A	N/A	\$100

Fees approved by Parks and Recreation Advisory Board: March 12, 2013
Fees approved by City Council:

PARKS & RECREATION DEPARTMENT

2013 REC FUND FEES – **DRAFT #6**

Effective Upon Approval of City Council

ADULT SPORTS PER TEAM	2010		2011		2012		2013	
	<i>Resident Rate</i>	<i>Non Resident Rate</i>						
1. Volleyball (No Field Redevelopment Fee Included)	\$210		\$210		\$210		\$210	
2. Softball (Includes \$95 / Team Field Redevelopment Fee)								
Play-Off League: Spring and Summer/Fall	\$390		\$390		\$390		\$390	
3. Kick Ball	\$375		\$375		\$395		\$390	
4. Tennis Lessons Per Person (<i>Moved from Instruction</i>)	\$70	\$105	\$70	\$105	\$70	\$140	\$70	\$140
5. Outside League Field Redevelopment Fee Per Team	\$95	\$145	\$95	\$145	\$95	\$145	\$95	\$190
6. Outside League Per Game Contract Fee	\$10	\$15	\$10	\$15	\$15	\$30	\$15	\$30
7. Adult Sports Transfer / Cancellation Fee	\$10		\$10		\$20		\$20	
8. Late Registration Fee Adult Sports	N/A		N/A		\$20 / \$10		\$20	
Adult sports are registered as a team unless otherwise noted.								

AQUATICS PROGRAMS	2010		2011		2012		2013		
	<i>Resident Rate</i>	<i>Non Resident Rate</i>							
1. Swim Lessons									
45-Minute Lesson	\$45	\$70	\$45	\$70	\$45	\$90	\$45	\$90	
25-Minute Lesson*	\$40	\$60	\$40	\$60	\$40	\$80	\$40	\$80	
2. Stroke Clinic	\$50	\$75	\$50	\$75	\$50	\$100	\$50	\$100	
3. Water Fitness & Lap Swim Discount Pass (25 Punches)								\$50	
4. Swim Team (No Field Redevelopment Fee)	\$110		\$110		\$110		\$125		
5. Transfer / Cancellation Fee	\$10		\$10		\$20		\$20		
* Children ages 5 and under attend only a 25-minute lesson. All other lessons are 45 minutes in length.									
6. General Admission Per Person (Ages 3 and Up)									
Hallaran/Thomas	\$3		\$3		\$3		\$3		
Adamson	\$6		\$6		\$6		\$6		
7. Discount Pass – 25 Swims									
Hallaran/Thomas	\$60		\$60		\$60		\$50		
*Adamson	\$100		\$100		\$100		\$100		
8. Family Season Pass (Up to Five Family Members)									
Fee for Additional Members in Excess of Five	\$25 Per Person								
Hallaran/Thomas Pass	\$150		\$150		\$150		\$150		
*Adamson	\$250		\$250		\$250		\$250		
9. Individual Season Pass									
Hallaran/Thomas	\$75		\$75		\$75		\$75		
*Adamson	\$125		\$125		\$125		\$125		
10. Special Day Care Fee, Per Child									
Hallaran/Thomas	\$3		\$3		\$3		\$2.00		
*Adamson							\$4.00		
11. Pool Rentals (2 Hour Period. Limited weekend availability.)									
Thomas/Hallaran: 25 people or fewer	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300	
50 people or fewer	\$175	\$265	\$175	\$265	\$175	\$350	\$175	\$350	
51-76 people	\$250	\$375	\$250	\$375	\$250	\$500	\$250	\$500	
77-102 people	\$325	\$490	\$325	\$490	\$325	\$650	\$325	\$650	

Each hour after initial 2 hours	\$125	\$190	\$125	\$190	\$125	\$250	\$125	\$250
Adamson: 99 people or fewer	\$325	\$490	\$325	\$490	\$325	\$650	\$325	\$650
199 or fewer	\$375	\$565	\$375	\$565	\$375	\$750	\$375	\$750
299 or fewer	\$450	\$675	\$450	\$675	\$450	\$900	\$450	\$900
300+	\$600	\$900	\$600	\$900	\$600	\$1,200	\$600	\$1,200
Each hour after initial 2 hours	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300
12. Adamson Baby Pool Rental - (2 Hour Period)	\$85		\$85		\$85		\$85	\$170
13. Pool Parties Per Person – (2 Hour Period)								
Pavilion Party (Four-table Limit): First table	\$20		\$20		\$20		\$20	
Additional Tables (Max 3)	\$10		\$10		\$15		\$15	
14. Junior Lifeguard Program Per Person, Per Session	\$75		\$75		\$75		\$75	
15. Junior Lifeguard Level 2, Per Person, Per Session	\$25 + Cert Fees		\$25 + Cert Fees		\$25 + Cert Fees		\$25 + Cert Fees	
16. Water Safety Instructor, Per Person							\$150	
17. Other Pool Fees:								
Texas SuperGuard Competition, Per Person	\$20		\$20		\$25		\$25	
Swim Diaper Fee Per Diaper	\$1		\$1		\$1		\$1	
Locker Rental Fee	\$1		\$1		\$2		\$2	
Locker Deposit	\$2		\$2		\$3		\$3	
Duck Derby (Sponsor a Duck July 4th), Per Person	\$2		\$2		\$2		\$2	
Itzy Bitzy Tiny Cutie Bathing Beauty & Handsome Boy Contest on July 4th, Per Person	\$3		\$3		\$3		\$3	
“Schools Out Blow Out” at Adamson Lagoon CSISD Only	\$200		\$200		50% of Resident Rate		50% of Resident Rate	
18. Educational Class Rental Per Hour	\$25		\$25		\$25		\$25	
Summer Day Camp Use, Per Child							50% of Resident Rate	
19. All Pools – (CSISD Only)	\$2	\$3	\$2	\$3	\$2	\$3		
20. Discount Group Fee								
Southwood/Thomas Per Person	N/A		N/A		\$2.40		\$2.00	
Adamson Lagoon	N/A		N/A		\$4		\$4	
21. Lost Discount Pool Pass	N/A		N/A		\$5		\$5	
22. Lifeguard Training Fee, Per Person	N/A		N/A		\$150		\$150	
23. WSI Class Fee, Per Person	N/A		N/A		\$150		\$150	
24. CPR/First Aid Certification Fee, Per Person	N/A		N/A		\$25		\$25	
25. Transfer/Cancellation Fee for Pool Rentals and Programs	\$10		\$10		\$20		\$20	

***Adamson passes are also valid at Southwood Hallaran and Thomas pools, excluding the CSISD Natatorium. All discount passes are priced for 25 swims.**

INSTRUCTION FEES PER PERSON	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
<i>All Xtra Education class fees will be set according to the individual needs of each class and are based upon</i>								
1. 100 % direct cost recovery.								
2. Instruction Class Transfer / Cancellation Fee	\$10		\$10		\$20		\$20	

LINCOLN CENTER	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. School Year Membership Pass: Includes Boys and Girls Club Membership								
Youth (17 & Under)	\$20	\$30	\$20	\$30	\$30	\$60	\$30	\$60
Low Income Eligible	\$10	\$15	\$10	\$15	\$20	\$40	\$20	\$40
2. Summer Membership Pass	\$50	\$100	\$50	\$100	\$50	\$100	\$50	\$100

3. Late Pick-up Fee:								
1st Fifteen Minutes	\$5	\$5	\$5	\$5	\$5	\$10	\$5	\$10
Each Additional Minute Thereafter	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$2.00	\$1.00	\$2.00
4. Adult (18 & Over) Annual (12 Month) Membership Pass								
	\$45	\$70	\$45	\$70	\$75	\$150	\$75	\$150
5. Non-Member Guest Pass Per Day (Youth or Adult)								
	\$2	\$3	\$2	\$3	\$2	\$4	\$2	\$4
6. Gym Deposit Per Day (8-Hour Block)								
	\$250	\$375	\$250	\$375	\$275	\$550	\$275	\$550
Half Court Rental per Hour (4-Hour Max)	\$30	\$45	\$30	\$45	\$40	\$80	\$40	\$80
Full Court Rental Per Hour (4-Hour Max)	\$40	\$60	\$40	\$60	\$50	\$100	\$50	\$100
Gym Event (Per Chair)	\$.35	\$.35	\$.35	\$.35	\$.50	\$1.00	\$.50	\$1.00
All Day Usage (More than 4 Hours)	\$250	\$375	\$250	\$375	\$275	\$550	\$275	\$550
Concession Usage	\$20	\$30	\$20	\$30	\$20	\$60	\$20	\$60
7. Game Room / Multi-purpose Room Rental Per Hour (4-Hour minimum)								
	\$25/hour	\$40/hour	\$25/hour	\$40/hour	\$30/hour	\$60/hour	\$30/hour	\$60/hour
Deposit	\$75	\$115	\$75	\$115	\$100	\$200	\$100	\$200
8. Community Room Rental Per Hour (3-Hour Max)								
	\$30	\$45	\$30	\$45	\$40	\$80	\$40	\$80
Deposit	\$100	\$150	\$100	\$150	\$150	\$300	\$150	\$300
Kitchen Fee	\$25	\$40	\$25	\$40	\$25	\$50	\$25	\$50
9. W.A. Tarrow Covered Basketball Pavilion (100) (4 Hours Max)								
Monday – Thursday	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
Friday – Sunday & Holidays	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
10. Special Event Fee (Funerals, weddings, parties)								
	\$275	\$415	\$275	\$415	\$300	\$600	\$300	\$600
11. Miscellaneous Charges:								
Copies (Per Copy) *	\$.10 / Copy							
Faxes ~ Local (Per Page)	\$1.00 / Page							
Faxes ~ Long Distance (Per Page)	\$2 First Pg, \$1 Ea. Add'l Page		\$2 First Pg, \$1 Ea. Add'l Page		\$2 First Pg, \$1 Ea. Add'l Page		\$2 First Pg, \$1 Ea. Add'l Page	
12. Gym or Room Transfer / Cancellation Fee								
	\$10.00		\$10.00		\$20		\$20	
~ All rooms are subject to an after-hour charge of \$20 per hour. The after-hour charge is based on any request to use facilities beyond the Center's normal operating hours.								
~ Special Event fee includes the rental of the gym, Community Room, sound system, and 450 chairs.								
* Per Section 111.61 of the Texas Administrative Code.								

SOUTHWOOD CENTER FACILITY RENTALS	2010	2011	2012		2013	
			Resident Rate	Non Resident Rate	Resident Rate	Non Resident Rate
1. Meeting Room Rental, Per Hour	\$20	\$25	\$25	\$50	\$25	\$50
Deposit	\$50	\$50	\$50	\$100	\$50	\$100
2. Dance/Game Room Rental, Per Hour	\$30	\$35	\$35	\$70	\$35	\$70
Deposit	\$50	\$50	\$75	\$150	\$75	\$150
3. Whole Facility Rental Per Hour (Excludes Computer Lab)	\$75	\$75	\$75	\$150	\$75	\$150
Deposit	\$75	\$75	\$75	\$150	\$75	\$150
4. Additional Attendance Fee Per Hour *	\$10	\$10	\$10	\$20	\$10	\$20
5. Computer Lab Rental Per Hour	N/A	\$15	\$20	\$40	\$20	\$40
6. Room or Rental Transfer / Cancellation Fee	\$10	\$10	\$20		\$20	
* All rental rates are based on a party of 1-25 people. Additional fees are added per hour for over 25 attendees. Any rental expecting more than 100 attendees must have prior Supervisor approval.						
~ Deposits are refundable if the facility is left clean and damage-free.						
~ Fees are assessed for special events and field trips.						

SOUTHWOOD CENTER PROGRAMMING	2010	2011	2012		2013	
			<i>Resident Rate</i>	<i>Non Resident Rate</i>	<i>Resident Rate</i>	<i>Non Resident Rate</i>
1. School Year Teen Membership Pass (Expires May 31)	\$20	\$100	\$30	\$60	\$30	\$60
2. Summer Teen Membership Pass	N/A	N/A	\$20	\$40	\$20	\$40
3. Non-Member Guest Pass Per Day Teen or Senior	\$2	\$2	\$2	\$4	\$2	\$4
4. Late Pick-up Fee:						
1 st Fifteen Minutes	N/A	N/A	\$5	\$10	\$5	\$10
Each Additional Minute Thereafter	N/A	N/A	\$1	\$2	\$1	\$2
5. Senior Annual Membership Pass	N/A	\$20	\$20	\$40	\$20	\$40
6. Bus Pass (25 Rides)	N/A	\$50	\$50	\$100	\$50	\$100
Bus, Per Ride	N/A	N/A	N/A	N/A	\$2.50	

YOUTH SPORTS PER CHILD	2010		2011		2012		2013	
	<i>Resident Rate</i>	<i>Non Resident Rate</i>						
1. Basketball / Youth Volleyball / Per Child	\$60		\$60		\$60		\$60	
2. Flag Football (Includes Field Redevelopment Fee)	\$60		\$60		\$60		\$70	
3. Outside League Field Redevelopment Fee Per Child ~ All Sports	\$10		\$10		\$10		\$10	
4. Challenger Sports (Basketball, Bowling, Soccer)	\$15		\$15		\$15		\$15	
5. USTA Tennis League	\$100	\$150	\$100	\$150	\$100	\$200	\$100	\$200
6. Tennis Lessons	\$70	\$105	\$70	\$105	\$70	\$140	\$70	\$140
7. TAAF Summer Track Youth Sports Transfer	N/A		N/A		N/A		\$100	
8. Cancellation Fee Per Child	\$10		\$10		\$20		\$20	

Resident/Non-Resident Fee Pricing Approved by City Council in January 2010.
Fees approved by Parks and Recreation Advisory Board: March 12, 2013
Fees approved by City Council:

PARKS & RECREATION DEPARTMENT
2013 GENERAL FUND USER FEES – DRAFT

ATHLETIC FIELDS	2010	2011	2012	2013
Athletic Field Rental ~ One (1) Field, Per Day 1. (Includes Field Redevelopment Fee of \$15)	\$120 / day	\$120 / day	\$150 / day	\$150 / day
Athletic Field Rental ~ One (1) Field, Per Hour, up to 7 Hours. 2. (Includes Field Redevelopment Fee of \$5)	\$20 / hour	\$20 / hour	\$30 / hour	\$30 / hour
3. Athletic Field Rental Deposit	Varies	Varies	Varies	Varies
4. Lights for Field Rentals (Per hour/Per field)	\$15 / hour	\$15 / hour	\$20 / hour	\$20 / hour
5. Game Field Prep Fee, Per Field	\$50 / field	\$50 / field	\$75 / Field	\$75 / Field
6. Bee Creek Batting Cage Rental, Per Hour	\$10 / hour	\$10 / hour	\$15 / hour	\$15 / hour
—Veterans Park “Package” Day Rental— All 9 Soccer Fields 7. —and the American Pavilion	\$1,100/day	\$1,100/day	\$1,200 / day	\$1,200 / day
7. Tournament Rate	Contact Parks & Recreation Office for Pricing			
8. Key Fee (New Annual Fee and Replacement Fee)	\$10 each	\$10 each	\$10 each	\$10 each
9. TAMU Game Day Parking Fee @ a City Facility Parking Lot (City Hall, Conference Center, Wayne Smith Complex)	\$10 / day	\$10 / day	\$10 / day	\$10 / day
<p>~ In addition to the rental fees, a deposit will be charged and paid by the renter <u>in advance of any tournament</u>. The deposit will vary depending on the type and size of the tournament.</p> <p>~ In addition to the rental and deposit fees, additional fees may be assessed to the renter depending on the length and type of tournament in order to cover expenses incurred by the City for personnel and supplies needed to facilitate the tournament.</p> <p>~ Initial game field prep and light fees are included in the daily rental fee, but not in hourly rental fees.</p> <p>1. The Regular Rate applies to non-resident individuals of College Station.</p> <p>2. The Regular Rate for team fees applies to teams that have less than 75% College Station resident participation on the team.</p>				

PAVILION RENTALS PER DAY	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. Bee Creek (100); Oaks (40) /W.A. Tarrow Park (100) Pavilion - TARROW PARK MOVED TO REC FUND - LINCOLN CENTER								
Monday – Thursday	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
Friday – Sunday & Holidays	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
2. Central (200) / Southwood Pavilions (300)								
Monday – Thursday	\$150	\$225	\$150	\$225	\$200	\$400	\$200	\$400
Friday – Sunday, and Holidays	\$225	\$340	\$225	\$340	\$250	\$500	\$250	\$500
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
3. John Crompton Park Pavilion (80)								
Monday – Thursday	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Friday – Sunday, and Holidays	\$175	\$265	\$175	\$265	\$200	\$400	\$200	\$400
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
4. American Pavilion in Veterans Park (500)								
Monday – Thursday	\$250	\$375	\$250	\$375	\$300	\$600	\$300	\$600
Friday – Sunday, and Holidays	\$350	\$525	\$350	\$525	\$350	\$700	\$350	\$700
Deposit	\$400	\$600	\$400	\$600	\$400	\$400	\$400	\$400
5. Dog Park Rentals – (Steeplechase Park and University Park) Per day								
	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300
6. Transfer / Cancellation Fee Per Change	\$10		\$10		\$20		\$20	
<p>~ Deposits are refundable if the facility is left clean, damage-free, and the keys are returned.</p> <p>~ Deposits are refundable, less the \$10 cancellation fee if reservation is cancelled no later than seven (7) days prior to rental date.</p> <p>~ () – The parenthesis by each pavilion shows the limit of occupants that the pavilion can facilitate.</p>								

Moved from Rec Fund

PERMITS & COMMISSIONS		2010	2011	2012	2013
1. Vendor Permit		\$50	\$50	\$50	\$50
Alcohol Permit (Required when alcohol is served at Lincoln Center, Southwood Center, Conference Center, Wolf Pen Creek and					
2. Veterans Park rentals.)		N/A	\$55	\$55	\$55
3. Commissions: (Gross Sales minus Sales Tax)					
Food & Drinks		10 - 15 %	10 - 15 %	10 - 15 %	10%
Other Goods		10 - 15 %	10 - 15 %	10 - 15 %	10%
Alcoholic Beverages		20 - 25 %	20 - 25 %	20 - 25 %	20%

Moved from Rec Fund

RACE EQUIPMENT RENTALS	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. Printing Stop Watch / Non-printing Stop Watch	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
2. Cones (10)	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
3. Bases, Poles, and Flagging (10)	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
4. Big Time Clock	\$60	\$90	\$60	\$90	\$60	\$90	\$10	\$20
5. Water Cooler / Ice Chest	\$5	\$10	\$5	\$10	\$5	\$10	\$5	\$10
6. Tables	\$10	\$15	\$10	\$15	\$15	\$30	\$15	\$30
7. Traffic Flags and Vests (10)	\$5	\$10	\$5	\$10	\$10	\$20	\$10	\$20
8. Rental Package #1: Big time clock, 1 printing stopwatch, 10 cones, 10 bases/poles and flagging, 2 water coolers, 2 tables, 10 traffic flags and vests.	\$85	\$130	\$85	\$130	\$100	\$200	\$100	\$200
9. Rental Package #2: Big time clock, 2 printing stop-watches, 30 cones, 20 bases/poles and flagging, 6 water coolers, 4 tables, 15 traffic flags and vests.	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
10. Rental Package #3: Big time clock, 4 printing stop-watches, 60 cones, 30 bases/poles and flagging, 12 water coolers, 6 tables, 20 traffic flags and vests.	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
11. Deposit for Any Package	N/A				\$200		\$200	

WOLF PEN CREEK	2010		2011		2012		2013	
	Mon -Thur	Fri-Sun						
1. Amphitheater Rentals Per Day:								
Private Rental	\$300	\$400	\$300	\$400	\$500	\$600	\$500	\$600
Non Commercial ~ Benefit Rental	\$600	\$700	\$600	\$700	\$750	\$900	\$750	\$900
Professional/Commercial Rentals	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,200	\$1,000	\$1,200
2. Green Room Meetings Four Hours or Less								
Non Commercial	-\$75	\$100	\$75	\$100	\$80	\$110	----	----
Commercial	-\$100	\$150	\$100	\$150	\$110	\$175	----	----
2. Green Room Meetings Up to Twelve Hours								
Non Commercial	-\$200	\$250	\$200	\$250	\$220	\$275	----	----
Commercial	\$250	\$300	\$250	\$300	\$275	\$325	----	----
2. Green Room Social Events ~ Four Hrs or Less								
Non Commercial	\$100	\$125	\$100	\$125	\$110	\$140	\$110	\$140
Commercial	\$125	\$175	\$125	\$175	\$150	\$200	\$150	\$200
3. Green Room Social Events ~ Up Five to Twelve Hrs								
Non Commercial	\$250	\$300	\$250	\$300	\$275	\$325	\$275	\$325
Commercial	\$300	\$350	\$300	\$350	\$325	\$375	\$325	\$375

WOLF PEN CREEK AMPHITHEATER	2010		2011		2012		2013	
	Mon -Thur	Fri-Sun	Mon -Thur	Fri-Sun	Mon -Thur	Fri-Sun	Mon -Thur	Fri-Sun
4. The Plaza at Wolf Pen Creek								
Rental (Includes Pavilion and Restrooms)	\$100	\$150	\$100	\$150	\$110	\$160	\$110	\$160
Deposit (Security, Damage, Clean-up)	\$100		\$100		\$200		\$200	
5. Festival Site Rental								
Private Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$200	\$300
Non-Commercial ~ Benefit Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$400	\$500
Private Commercial Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$600	\$700
6. Amphitheater & Festival Site Rental								
Private Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$600	\$800
Non-Commercial ~ Benefit Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$950	\$1,200
Private Commercial Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$1,200	\$1,500
7. Deposit - Amphitheater / Green-Room Rentals								
	-Varies \$200-\$600							
For Green Room, Plaza or Festival Site	Varies \$200-\$600						\$200	
For Amphitheater	Varies \$200-\$600						\$600	
8. Other Non-typical Events								
	Rate based on event							
9. Discounts for Three or More Dates Reserved	15%		15%		15%		----	
10. Alcohol Surcharge for any Function	\$50		\$50		\$50		Moved to	
<p>~ A percentage of ticketing and fees for service personnel and vending charges will be added accordingly for amphitheater rentals.</p> <p>~ A percentage of the gate will be negotiated for commercial events.</p> <p>~ Non Commercial is defined as: Non-profit, student, civic or private.</p> <p>~ Security deposits are based upon participants/attendees.</p>								

CEMETERY FEES		2010	2011	2012	2013
1. College Station Cemetery:	Standard Space	\$1,125	\$1,125	\$1,250	\$1,375
	Cremate Space	\$350	\$350	\$400	\$440
	Infant Space	\$175	\$175	\$200	\$220
2. Memorial Cemetery of College Station:					
Municipal Section:	Standard Space	\$1,125	\$1,125	\$1,250	\$1,375
“ “ “	Columbaria Niche	\$690	\$690	\$750	\$825
“ “ “	Infant Space	\$175	\$175	\$200	\$220
Aggie Field of Honor:	Standard Space	\$2,350	\$2,350	\$2,500	\$2,750
“ “ “	Columbaria Niche	\$1,380	\$1,380	\$1,500	\$1,650
4. Grave Opening and Closing Fee		N/A	N/A	N/A	\$150
5. Mark the Grave and Set the Monument		N/A	N/A	N/A	\$100
6. Memorial Bench Set Fee		N/A	N/A	N/A	\$100

Cemetery Fees approved by Cemetery Advisory Committee:

Cemetery Fees approved by City Council:

Fees approved by Parks and Recreation Advisory Board:

Fees approved by City Council:

PARKS & RECREATION DEPARTMENT 2013 REC FUND FEES – DRAFT

Effective _____, 2013

ADULT SPORTS PER TEAM	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. Volleyball (No Field Redevelopment Fee Included)	\$210		\$210		\$210		\$210	
2. Softball (Includes \$95 / Team Field Redevelopment Fee)								
Play-Off League: Spring and Summer/Fall	\$390		\$390		\$390		\$390	
3. Kick Ball	\$375		\$375		\$395		\$390	
4. Tennis Lessons Per Person (Moved from Instruction)	\$70	\$105	\$70	\$105	\$70	\$140	\$70	\$140
5. Outside League Field Redevelopment Fee Per Team	\$95	\$145	\$95	\$145	\$95	\$145	\$95	\$190
6. Outside League Per Game Contract Fee	\$10	\$15	\$10	\$15	\$15	\$30	\$15	\$30
7. Adult Sports Transfer / Cancellation Fee	\$10		\$10		\$20		\$20	
8. Late Registration Fee Adult Sports / Youth Sports	N/A		N/A		\$20 / \$10		\$20	
Adult sports are registered as a team unless otherwise noted.								

New Section; Moved Items from Instruction, Swimming Pool, and Youth Sports Sections

AQUATICS PROGRAMS	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. Swim Lessons								
45-Minute Lesson	\$45	\$70	\$45	\$70	\$45	\$90	\$45	\$90
25-Minute Lesson*	\$40	\$60	\$40	\$60	\$40	\$80	\$40	\$80
2. Stroke Clinic	\$50	\$75	\$50	\$75	\$50	\$100	\$50	\$100
3. Water Fitness & Lap Swim Discount Pass (25 Punches)							\$50	
Morning Pass – Fall, Spring, Summer	\$80	\$120	\$80	\$120	\$160	\$80	---	---
Night Pass – Fall, Spring, Summer	\$60	\$90	\$60	\$90	\$120	\$60	---	---
Morning Pass – Winter	\$60	\$90	\$60	\$90	\$120	\$60	---	---
Night Pass – Winter	\$45	\$70	\$45	\$70	\$90	\$45	---	---
4. Swim Team (No Field Redevelopment Fee)	\$110		\$110		\$110		\$125	
5. Instruction Transfer / Cancellation Fee	\$10		\$10		\$20		\$20	
* Children ages 5 and under attend only a 25-minute lesson. All other lessons are 45 minutes in length.								
6. General Admission Per Person (Ages 3 and Up)								
Hallaran/Thomas	\$3		\$3		\$3		\$3	
Natatorium	\$3		\$3		\$3		N/A	
Adamson	\$6		\$6		\$6		\$6	
7. Discount Pass – 25 Swims								
Hallaran/Thomas	\$60		\$60		\$60		\$50	
Natatorium	\$60		\$60		\$60		N/A	
*Adamson	\$100		\$100		\$100		\$100	
8. Family Season Pass (Up to Five Family Members)								
Fee for Additional Members in Excess of Five	\$25 Per Person							
Hallaran/Thomas Pass or Natatorium Pass	\$150		\$150		\$150		\$150	
*Adamson	\$250		\$250		\$250		\$250	
9. Individual Season Pass								
Hallaran/Thomas	\$75		\$75		\$75		\$75	
*Adamson	\$125		\$125		\$125		\$125	

10. Special Day Care Fee @-Adamson, Per Child									
Hallaran/Thomas	\$3		\$3		\$3			\$2.00	
*Adamson								\$4.00	
11. Pool Rentals (2 Hour Period. Limited weekend availability.)									
Thomas/Hallaran: 25 people or fewer	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300	
50 people or fewer	\$175	\$265	\$175	\$265	\$175	\$350	\$175	\$350	
51-76 people	\$250	\$375	\$250	\$375	\$250	\$500	\$250	\$500	
77-102 people	\$325	\$490	\$325	\$490	\$325	\$650	\$325	\$650	
Each hour after initial 2 hours	\$125	\$190	\$125	\$190	\$125	\$250	\$125	\$250	
Adamson: 99 people or fewer	\$325	\$490	\$325	\$490	\$325	\$650	\$325	\$650	
199 or fewer	\$375	\$565	\$375	\$565	\$375	\$750	\$375	\$750	
299 or fewer	\$450	\$675	\$450	\$675	\$450	\$900	\$450	\$900	
300+	\$600	\$900	\$600	\$900	\$600	\$1,200	\$600	\$1,200	
Each hour after initial 2 hours	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300	
12. Adamson Baby Pool Rental - (2 Hour Period)	\$85		\$85		\$85		\$85	\$170	
13. Pool Parties Per Person – (2 Hour Period)									
Theme Party – Eight (8) Person Minimum:									
Southwood / Thomas	\$6.50		\$6.50		\$8		----		
Adamson Lagoon	\$8.50		\$8.50		\$10		----		
Catered Theme Party: Southwood / Thomas	\$7.75		\$7.75		\$11.75		----		
Adamson Lagoon	\$10		\$10		\$14		----		
Pavilion Party (Four-table Limit): First table	\$20		\$20		\$20		\$20		
Additional Tables (Max 3)	\$10		\$10		\$15		\$15		
Additional Pizza Cost, Per Pizza	N/A		N/A		\$8		----		
14. Junior Lifeguard Program Per Person, Per Session	\$75		\$75		\$75		\$75		
15. Junior Lifeguard Level 2, Per Person, Per Session	\$25 + Cert Fees		\$25 + Cert Fees		\$25 + Cert Fees		\$25 + Cert Fees		
16. Water Safety Instructor, Per Person								\$150	
17. Other Pool Fees:									
Texas SuperGuard Competition, Per Person	\$20		\$20		\$25		\$25		
Swim Diaper Fee Per Diaper	\$1		\$1		\$1		\$1		
Tube Rental Fee	\$1		\$1		\$2		----		
Deposit	\$2		\$2		\$3		----		
Locker Rental Fee	\$1		\$1		\$2		\$2		
Locker Deposit	\$2		\$2		\$3		\$3		
Duck Derby (Sponsor a Duck July 4th), Per Person	\$2		\$2		\$2		\$2		
Itzy Bitzy Tiny Cutie Bathing Beauty & Handsome Boy Contest on July 4th, Per Person	\$3		\$3		\$3		\$3		
"Schools Out Blow Out" at Adamson Lagoon CSISD Only	\$200		\$200		50% of Resident Rate		50% of Regular Resident Rate		
Pool Trout Fish-out Per Person (Ages 3 and up)	\$3		\$3		\$5		----		
Over the 5-fish limit (Per fish)	\$1.50		\$1.50		\$2		----		
18. Educational Class Rental Per Hour	\$25		\$25		\$25		\$25		
Summer Day Camp Use, Per Child Adamson Lagoon All Pools – (CSISD Only)	\$2	\$3	\$2	\$3	\$2	\$3		50% of Resident Rate	
Natatorium Team Use Fee, Per Person, Per Season, Plus Staff Time	\$10	\$15	\$10	\$15	\$10	\$20	----	----	
19. Discount Group Fee									
Southwood/Thomas Per Person	N/A		N/A		\$2.40		\$2.40	\$2.00	
Adamson Lagoon	N/A		N/A		\$4		\$4		
20. Lost Discount Pool Pass	N/A		N/A		\$5		\$5		
21. Hydrodynamics									
25 People or Less	N/A		N/A		\$165		----		
50 People or Less	N/A		N/A		\$250		----		
75 People or Less	N/A		N/A		\$290		----		
100 People or Less	N/A		N/A		\$325		----		

21. Blinn College Fee, Per Semester	N/A	N/A	Based-on-Use	----
21. Lifeguard Training Fee, Per Person	N/A	N/A	\$150	\$150
22. WSI Class Fee, Per Person	N/A	N/A	\$150	\$150
23. CPR/First Aid Certification Fee, Per Person	N/A	N/A	\$25	\$25
Local-Gym-Fitness-Swim-Pass,-Good-Only-During				
17. Lap-Swim-Times, Per Person	N/A	N/A	\$50	----
Transfer/Cancellation Fee for Pool Rentals and 24. Junior Lifeguard Programs	\$10	\$10	\$20	\$20

*Adamson passes are also valid at Southwood Hallaran and Thomas pools, excluding the CSISD Natatorium. All discount passes are priced for 25 swims.

Swim Lessons, Stroke Clinic and Water Fitness moved to Aquatics Section

INSTRUCTION FEES PER PERSON	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
<i>All Xtra Education class fees will be set according to the individual needs of each class and are based upon</i>								
1. 100 % direct cost recovery.								
2. Instruction Class Transfer / Cancellation Fee	\$10		\$10		\$20		\$20	
1. Swim Lessons								
45-Minute Lesson	\$45	\$70	\$45	\$70	\$90	\$45	----	----
25-Minute Lesson -- Ages 5 and Under	\$40	\$60	\$40	\$60	\$80	\$40	----	----
2. Stroke Clinic	\$50	\$75	\$50	\$75	\$100	\$50	----	----
3. Water Fitness Pass								
Morning Pass -- Fall, Spring, Summer	\$80	\$120	\$80	\$120	\$160	\$80	----	----
Night Pass -- Fall, Spring, Summer	\$60	\$90	\$60	\$90	\$120	\$60	----	----
Morning Pass -- Winter	\$60	\$90	\$60	\$90	\$120	\$60	----	----
Night Pass -- Winter	\$45	\$70	\$45	\$70	\$90	\$45	----	----
4. Instruction Transfer / Cancellation Fee	\$10		\$10		\$20		----	
<i>* Children ages 5 and under attend only a 25-minute lesson. All other lessons are 45 minutes in length.</i>								
5. USTA Tennis League	\$100	\$150	\$100	\$150	\$200	\$100	----	----
6. Tennis Lessons	\$70	\$105	\$70	\$105	\$140	\$70	----	----

LINCOLN CENTER	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. School Year Membership Pass: Includes Boys and Girls Club Membership								
Youth (17 & Under)	\$20	\$30	\$20	\$30	\$30	\$60	\$30	\$60
Low Income Eligible	\$10	\$15	\$10	\$15	\$20	\$40	\$20	\$40
2. Summer Membership Pass	\$50	\$100	\$50	\$100	\$50	\$100	\$50	\$100
3. Late Pick-up Fee:								
1st Fifteen Minutes	\$5	\$5	\$5	\$5	\$5	\$10	\$5	\$10
Each Additional Minute Thereafter	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$2.00	\$1.00	\$2.00
4. Membership Pass	\$45	\$70	\$45	\$70	\$75	\$150	\$75	\$150
5. Non-Member Guest Pass Per Day (Youth or Adult)	\$2	\$3	\$2	\$3	\$2	\$4	\$2	\$4
6. Gym Deposit Per Day (8-Hour Block)	\$250	\$375	\$250	\$375	\$275	\$550	\$275	\$550
Half Court Rental per Hour (4-Hour Max)	\$30	\$45	\$30	\$45	\$40	\$80	\$40	\$80
Full Court Rental Per Hour (4-Hour Max)	\$40	\$60	\$40	\$60	\$50	\$100	\$50	\$100
Gym Event (Per Chair)	\$.35	\$.35	\$.35	\$.35	\$.50	\$1.00	\$.50	\$1.00
All Day Usage (More than 4 Hours)	\$250	\$375	\$250	\$375	\$275	\$550	\$275	\$550
Concession Usage	\$20	\$30	\$20	\$30	\$20	\$60	\$20	\$60
7. Game Room / Multi-purpose Room Rental Per Hour (4-Hour minimum)	\$25/hour	\$40/hour	\$25/hour	\$40/hour	\$30/hour	\$60/hour	\$30/hour	\$60/hour
Deposit	\$75	\$115	\$75	\$115	\$100	\$200	\$100	\$200

LINCOLN CENTER, Continued . . .	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
8. Community Room Rental Per Hour (3-Hour Max)	\$30	\$45	\$30	\$45	\$40	\$80	\$40	\$80
Deposit	\$100	\$150	\$100	\$150	\$150	\$300	\$150	\$300
Kitchen Fee	\$25	\$40	\$25	\$40	\$25	\$50	\$25	\$50
9. W.A. Tarrow Covered Basketball Pavilion (100) (4 Hours Max) – MOVED FROM PAVILION SECTION								
Monday – Thursday	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
Friday – Sunday & Holidays	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
10. Special Event Fee (Funerals, weddings, parties)	\$275	\$415	\$275	\$415	\$300	\$600	\$300	\$600
11. Miscellaneous Charges:								
Copies (Per Copy) *	\$.10 / Copy							
Faxes ~ Local (Per Page)	\$1.00 / Page							
Faxes ~ Long Distance (Per Page)	\$1 Ea. Addt'l Page							
12. Gym or Room Transfer / Cancellation Fee	\$10.00		\$10.00		\$20		\$20	
~ All rooms are subject to an after-hour charge of \$20 per hour. The after-hour charge is based on any request to use facilities beyond the Center's normal operating hours.								
~ Special Event fee includes the rental of the gym, Community Room, sound system, and 450 chairs.								
* Per Section 111.61 of the Texas Administrative Code.								

SOUTHWOOD CENTER FACILITY RENTALS	2010	2011	2012		2013	
			Resident Rate	Non Resident Rate	Resident Rate	Non Resident Rate
1. Meeting Room Rental, Per Hour	\$20	\$25	\$25	\$50	\$25	\$50
Deposit	\$50	\$50	\$50	\$100	\$50	\$100
2. Dance/Game Room Rental, Per Hour	\$30	\$35	\$35	\$70	\$35	\$70
Deposit	\$50	\$50	\$75	\$150	\$75	\$150
3. Whole Facility Rental Per Hour (Excludes Computer Lab)	\$75	\$75	\$75	\$150	\$75	\$150
Deposit	\$75	\$75	\$75	\$150	\$75	\$150
4. Additional Attendance Fee Per Hour *	\$10	\$10	\$10	\$20	\$10	\$20
5. Computer Lab Rental Per Hour	N/A	\$15	\$20	\$40	\$20	\$40
6. Alcohol Permit (Required when alcohol is served)	N/A	N/A	\$55		Moved to Permits Section	
6. Room or Rental Transfer / Cancellation Fee	\$10	\$10	\$20		\$20	
* All rental rates are based on a party of 1-25 people. Additional fees are added per hour for over 25 attendees. Any rental expecting more than 100 attendees must have prior Supervisor approval.						
~ Deposits are refundable if the facility is left clean and damage-free.						
~ Fees are assessed for special events and field trips.						

SOUTHWOOD CENTER PROGRAMMING	2010	2011	2012		2013	
			Resident Rate	Non Resident Rate	Resident Rate	Non Resident Rate
1. School Year Teen Membership Pass (Expires May 31)	\$20	\$100	\$30	\$60	\$30	\$60
2. Summer Teen Membership Pass	N/A	N/A	\$20	\$40	\$20	\$40
4. Non-Member Guest Pass Per Day Teen or Senior	\$2	\$2	\$2	\$4	\$2	\$4
5. Late Pick-up Fee:						
1 st Fifteen Minutes	N/A	N/A	\$5	\$10	\$5	\$10
Each Additional Minute Thereafter	N/A	N/A	\$1	\$2	\$1	\$2
6. Senior Annual Membership Pass	N/A	\$20	\$20	\$40	\$20	\$40
7. Bus Pass (25 Rides)	N/A	\$50	\$50	\$100	\$50	\$100
Bus, Per Ride	N/A	N/A	N/A	N/A	\$2.50	

Tennis Moved from Instruction Section; Swim Team Moved to Aquatics Programming

YOUTH SPORTS PER CHILD	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate	Resident Rate	Non Resident Rate	Resident Rate	Non Resident Rate	Resident Rate	Non Resident Rate
1. Basketball / Youth Volleyball / Flag Football* / Per Child (* Includes Field Redevelopment Fee)	\$60		\$60		\$60		\$60	
2. Flag Football (Includes Field Redevelopment Fee)	\$60		\$60		\$60		\$70	
3. Outside League Field Redevelopment Fee Per Child ~ All Sports	\$10		\$10		\$10		\$10	
4. Challenger Sports (Basketball, Bowling, Soccer)	\$15		\$15		\$15		\$15	
4. Swim Team (No Field Redevelopment Fee Included)	\$110		\$110		\$110		Moved to Aquatics	
5. USTA Tennis League	\$100	\$150	\$100	\$150	\$100	\$200	\$100	\$200
6. Tennis Lessons	\$70	\$105	\$70	\$105	\$70	\$140	\$70	\$140
7. TAAF Summer Track	N/A		N/A		N/A		\$100	
8. Youth Sports Transfer / Swim Team Cancellation Fee Per Child	\$10		\$10		\$20		\$20	

Resident/Non-Resident Fee Pricing Approved by City Council in January 2010.

Fees approved by Parks and Recreation Advisory Board:

Fees approved by City Council:



PARKS AND RECREATION ADVISORY BOARD AGENDA



TUESDAY, MARCH 12, 2013 REGULAR MEETING MINUTES ~ 7:00PM Wolf Pen Creek Green Room 1015 Colgate College Station, TX 77840

Staff Present: David Schmitz, Director; Amy Atkins, Assistant Director-Operations; Pete Vanecek, Senior Parks Planner; Heather Lupoli, Board Secretary

Board Present: Jon Denton, Chair; David Ohendalski; Louis Hodges; Shawn Reynolds; Ida Bellows; Sherry Ellison; Billy Hart

Visitors: Jonathan Jones

1. **Call to order and Roll Call.** The meeting was called to order with a quorum present at 7:05 PM.
2. **Possible action concerning requests for absences of members.** Debe Shafer and Fred Medina had sent in a request for absence. Louis Hodges made a motion to approve the absence request submitted, and Shawn Reynolds seconded the motion. The vote was called. All were in favor, and the motion passed unanimously.
3. **Hear visitors.** Hearing none, this item was closed
4. **Consideration, possible approval, and discussion of minutes from the meeting of February 12, 2013.** Jon Denton made change on #2 to Shawn Reynolds motioned. It was confirmed by reviewing audio file from that meeting and it was seconded by David Ohendalski. Shawn Reynolds made a motion to approve the minutes with the change, and Sherry Ellison seconded the motion. The vote was called. All were in favor, and the motion passed unanimously.
5. **Review and decision on FY 13-14 PARD User Fees.** Billy Hart made a motion to approve the fees as submitted, and Shawn Reynolds seconded the motion. The vote was called. All were in favor, and the motion passed unanimously.
6. **Discussion on the naming of Castlegate II A&B parks and the Barracks Park .** Discussion on the naming of three Parks followed. Castlegate II A was proposed to go to council as Excalibur, Castlegate II B was proposed to go to council as Camelot and The Barracks will go to council proposed as the Barracks. Louis Hodges motion to approve the proposed names and Sherry Ellison seconded the motion. The vote was called. All were in favor, and the motion passed unanimously.
7. **Update on Senior Games .**This was an informational item only, and no action was taken.
8. **Discussion and possible action concerning the Parks and Recreation Advisory Board Goals for FY13.** This was an informational item only. Billy Hart suggested the document needed to be updated.

9. **Report, possible action, and discussion concerning the current Capital Improvements Program:**

➤ **Capital Improvements and Park Land Dedication Project Lists of March 2013.** Pete Vanecek, Senior Park Planner, reported on Capital Improvements and Park Land Dedications Project list. This was an informational item only, and no action was taken.

➤ **Dedications of Less than Five Acres**

Pete Vanecek, Senior Park Planner, reported on Dedications of Less than five Acres. This was an informational item only, and no action was taken.

10. *Presentation, possible action, and discussion on future agenda items: A Board Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.*

- **Next Regular Meeting ~ April 9, 2013**
- **The Big Event Report**
- **Update from Greenways, Vanessa Garza**
- **Process for Marathons**

11. **Adjourn.** Billy Hart made a motion to adjourn the meeting, and Shawn Reynolds seconded the motion. The vote was called. All were in favor, and the meeting adjourned at 7:53 PM.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF COLLEGE STATION, TEXAS, APPROVING AND SETTING THE PARKS AND RECREATION DEPARTMENT'S PROGRAMS AND FACILITIES USER FEES.

WHEREAS, The Parks and Recreation Department conducts annual reviews of program and facility user fees to determine direct costs, as well as local "market" rates for individual programs and facilities; and

WHEREAS, the Parks and Recreation programs and facilities user fees are consistent with the adopted fiscal and budgetary policy; and

WHEREAS, The Parks and Recreation Advisory Board reviewed the program and facility user fees on March 12, 2013 and voted 7 to 0 to recommend approval of the user fees to the City Council; and now therefore:

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: The City Council hereby approves and adopts the Parks and Recreation Department program and facility user fees as shown in Exhibit "A".

PART 2: The Parks and Recreation Department program and facility user fees as shown in Exhibit "A" shall take effect upon approval of this resolution.

ADOPTED this 13th day of June, 2013.

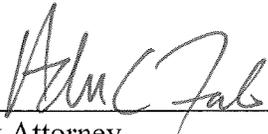
ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:



City Attorney

PARKS & RECREATION DEPARTMENT
2013 GENERAL FUND USER FEES

(Effective Upon Approval by Council)

EXHIBIT A

ATHLETIC FIELDS	2010	2011	2012	2013
1. Athletic Field Rental ~ One (1) Field, Per Day (Includes Field Redevelopment Fee of \$15)	\$120 / day	\$120 / day	\$150 / day	\$150 / day
2. Athletic Field Rental ~ One (1) Field, Per Hour, up to Seven (7) Hours. (Includes Field Redevelopment Fee of \$5)	\$20 / hour	\$20 / hour	\$30 / hour	\$30 / hour
3. Athletic Field Rental Deposit	Varies	Varies	Varies	Varies
4. Lights for Field Rentals (Per hour/Per field)	\$15 / hour	\$15 / hour	\$20 / hour	\$20 / hour
5. Game Field Prep Fee, Per Field	\$50 / field	\$50 / field	\$75 / Field	\$75 / Field
6. Bee Creek Batting Cage Rental, Per Hour	\$10 / hour	\$10 / hour	\$15 / hour	\$15 / hour
7. Tournament Rate	Contact Parks & Recreation Office for Pricing.			
8. Key Fee (New Annual Fee and Replacement Fee)	\$10 each	\$10 each	\$10 each	\$10 each
9. TAMU Game Day Parking Fee @ a City Facility Parking Lot (City Hall, Conference Center, Wayne Smith Complex)	\$10 / day	\$10 / day	\$10 / day	\$10 / day
~ In addition to the rental fees, a deposit will be charged and paid by the renter <i>in advance of any tournament</i> . The deposit will vary depending on the type and size of the tournament.				
~ In addition to the rental and deposit fees, additional fees may be assessed to the renter depending on the length and type of tournament in order to cover expenses incurred by the City for personnel and supplies needed to facilitate the tournament.				
~ Initial game field prep and light fees are included in the daily rental fee, but not in hourly rental fees.				

PAVILION RENTALS PER DAY	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. Bee Creek (100); Oaks (40)								
Monday – Thursday	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
Friday – Sunday & Holidays	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
2. Central (200) / Southwood Pavilions (300)								
Monday – Thursday	\$150	\$225	\$150	\$225	\$200	\$400	\$200	\$400
Friday – Sunday, and Holidays	\$225	\$340	\$225	\$340	\$250	\$500	\$250	\$500
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
3. John Crompton Park Pavilion (80)								
Monday – Thursday	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Friday – Sunday, and Holidays	\$175	\$265	\$175	\$265	\$200	\$400	\$200	\$400
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
4. American Pavilion in Veterans Park (500)								
Monday – Thursday	\$250	\$375	\$250	\$375	\$300	\$600	\$300	\$600
Friday – Sunday, and Holidays	\$350	\$525	\$350	\$525	\$350	\$700	\$350	\$700
Deposit	\$400	\$600	\$400	\$600	\$400	\$400	\$400	\$400
5. Dog Park Rentals – (Steeplechase Park and University Park) Per day	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300
6. Transfer / Cancellation Fee Per Change	\$10		\$10		\$20		\$20	
~ Deposits are refundable if the facility is left clean, damage-free, and the keys are returned.								
~ Deposits are refundable, less the \$10 cancellation fee if reservation is cancelled no later than seven (7) days prior to rental date.								
~ () – The parenthesis by each pavillion shows the limit of occupants that the pavillion can facilitate.								

PERMITS & COMMISSIONS		2010	2011	2012	2013
1. Vendor Permit		\$50	\$50	\$50	\$50
Alcohol Permit (Required when alcohol is served at Lincoln Center, Southwood Center, Conference Center, Wolf Pen Creek and Veterans Park rentals.)					
2. Park rentals.)		N/A	\$55	\$55	\$55
3. Commissions: (Gross Sales minus Sales Tax)					
Food & Drinks		10 - 15 %	10 - 15 %	10 - 15 %	10%
Other Goods		10 - 15 %	10 - 15 %	10 - 15 %	10%
Alcoholic Beverages		20 - 25 %	20 - 25 %	20 - 25 %	20%

RACE EQUIPMENT RENTALS	2010		2011		2012		2013	
	<i>Resident Rate</i>	<i>Non Resident Rate</i>						
1. Printing Stop Watch / Non-printing Stop Watch	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
2. Cones (10)	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
3. Bases, Poles, and Flagging (10)	\$10	\$15	\$10	\$15	\$10	\$15	\$10	\$20
4. Big Time Clock	\$60	\$90	\$60	\$90	\$60	\$90	\$10	\$20
5. Water Cooler / Ice Chest	\$5	\$10	\$5	\$10	\$5	\$10	\$5	\$10
6. Tables	\$10	\$15	\$10	\$15	\$15	\$30	\$15	\$30
7. Traffic Flags and Vests (10)	\$5	\$10	\$5	\$10	\$10	\$20	\$10	\$20
8. Rental Package #1: Big time clock, 1 printing stopwatch, 10 cones, 10 bases/poles and flagging, 2 water coolers, 2 tables, 10 traffic flags, and vests.	\$85	\$130	\$85	\$130	\$100	\$200	\$100	\$200
9. Rental Package #2: Big time clock, 2 printing stop-watches, 30 cones, 20 bases/poles and flagging, 6 water coolers, 4 tables, 15 traffic flags and vests.	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
10. Rental Package #3: Big time clock, 4 printing stop-watches, 60 cones, 30 bases/poles and flagging, 12 water coolers, 6 tables, 20 traffic flags and vests	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
11. Deposit for Any Package	N/A				\$200		\$200	

WOLF PEN CREEK	2010		2011		2012		2013	
	<i>Mon -Thur</i>	<i>Fri-Sun</i>						
1. Amphitheater Rentals Per Day:								
Private Rental	\$300	\$400	\$300	\$400	\$500	\$600	\$500	\$600
Non Commercial ~ Benefit Rental	\$600	\$700	\$600	\$700	\$750	\$900	\$750	\$900
Professional/Commercial Rentals	\$1,000	\$1,100	\$1,000	\$1,100	\$1,000	\$1,200	\$1,000	\$1,200
2. Green Room Events ~ Four Hrs or Less								
Non Commercial	\$100	\$125	\$100	\$125	\$110	\$140	\$110	\$140
Commercial	\$125	\$175	\$125	\$175	\$150	\$200	\$150	\$200
3. Green Room Events ~ Five to Twelve Hrs								
Non Commercial	\$250	\$300	\$250	\$300	\$275	\$325	\$275	\$325
Commercial	\$300	\$350	\$300	\$350	\$325	\$375	\$325	\$375
4. The Plaza at Wolf Pen Creek								
Rental (Includes Pavilion and Restrooms)	\$100	\$150	\$100	\$150	\$110	\$160	\$110	\$160
5. Festival Site Rental								
Private Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$200	\$300
Non-Commercial ~ Benefit Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$400	\$500
Private Commercial Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$600	\$700

WOLF PEN CREEK	2010		2011		2012		2013	
	<i>Mon-Thur</i>	<i>Fri-Sun</i>	<i>Mon-Thur</i>	<i>Fri-Sun</i>	<i>Mon-Thur</i>	<i>Fri-Sun</i>	<i>Mon-Thur</i>	<i>Fri-Sun</i>
6. Amphitheater & Festival Site Rental								
Private Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$600	\$800
Non-Commercial ~ Benefit Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$950	\$1,200
Private Commercial Rental	N/A	N/A	N/A	N/A	N/A	N/A	\$1,200	\$1,500
7. Deposit								
For Green Room, Plaza or Festival Site	Varied According to Event						\$200	
For Amphitheater	Varied According to Event						\$600	
~ A percentage of ticketing and fees for service personnel and vending charges will be added accordingly for amphitheater rentals.								
~ A percentage of the gate will be negotiated for commercial events.								
~ Non Commercial is defined as: Non-profit, student, civic or private.								
~ Security deposits are based upon participants/attendees.								

CEMETERY FEES		2010	2011	2012	2013
1. College Station Cemetery:	Standard Space	\$1,125	\$1,125	\$1,250	\$1,375
	Cremate Space	\$350	\$350	\$400	\$440
	Infant Space	\$175	\$175	\$200	\$220
2. Memorial Cemetery of College Station:					
Municipal Section:	Standard Space	\$1,125	\$1,125	\$1,250	\$1,375
" " "	Columbaria Niche	\$690	\$690	\$750	\$825
" " "	Infant Space	\$175	\$175	\$200	\$220
Aggie Field of Honor:	Standard Space	\$2,350	\$2,350	\$2,500	\$2,750
" " "	Columbaria Niche	\$1,380	\$1,380	\$1,500	\$1,650
3. Grave Opening and Closing Fee		N/A	N/A	N/A	\$150
4. Mark the Grave and Set the Monument		N/A	N/A	N/A	\$100
5. Memorial Bench Set Fee		N/A	N/A	N/A	\$100

Fees approved by Parks and Recreation Advisory Board: March 12, 2013
Fees approved by City Council:

PARKS & RECREATION DEPARTMENT 2013 REC FUND FEES

Effective Upon Approval of City Council

ADULT SPORTS PER TEAM	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. Volleyball (No Field Redevelopment Fee Included)	\$210		\$210		\$210		\$210	
2. Softball (Includes \$95 / Team Field Redevelopment Fee)								
Play-Off League: Spring and Summer/Fall	\$390		\$390		\$390		\$390	
3. Kick Ball	\$375		\$375		\$395		\$390	
4. Tennis Lessons Per Person (<i>Moved from Instruction</i>)	\$70	\$105	\$70	\$105	\$70	\$140	\$70	\$140
5. Outside League Field Redevelopment Fee Per Team	\$95	\$145	\$95	\$145	\$95	\$145	\$95	\$190
6. Outside League Per Game Contract Fee	\$10	\$15	\$10	\$15	\$15	\$30	\$15	\$30
7. Adult Sports Transfer / Cancellation Fee	\$10		\$10		\$20		\$20	
8. Late Registration Fee Adult Sports	N/A		N/A		\$20 / \$40		\$20	

Adult sports are registered as a team unless otherwise noted.

AQUATICS PROGRAMS	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. Swim Lessons								
45-Minute Lesson	\$45	\$70	\$45	\$70	\$45	\$90	\$45	\$90
25-Minute Lesson*	\$40	\$60	\$40	\$60	\$40	\$80	\$40	\$80
2. Stroke Clinic	\$50	\$75	\$50	\$75	\$50	\$100	\$50	\$100
3. Water Fitness & Lap Swim Discount Pass (25 Punches)							\$50	
4. Swim Team (No Field Redevelopment Fee)	\$110		\$110		\$110		\$125	
5. Transfer / Cancellation Fee	\$10		\$10		\$20		\$20	
* Children ages 5 and under attend only a 25-minute lesson. All other lessons are 45 minutes in length.								
6. General Admission Per Person (Ages 3 and Up)								
Hallaran/Thomas	\$3		\$3		\$3		\$3	
Adamson	\$6		\$6		\$6		\$6	
7. Discount Pass – 25 Swims								
Hallaran/Thomas	\$60		\$60		\$60		\$50	
*Adamson	\$100		\$100		\$100		\$100	
8. Family Season Pass (Up to Five Family Members)								
Fee for Additional Members in Excess of Five	\$25 Per Person							
Hallaran/Thomas Pass	\$150		\$150		\$150		\$150	
*Adamson	\$250		\$250		\$250		\$250	
9. Individual Season Pass								
Hallaran/Thomas	\$75		\$75		\$75		\$75	
*Adamson	\$125		\$125		\$125		\$125	
10. Special Day Care Fee, Per Child								
Hallaran/Thomas	\$3		\$3		\$3		\$2.00	
*Adamson							\$4.00	
11. Pool Rentals (2 Hour Period. Limited weekend availability.)								
Thomas/Hallaran: 25 people or fewer	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300
50 people or fewer	\$175	\$265	\$175	\$265	\$175	\$350	\$175	\$350
51-76 people	\$250	\$375	\$250	\$375	\$250	\$500	\$250	\$500
77-102 people	\$325	\$490	\$325	\$490	\$325	\$650	\$325	\$650

Each hour after initial 2 hours	\$125	\$190	\$125	\$190	\$125	\$250	\$125	\$250	
Adamson: 99 people or fewer	\$325	\$490	\$325	\$490	\$325	\$650	\$325	\$650	
199 or fewer	\$375	\$565	\$375	\$565	\$375	\$750	\$375	\$750	
299 or fewer	\$450	\$675	\$450	\$675	\$450	\$900	\$450	\$900	
300+	\$600	\$900	\$600	\$900	\$600	\$1,200	\$600	\$1,200	
Each hour after initial 2 hours	\$150	\$225	\$150	\$225	\$150	\$300	\$150	\$300	
12. Adamson Baby Pool Rental - (2 Hour Period)	\$85		\$85		\$85		\$85		
13. Pool Parties Per Person – (2 Hour Period)									
Pavilion Party (Four-table Limit): First table	\$20		\$20		\$20		\$20		
Additional Tables (Max 3)	\$10		\$10		\$15		\$15		
14. Junior Lifeguard Program Per Person, Per Session	\$75		\$75		\$75		\$75		
15. Junior Lifeguard Level 2, Per Person, Per Session	\$25 + Cert Fees		\$25 + Cert Fees		\$25 + Cert Fees		\$25 + Cert Fees		
16. Water Safety Instructor, Per Person							\$150		
17. Other Pool Fees:									
Texas SuperGuard Competition, Per Person	\$20		\$20		\$25		\$25		
Swim Diaper Fee Per Diaper	\$1		\$1		\$1		\$1		
Locker Rental Fee	\$1		\$1		\$2		\$2		
Locker Deposit	\$2		\$2		\$3		\$3		
Duck Derby (Sponsor a Duck July 4th), Per Person	\$2		\$2		\$2		\$2		
Itzy Bitzy Tiny Cutie Bathing Beauty & Handsome Boy Contest on July 4th, Per Person	\$3		\$3		\$3		\$3		
"Schools Out Blow Out" at Adamson Lagoon CSISD Only	\$200		\$200		50% of Resident Rate		50% of Resident Rate		
18. Educational Class Rental Per Hour	\$25		\$25		\$25		\$25		
Summer Day Camp Use, Per Child							50% of Resident Rate		
19. All Pools – (CSISD Only)	\$2		\$3		\$2		\$3		
20. Discount Group Fee									
Southwood/Thomas Per Person	N/A		N/A		\$2.40		\$2.00		
Adamson Lagoon	N/A		N/A		\$4		\$4		
21. Lost Discount Pool Pass	N/A		N/A		\$5		\$5		
22. Lifeguard Training Fee, Per Person	N/A		N/A		\$150		\$150		
23. WSI Class Fee, Per Person	N/A		N/A		\$150		\$150		
24. CPR/First Aid Certification Fee, Per Person	N/A		N/A		\$25		\$25		
25. Transfer/Cancellation Fee for Pool Rentals and Programs	\$10		\$10		\$20		\$20		
<i>*Adamson passes are also valid at Southwood Hallaran and Thomas pools, excluding the CSISD Natatorium. All discount passes are priced for 25 swims.</i>									

INSTRUCTION FEES PER PERSON	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
<i>All Xtra Education class fees will be set according to the individual needs of each class and are based upon</i>								
1. 100 % direct cost recovery.								
2. Instruction Class Transfer / Cancellation Fee	\$10		\$10		\$20		\$20	

LINCOLN CENTER	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. School Year Membership Pass: Includes Boys and Girls Club Membership								
Youth (17 & Under)	\$20	\$30	\$20	\$30	\$30	\$60	\$30	\$60
Low Income Eligible	\$10	\$15	\$10	\$15	\$20	\$40	\$20	\$40
2. Summer Membership Pass	\$50	\$100	\$50	\$100	\$50	\$100	\$50	\$100

3. Late Pick-up Fee:								
1st Fifteen Minutes	\$5	\$5	\$5	\$5	\$5	\$10	\$5	\$10
Each Additional Minute Thereafter	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$2.00	\$1.00	\$2.00
Adult (18 & Over) Annual (12 Month)								
4. Membership Pass	\$45	\$70	\$45	\$70	\$75	\$150	\$75	\$150
5. Non-Member Guest Pass Per Day (Youth or Adult)	\$2	\$3	\$2	\$3	\$2	\$4	\$2	\$4
6. Gym Deposit Per Day (8-Hour Block)	\$250	\$375	\$250	\$375	\$275	\$550	\$275	\$550
Half Court Rental per Hour (4-Hour Max)	\$30	\$45	\$30	\$45	\$40	\$80	\$40	\$80
Full Court Rental Per Hour (4-Hour Max)	\$40	\$60	\$40	\$60	\$50	\$100	\$50	\$100
Gym Event (Per Chair)	\$.35	\$.35	\$.35	\$.35	\$.50	\$1.00	\$.50	\$1.00
All Day Usage (More than 4 Hours)	\$250	\$375	\$250	\$375	\$275	\$550	\$275	\$550
Concession Usage	\$20	\$30	\$20	\$30	\$20	\$60	\$20	\$60
7. Game Room / Multi-purpose Room Rental Per Hour (4-Hour minimum)	\$25/hour	\$40/hour	\$25/hour	\$40/hour	\$30/hour	\$60/hour	\$30/hour	\$60/hour
Deposit	\$75	\$115	\$75	\$115	\$100	\$200	\$100	\$200
8. Community Room Rental Per Hour (3-Hour Max)	\$30	\$45	\$30	\$45	\$40	\$80	\$40	\$80
Deposit	\$100	\$150	\$100	\$150	\$150	\$300	\$150	\$300
Kitchen Fee	\$25	\$40	\$25	\$40	\$25	\$50	\$25	\$50
9. W.A. Tarrow Covered Basketball Pavilion (100) (4 Hours Max)								
Monday – Thursday	\$100	\$150	\$100	\$150	\$125	\$250	\$125	\$250
Friday – Sunday & Holidays	\$125	\$190	\$125	\$190	\$150	\$300	\$150	\$300
Deposit	\$200	\$300	\$200	\$300	\$200	\$200	\$200	\$200
10. Special Event Fee (Funerals, weddings, parties)	\$275	\$415	\$275	\$415	\$300	\$600	\$300	\$600
11. Miscellaneous Charges:								
Copies (Per Copy) *	\$.10 / Copy							
Faxes ~ Local (Per Page)	\$1.00 / Page							
Faxes ~ Long Distance (Per Page)	\$2 First Pg, \$1 Ea. Addtl Page		\$2 First Pg, \$1 Ea. Addtl Page		\$2 First Pg, \$1 Ea. Addtl Page		\$2 First Pg, \$1 Ea. Addtl Page	
12. Gym or Room Transfer / Cancellation Fee	\$10.00		\$10.00		\$20		\$20	
~ All rooms are subject to an after-hour charge of \$20 per hour. The after-hour charge is based on any request to use facilities beyond the Center's normal operating hours.								
~ Special Event fee includes the rental of the gym, Community Room, sound system, and 450 chairs.								
* Per Section 111.61 of the Texas Administrative Code.								

SOUTHWOOD CENTER FACILITY RENTALS	2010	2011	2012		2013	
			Resident Rate	Non Resident Rate	Resident Rate	Non Resident Rate
1. Meeting Room Rental, Per Hour	\$20	\$25	\$25	\$50	\$25	\$50
Deposit	\$50	\$50	\$50	\$100	\$50	\$100
2. Dance/Game Room Rental, Per Hour	\$30	\$35	\$35	\$70	\$35	\$70
Deposit	\$50	\$50	\$75	\$150	\$75	\$150
3. Whole Facility Rental Per Hour (Excludes Computer Lab)	\$75	\$75	\$75	\$150	\$75	\$150
Deposit	\$75	\$75	\$75	\$150	\$75	\$150
4. Additional Attendance Fee Per Hour *	\$10	\$10	\$10	\$20	\$10	\$20
5. Computer Lab Rental Per Hour	N/A	\$15	\$20	\$40	\$20	\$40
6. Room or Rental Transfer / Cancellation Fee	\$10	\$10	\$20		\$20	
* All rental rates are based on a party of 1-25 people. Additional fees are added per hour for over 25 attendees. Any rental expecting more than 100 attendees must have prior Supervisor approval.						
~ Deposits are refundable if the facility is left clean and damage-free.						
~ Fees are assessed for special events and field trips.						

SOUTHWOOD CENTER PROGRAMMING	2010	2011	2012		2013	
			Resident Rate	Non Resident Rate	Resident Rate	Non Resident Rate
1. School Year Teen Membership Pass (Expires May 31)	\$20	\$100	\$30	\$60	\$30	\$60
2. Summer Teen Membership Pass	N/A	N/A	\$20	\$40	\$20	\$40
3. Non-Member Guest Pass Per Day Teen or Senior	\$2	\$2	\$2	\$4	\$2	\$4
4. Late Pick-up Fee:						
1 st Fifteen Minutes	N/A	N/A	\$5	\$10	\$5	\$10
Each Additional Minute Thereafter	N/A	N/A	\$1	\$2	\$1	\$2
5. Senior Annual Membership Pass	N/A	\$20	\$20	\$40	\$20	\$40
6. Bus Pass (25 Rides)	N/A	\$50	\$50	\$100	\$50	\$100
Bus, Per Ride	N/A	N/A	N/A	N/A	\$2.50	

YOUTH SPORTS PER CHILD	2010		2011		2012		2013	
	Resident Rate	Non Resident Rate						
1. Basketball / Youth Volleyball / Per Child	\$60		\$60		\$60		\$60	
2. Flag Football (Includes Field Redevelopment Fee)	\$60		\$60		\$60		\$70	
3. Outside League Field Redevelopment Fee Per Child ~ All Sports	\$10		\$10		\$10		\$10	
4. Challenger Sports (Basketball, Bowling, Soccer)	\$15		\$15		\$15		\$15	
5. USTA Tennis League	\$100	\$150	\$100	\$150	\$100	\$200	\$100	\$200
6. Tennis Lessons	\$70	\$105	\$70	\$105	\$70	\$140	\$70	\$140
7. TAAF Summer Track Youth Sports Transfer	N/A		N/A		N/A		\$100	
8. Cancellation Fee Per Child	\$10		\$10		\$20		\$20	

Resident/Non-Resident Fee Pricing Approved by City Council in January 2010.

Fees approved by Parks and Recreation Advisory Board: March 12, 2013

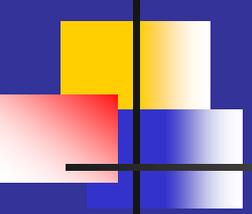
Fees approved by City Council:

Parks and Recreation Department

Proposed FY14 User Fees

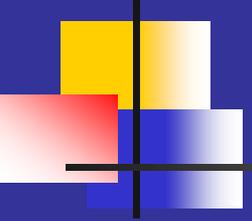
June 13, 2013





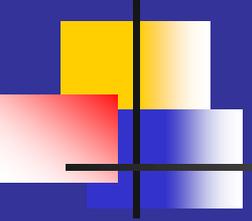
2009 Council Directive

- *November 23, 2009 meeting, Council directed staff to:*
 - *Form subcommittee of stake holders to discuss and recommend Parks & Recreation user fees*
 - *Expand Field Redevelopment fees to include rentals*
 - *Implement a Resident/Non-Resident fee differential (50% now; 100% at next review)*
 - *Insure that recommended fees in these areas would not jeopardize hosting of tournaments*



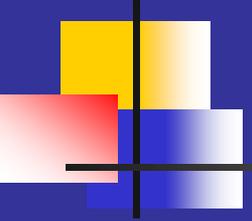
Differential between resident and non-resident fees (currently 100% of selected offerings)

- ***Instruction programs (swimming, water fitness, tennis, etc.)***
- ***Lincoln Center/SWCC membership and rentals***
- ***Pavilion rentals***
- ***Race equipment rentals***
- ***Swimming pool rentals***



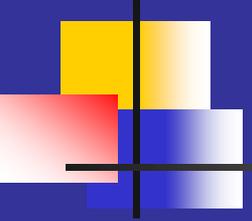
Changes to the FY14 Fee Schedule

- *Parks & Recreation Fee Schedule*
 - *Parks & Recreation Advisory Board reviewed and approved the proposed fee schedule (7-0) at their March 12, 2013 meeting*



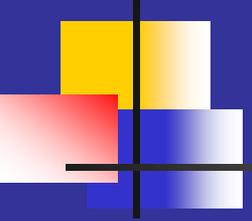
Changes to the FY14 Fee Schedule

- *General clean-up*
 - *Removal of Conference Center*
 - *Moving of items into proper categories*
 - *Corrections for past clerical errors*
- *Addition of WPC Festival Site*
- *Change in vendor commissions to single percentage*
- *Cemetery space fees increase of 10%*
 - *Inclusion of new Burial Fees*



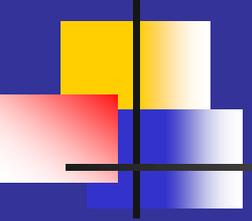
Changes to the FY14 Fee Schedule

- *Aquatics*
 - *Addition of WSI Classes*
 - *Swim Team \$15 increase due to expansion of program to include TAAF competition*
 - *Removal of “Themed” Pool Parties*
 - *Water Aerobics & Lap Swimming changed to a “punch pass” system*
- *CSISD fees for Aquatic use set at standard 50% of regular rate*



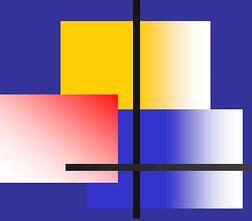
Changes to the FY14 Fee Schedule

- *Increase of \$10 in Youth Flag Football to cover Field Redevelopment Fee*
- *Expansion of Game Day Parking Fee locations*
 - *City Hall; Conference Center; Wayne Smith Baseball Parking Lot*
 - *Actual RV spots at WPC Festival Site to come as a package plan later in Summer*



FY14 Fee Schedule % Recovery Policy

- ***Full Fee Support (80% - 100%)***
 - ***Enterprise operations such as cemetery, licenses and permits***
- ***Partial Fee Support I (50% - 80%)***
 - ***Adult sports programs***
- ***Partial Fee Support II (20% - 50%)***
 - ***Youth programs and activities***
- ***Minimal Fee Support (0% - 20%)***
 - ***Parks, community events, cultural programs and activities***



FY14 Fee Schedule

% Recovery – Recreation Fund

- ***Youth Sports (20% - 50%)***
 - ***FY12 Actual = 29.43%*** ***FY14 Proposed = 32.51%***
- ***Adult Sports (50% - 80%)***
 - ***FY12 Actual = 60.87%*** ***FY14 Proposed = 46.86%***
- ***Instruction (20% - 50% youth & seniors; 50% - 80% adults)***
 - ***FY12 Actual = 40.73%*** ***FY14 Proposed = 46.57%***
- ***Aquatics (20% - 50%)***
 - ***FY12 Actual = 41.55*** ***FY14 Proposed = 44.84%***
- ***Rec/Com Centers (0% - 20%)***
 - ***FY12 Actual = 10.79%*** ***FY14 Proposed = 9.5%***

Parks and Recreation Department

DISCUSSION



FY14 Fee Schedule

% Recovery – Recreation Fund

		<u>FY 2012 Actual</u>		<u>FY 14 Proposed</u>	
Youth Sports (20% - 50%)	Expenses	\$	381,330.32	Expenses	\$ 339,269.00
	Revenue	\$	112,240.80	Revenue	\$ 110300.00
	Recovery %		29.43%	Recovery%	32.51%
Adult Sports (50% - 80%)	Expenses	\$	356,189.56	Expenses	\$ 412,884.00
	Revenue	\$	216,834.93	Revenue	\$ 192,725.00
	Recovery %		60.87%	Recovery%	46.86%
Instruction (20% - 50% youth & seniors; 50% - 80% adults recovery)					
	Expenses	\$	213,460.92	Expenses	\$ 171,711.00
	Revenue	\$	86,947.00	Revenue	\$ 80,000.00
	Recovery %		40.73%	Recovery%	46.57%
Aquatics (20% - 50%)	Expenses	\$	1,177,068.52	Expenses	\$ 1,067,901.00
	Revenue	\$	489,153.59	Revenue	\$ 478,800.00
	Recovery %		41.55%	Recovery%	44.84%
Recreation Centers (0% - 20% recovery)					
Rec/Com Centers (0% - 20%)	Expenses	\$	693,022.96	Expenses	\$ 654,654.00
	Revenue	\$	74,806.67	Revenue	\$ 62,000.00
	Recovery %		10.79%	Recovery%	9.50%

Priority of Use

Based on Parks and Recreation Advisory Board Rankings

Approved by City Council on March 12, 2008

Core Programs – Provide Community Benefit Greatest level of support	Tier 1 Programs – Provide Community/Individual Benefit Greater Portion of Direct cost and indirect costs recovered	Tier 2 Programs – Provide Individual Benefit Minimum public support Cost plus recovery for direct costs plus percentage of indirect costs	Tier 3 Programs – Provide a Benefit to Non- Residents with little or no benefit to the community at large. Cost plus recovery for direct costs plus percentage of indirect costs.
Learn to Swim	Youth Athletics (City Programs)	Youth Baseball – Select	Facilitated Concerts
Public Swim	Youth Baseball - Recreational	Youth Soccer – Select	Facilitated Tournaments
Kids Klub	Youth Soccer - Recreational	Youth Softball – Select	Non-Resident Activities
Starlight Music Series	Youth Tackle Football	Swim Team – Annual Competitive	
Christmas in the Park	Youth Softball - Recreational	Adult Cricket	
EXIT Teen Center Programs	Xtra Education Program	Adult Soccer	
Lincoln Rec Center Programs	Aquatic Programs	Adult Ultimate Frisbee	
Senior Services Programs	Adult Athletics (City Programs)	Aquatic Facility Rentals	
City Hosted Tournaments		Athletic Facility Rentals	
CSISD Programs		Building Rentals	
		Home School Programs	

~Sanctioned Tournaments are tied with their association tournaments and fall into the respective tier.

June 13, 2013
Regular Agenda Item No. 4
Consider Ordinance Issuing Certificates of Obligation

To: Kathy Merrill, Interim City Manager

From: Jeff Kersten, Executive Director of Business Services

Agenda Caption: Presentation, possible action and discussion on an ordinance authorizing the issuance of up to \$10,450,000 in principal amount of "City of College Station, Texas Certificates of Obligation, Series 2013"; delegating the authority to certain City Officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to the certificates; and enacting other provisions relating to the subject.

Relationship to Strategic Goals: Financially Sustainable City, and Providing Core Services and Infrastructure.

Recommendation(s): Council move to approve the attached ordinance authorizing the issuance of Certificates of Obligation, Series 2013; delegating the authority to certain City Officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to the certificates; and enacting other provisions relating to the subject.

Summary: The City Council is authorized to approve the issuance of Certificates of Obligation (CO's) after approving a resolution directing notice to be published of the intent to issue the CO's. On April 25, 2013 Council approved a resolution directing staff to advertise the issuance of CO's. On May 2nd and May 9th such notice was published.

The City of College Station typically issues debt to fund various capital projects identified and approved as a part of the annual budget. The City primarily uses three types of debt instruments to fulfill those requirements:

1. General Obligation Bonds (GOB's) are based on the full faith and credit of the City and are paid primarily through the debt service portion of the ad valorem tax rate. GOBs are authorized by the voters and therefore the notice is provided in the election process.
2. Utility Revenue Bonds (URB's) are backed by the revenues of the City's various utilities and are issued as a business activity. These are typically only issued for utility capital projects.
3. Certificates of Obligation (CO's) normally include at least one additional revenue stream such as utility revenues, but are considered to be much like GOBs and therefore normally receive a rating similar to GOB's. Our policy for issuing CO's allows more flexibility in their issue than GOB's, particularly when other revenues are anticipated to assist in debt service.

It is at the recommendation of the City's Financial Advisor, Mr. Drew Masterson with First Southwest and Company, that the City issue Certificates of Obligation for utility projects rather than Utility Revenue Bonds.

This particular issue will provide resources for electric and wastewater improvements, and debt issuance costs totaling \$10,450,000.

If this ordinance is approved, the City Council will be delegating to the Mayor, the Interim City Manager and the Executive Director of Business Services the authority to effect the sale of the certificates through December 13, 2013.

Budget & Financial Summary: Staff reviewed the impact of the Certificates have on the City's ability to meet debt service requirements and the effect they may have on the ad valorem tax rate and utility rates. The recommendation to move forward with this issue will not affect the ad valorem tax rate or the utility rates.

Attachments:

1. Ordinance
2. Preliminary Official Statement (Available in City Secretary Office)
3. Debt Issuance 2013.

ORDINANCE NO. 2013-_____

AUTHORIZING THE ISSUANCE OF UP TO \$10,450,000 IN PRINCIPAL AMOUNT OF "CITY OF COLLEGE STATION, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2013"; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE CERTIFICATES; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID CERTIFICATES; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, on April 25, 2013, the City Council of the City of College Station (the "City") passed a resolution authorizing and directing notice of its intention to issue the Certificates of Obligation herein authorized, to be published in a newspaper as required by Section 271.049 of the Texas Local Government Code;

WHEREAS, said notice was published in the *Bryan-College Station Eagle*, a "newspaper" of the type described in Section 2051.044, Texas Government Code, as required by said Section 271.049 of the Texas Local Government Code, on May 2, 2013 and May 9, 2013;

WHEREAS, said notice provided that the ordinance authorizing the Certificates of Obligation may authorize an authorized officer of the City to effect the sale and delivery of the Certificates of Obligation on a date or dates subsequent to the adoption of the ordinance;

WHEREAS, no petition, signed by at least 5% of the qualified electors of said City as permitted by said Section 271.049 of the Texas Local Government Code protesting the issuance of such Certificates of Obligation, has been filed;

WHEREAS, the City is an "Issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation;

WHEREAS, the Certificates of Obligation hereinafter authorized are to be issued and delivered pursuant to Subchapter C of Chapter 271 of the Texas Local Government Code and Chapter 1371, Texas Government Code and the City's Home Rule Charter; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

Section 1. AUTHORIZATION OF CERTIFICATES OF OBLIGATION. That said City's Certificates of Obligation, to be designated the "City of College Station, Texas Certificates of Obligation, Series 2013", are hereby authorized to be issued and delivered in the principal amount not to exceed \$10,450,000 for (i) the purpose of paying contractual obligations to be incurred by the City, to-wit, the construction of improvements and extensions to the City's combined waterworks, sewer and electric systems; and the payment of fiscal, engineering and legal fees incurred in connection therewith and (ii) to pay the costs of issuance of the Certificates.

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, the Mayor, the Interim City Manager and the Executive Director of Business Services of the City (each the "Pricing Officer") are each hereby authorized to act severally on behalf of the City in selling and delivering the Certificates, carrying out the other procedures specified in this Ordinance, including, determining the date of the Certificates, any additional or different designation or title by which the Certificates shall be known, whether the Certificate shall be sold and delivered in one or more series and the date and sale and delivery of each such series, the price at which the Certificates will be sold, the years in which the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Certificates and obtaining municipal insurance for all or any portion of the Certificates and providing for the terms and provisions thereof applicable to the Certificates, all of which shall be specified in the Purchase Agreement; provided that:

(i) the aggregate principal amount of the Certificates shall not exceed \$10,450,000;

(ii) the true interest cost of the Certificates shall not exceed 4.500% per annum;

(iii) the net effective interest rate on the Certificates shall not exceed the maximum rate set forth in Chapter 1204, Texas Government Code, as amended;

(iv) the final maturity of the Certificates shall not exceed February 15, 2033;

(v) the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to December 13, 2013; and

(vi) on or prior to delivery, the Certificates shall be rated by a nationally recognized rating agency for municipal securities in one of the four highest categories for long-term obligations.

(b) In establishing the aggregate principal amount of the Certificates, the Pricing Officer shall establish an amount that, when combined with premium used for purposes other than the payment of costs of issuance, does not exceed the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Certificates are authorized and to pay costs of issuing the Certificates. The Certificates shall be sold with and subject to such terms as set forth in the Purchase Agreement as described in Section 19 herein.

Section 3. CHARACTERISTICS OF THE CERTIFICATES. (a) The City shall keep or cause to be kept at the corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., or such other bank, trust company, financial institution, or other agency named in accordance with the provisions of (g) below (the "Paying Agent/Registrar"), books or records for the registration and transfer of the Certificates (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar at its Designated Trust Office, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Certificate may be transferred in the Registration Books only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of such Certificate, or any portion thereof in any Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Certificate or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Certificate or any portion thereof, a new substitute certificate or certificates shall be issued in exchange therefor in the manner herein provided.

(b) The entity in whose name any Certificate shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Ordinance, whether or not such Certificate shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such certificate shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such certificate to the extent of the sum or sums so paid.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, and to act as its agent to exchange or replace Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all exchanges thereof, and all replacements thereof, as provided in this Ordinance.

(d) Each Certificate may be exchanged for fully registered certificates in the manner set forth herein. Each Certificate issued and delivered pursuant to this Ordinance may, upon surrender thereof at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered Certificates, without interest coupons, in the form prescribed in the FORM OF CERTIFICATE, in an Authorized Denomination (subject to the requirement hereinafter stated that each substitute Certificate shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the principal amount of any Certificate or Certificates so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If any Certificate or portion thereof is assigned and transferred, each Certificate issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall exchange or replace Certificates as provided herein, and each fully registered Certificate or Certificates delivered in exchange for or replacement of any Certificate or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Certificates for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Certificate delivered in exchange for or replacement of another Certificate prior to the first scheduled interest payment date on the Certificates (as stated on the face thereof) shall be dated the same date as such Certificate, but each substitute Certificate so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute Certificate is delivered, unless such substitute Certificate is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Certificate the interest on the Certificate for which it is being exchanged has not been paid, then such substitute Certificate shall be dated as of the date to which such interest has been paid in full. On each substitute Certificate issued in exchange for or replacement of any Certificate or Certificates issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth in the FORM OF CERTIFICATE (the "Authentication Certificate"). An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute Certificate, date such substitute Certificate in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute Certificate shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Certificates surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Certificates or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificate in the manner prescribed herein. Pursuant to Chapter 1206, Texas Government Code, the duty of exchange or replacement of any Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of Authentication Certificate, the exchanged or replaced Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which originally

were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate so selected for redemption, in whole or in part, within 45 calendar days of the date fixed for redemption; *provided, however*, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled principal of a Certificate.

(e) All Certificates issued in exchange or replacement of any other Certificate or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Certificates shall be payable, all as provided, and in the manner required or indicated, in the FORM OF CERTIFICATE.

(f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers of Certificates, but the registered owner of any Certificate requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The registered owner of any Certificates requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such certificate or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of exchange, except, however, that in the case of the exchange of an assigned and transferred Certificate or Certificates or any portion or portions thereof in an Authorized Denomination, as provided in this Ordinance, such fees and charges will be paid by the City. In addition, the City hereby covenants with the registered owners of the Certificates that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on Certificates, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Certificates solely to the extent above provided, and with respect to the exchange of Certificates solely to the extent above provided.

(g) The City covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that it will promptly appoint a competent and legally qualified national or state banking institution which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a

copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be in substantially the form as set forth in *Exhibit A* to this Ordinance, shall be numbered consecutively from R-1 upward, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the FORM OF CERTIFICATE to be modified pursuant to, and completed with information set forth in the Purchase Agreement. The printer of the Certificates is hereby authorized to print on the Certificates (i) the form of bond counsel's opinion relating to the Certificates, and (ii) an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Certificates.

Section 5. DEFINITIONS. That the term "*Authorized Denomination*" shall mean a denomination of \$5,000 of principal amount of a Certificate or any integral multiple thereof; the term "*Business Day*" means a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City are, authorized by law or executive order to close; the term "*Certificates*" and "*Certificates of Obligation*" shall mean the City of College Station, Texas Certificates of Obligation, Series 2013, authorized to be issued and delivered by this Ordinance; the term "*MSRB*" means the Municipal Securities Rulemaking Board; the term "*Rule*" means SEC Rule 15c2 12, as amended from time to time; the term "*SEC*" means the United States Securities and Exchange Commission; and the term "*Surplus Revenues*" shall mean those revenues from the operation of the City's combined municipal electric light and power, waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof and other obligations heretofore or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates.

Section 6. LEVY OF TAX; INTEREST AND SINKING FUND; REVENUE PLEDGE.

(a) That a special fund or account, to be designated the "City of College Station, Texas Series 2013 Certificate of Obligation Interest and Sinking Fund" (the "Interest and Sinking Fund") is hereby created and shall be established and maintained by the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates are outstanding and unpaid, the governing body of the City shall compute and ascertain the rate and

amount of ad valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if any) of the Certificates as such principal matures or comes due through operation of the mandatory sinking fund redemption, if any, but never less than 2% of the original amount of the Certificates as a sinking fund each year. The rate and amount of ad valorem tax is hereby ordered to be levied against all taxable property in the City for each year while any of the Certificates is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. Ad valorem taxes necessary to pay the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) That the Certificates are additionally secured by and shall be payable from the Surplus Revenues. The Surplus Revenues are pledged by the City pursuant to authority of Chapter 1502, Texas Government Code, specifically Section 1502.058 thereof. The City shall promptly deposit the Surplus Revenues upon their receipt to the credit of the Interest and Sinking Fund created pursuant to Section 6, to pay the principal and interest on the Certificates. The amount of Surplus Revenues pledged to the payment of the Certificates shall not exceed \$1,000. If Surplus Revenues or any other lawfully available revenues, income or resources of the City are deposited or budgeted to be deposited in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to Section 6 may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available revenues, income or resources then on deposit or budgeted to be deposited to the credit of the Interest and Sinking Fund.

Section 7. TRANSFER. That the City shall do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest due on the Certificates.

Section 8. SECURITY FOR FUNDS. That the Interest and Sinking Fund created by this Ordinance shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, and such Interest and Sinking Fund shall be used only for the purposes and in the manner permitted or required by this Ordinance.

Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES. (a) *Replacement Certificates.* That in the event any outstanding Certificate is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Certificate of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) *Application for Replacement Certificates.* That application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate,

the registered owner applying for a replacement Certificate shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Certificate, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) *No Default Occurred.* That notwithstanding the foregoing provisions of this Section, in the event any such Certificate shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement certificate, provided security or indemnity is furnished as above provided in this Section.

(d) *Charge for Issuing Replacement Certificates.* That prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) *Authority for Issuing Replacement Certificates.* That in accordance with Section 1201.067, Texas Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the City or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 5(d) of this Ordinance for Certificates issued in conversion and exchange of other Certificates.

Section 10. FEDERAL INCOME TAX MATTERS. That the City covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Certificates as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Certificates (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with –

(1) proceeds of the Certificates invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Certificates are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(g) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing (a) and (b), the City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the City that the covenants

contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the Interim City Manager, any Assistant City Manager and the Executive Director of Business Services, severally, to execute any documents, certificates or reports required by the Code, and to make such elections on behalf of the City which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

In order to facilitate compliance with clause (h) above, a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 11. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. That the City covenants to account for the expenditure of proceeds from the sale of the Certificates and any investment earnings thereon to be used for the purposes described in Section 1 of this Ordinance (such purpose referred to in this Section and Section 12 hereof as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than 60 days after the earlier of (a) the fifth anniversary of the date of delivery of the Certificates or (b) the date the Certificates are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 12. DISPOSITION OF PROJECT. That the City covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an

opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 13. PROCEDURES TO MONITOR COMPLIANCE WITH TAX COVENANTS. The City hereby adopts the procedures attached hereto as *Exhibit B* as a means of monitoring compliance with the federal tax covenants made by the City herein.

Section 14. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES. That the Executive Director of Business Services of the City is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such certificate. The Certificates thus registered shall remain in the custody of the Executive Director of Business Services (or the designee thereof) until delivered to the Underwriter (as defined in Section 18 of this Ordinance).

Section 15. DTC REGISTRATION. That the Certificates initially shall be issued and delivered in such manner that no physical distribution of the Certificates will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Certificates. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Certificates initially authorized by this Ordinance shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Certificates on behalf of the Underwriter and its participants. So long as each Certificate is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Certificates in Authorized Denominations, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Certificates initially deposited with DTC shall be immobilized and not be further exchanged for substitute Certificates except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Certificates. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Certificates, and the method of paying the fees and charges of DTC. The City does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Certificates is duly filed with the Paying

Agent/Registrar with proper request for transfer and substitution, as provided for in this Ordinance, substitute Certificates will be duly delivered as provided in this Ordinance, and there will be no assurance or representation that any book-entry system will be maintained for such Certificates. In connection with the initial establishment of the foregoing book-entry system with DTC, the City heretofore has executed a "Blanket Letter of Representations" prepared by DTC in order to implement the book-entry system described above.

Section 16. CONTINUING DISCLOSURE OBLIGATION.

(a) *Annual Reports.* (i) The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year ending in or after 2013, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 18 of this Ordinance, being the information described in *Exhibit C* hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in *Exhibit C*, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such 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 such period, then the City shall provide unaudited financial statements by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) 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) prior to the next date by which the City otherwise 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 that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) *Event Notices.* The City shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten 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 or 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 Certificateholders, 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 an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 such jurisdiction has been assumed by leaving the existing governing body and officials or officers 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);
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall notify 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 such subsection.

(c) *Limitations, Disclaimers, and Amendments.* (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates within the meaning of

the Rule, except that the City in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners 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 hereunder 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 hereby 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 hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCE SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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 SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) 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.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. 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 so 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 such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any

amended financial information or operating data next provided in accordance with subsection (b) 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 such 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.

(d) *Procedures to Monitor Compliance with Continuing Disclosure Covenants.* The City hereby adopts the procedures attached hereto as **Exhibit B** as a means of monitoring compliance with the continuing disclosure covenants made by the City herein.

Section 17. DEFEASANCE. (a) *Deemed Paid.* Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (e) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) *Investments.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) above. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Securities, 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.

(c) *Selection of Defeased Certificates.* In the event that the City elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

(d) *Defeasance Securities.* The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(e) *Continuing Duty of Paying Agent/Registrar.* Until all Certificates defeased under this Section of this Ordinance shall become due and payable, the Paying Agent/Registrar for such Certificates shall perform the services of Paying Agent/Registrar for such Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services.

Section 18. SALE OF CERTIFICATES; OFFICIAL STATEMENT. (a) The Certificates shall be sold and delivered subject to the provisions of Section 1 and Section 2 hereof through a negotiated sale and pursuant to the terms and provisions of a purchase contract (the "Purchase Agreement"), the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2 hereof, and in which the purchaser or purchasers of the Certificates (the "Underwriter") shall be designated. The Pricing Officer is hereby authorized to execute and deliver the Purchase Agreement for an on behalf of the City. The Certificates shall initially be registered in the name of the Underwriter or its designee.

(b) The City hereby approves the form and content of the draft preliminary official statement relating to the Certificates in the form attached hereto as *Exhibit D* and any addenda, supplement or amendment thereto, and approves the distribution of such preliminary official statement in the reoffering of the Certificates by the Underwriter in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable. The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve, distribute, and deliver a final preliminary official statement and a final official statement relating to the Certificates to be used by the Underwriter in the marketing of the Certificates.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Certificates, to obtain from a municipal bond insurance company so designated in the Purchase Agreement (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support

of the Certificates. To that end, should the Pricing Officer exercise such authority and commit the City to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor and Mayor Pro Tem, the Interim City Manager, the Executive Director of Business Services and City Secretary, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates, any Purchase Agreement and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 19. FURTHER PROCEDURES. That the Mayor, the City Secretary, the Interim City Manager, the Executive Director of Business Services of the City, any Assistant City Manager, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, and the sale and delivery of the Certificates and fixing all details in connection therewith. The City Council hereby authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Certificates, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

Section 20. CONSTRUCTION FUND; USE OF PROCEEDS.

(a) The City hereby creates and establishes and shall maintain on the books of the City a separate fund to be entitled the "Series 2013 Certificates of Obligation Construction Fund" (the "Construction Fund") for use by the City for payment of all lawful costs associated with the acquisition and construction of the projects as provided in Section 1.

(b) The proceeds from the sale of the Certificates shall be deposited, on the date of closing, in the manner described in a letter of instructions prepared by the City or on behalf of the City by the City's financial advisor. The foregoing notwithstanding, proceeds representing accrued interest on the Certificates shall be deposited to the credit of the Interest and Sinking Fund. Any amounts remaining after completion of the improvements described in Section 1 hereof shall be transferred FIRST to the Rebate Fund, to the extent required by Section 10 hereof, and THEREAFTER to the Interest and Sinking Fund.

Section 21. INTEREST EARNINGS. That the interest earnings derived from the investment of proceeds from the sale of the Certificates may be used along with other proceeds for the construction of the permanent improvements set forth in Section 1 hereof for which the Certificates are issued; provided that after completion of such permanent improvements, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on proceeds which are required to be rebated to the United States of America pursuant to this Ordinance hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 22. DEFAULT AND REMEDIES.

(a) *Events of Default.* Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any registered owner to the City.

(b) *Remedies for Default.*

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Certificates then outstanding.

(c) *Remedies Not Exclusive.*

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding

any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

Section 23. MISCELLANEOUS PROVISIONS. (a) *Preamble.* The preamble to this Ordinance is incorporated by reference and made a part hereof for all purposes.

(b) *Titles Not Restrictive.* That the titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(c) *Rules of Construction.* The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision. Except where the context otherwise requires, terms defined in this Ordinance to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Ordinance is adopted by the City and any future amendments thereto or successor provisions thereof. Any reference to "FORM OF CERTIFICATE" shall refer to the form of the Certificates set forth in *Exhibit A* to this Ordinance. Any reference to the payment of principal in this Ordinance shall be deemed to include the payment of any mandatory sinking fund redemption payments as may be described herein.

(d) *Inconsistent Provisions.* All ordinances, orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(e) *Severability.* If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(f) *Governing Law.* This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(g) *Open Meeting.* The City officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code.

(h) *Application of Chapter 1208, Government Code.* Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of ad valorem taxes and the Surplus Revenues granted by the City under Section 6(b), and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the ad valorem taxes and Surplus Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

(i) *Immediate Effect.* In accordance with the provisions of Section 1201.028, Texas Government Code, this Ordinance shall be effective immediately upon its adoption by the City Council.

[Remainder of page intentionally left blank.]

PASSED, APPROVED AND EFFECTIVE THIS _____, 2013.

City Secretary, City of College Station, Texas

Mayor, City of College Station, Texas

(CITY SEAL)

APPROVED:

McCall, Parkhurst & Horton L.L.P., Dallas, Texas
Bond Counsel

Ordinance
City of College Station, Texas
Certificates of Obligation, Series 2013

SIGNATURE PAGE

EXHIBIT A

FORM OF CERTIFICATE

NO. _____ UNITED STATES OF AMERICA \$ _____
STATE OF TEXAS
COUNTY OF BRAZOS

CITY OF COLLEGE STATION, TEXAS
CERTIFICATES OF OBLIGATION
SERIES 2013

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP</u>
	%	_____, 2013	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF COLLEGE STATION, TEXAS, in Brazos County (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above or to the registered assignee hereof (either being hereinafter called the "registered owner") the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months), from the Delivery Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the interest rate per annum specified above, with said interest payable on February 15, 2014, and semiannually on each August 15 and February 15 thereafter until maturity or prior redemption; except that if this Certificate is required to be authenticated and the date of its authentication is later than February 15, 2014, such interest is payable semiannually on each August 15 and February 15 following such date.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. At maturity or redemption prior to maturity, the principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at the designated corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such

check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for payment at the Designated Trust Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Certificate that on or before each principal and interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IN THE EVENT OF NON-PAYMENT of interest on a scheduled payment date, and for 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 from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Certificate appearing on the Registration Books kept by the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust 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 on which 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.

THIS CERTIFICATE is one of a Series of Certificates dated as of July 15, 2013, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____, for the purpose of paying contractual obligations to be incurred by the City, to-wit, the construction of improvements as described in the Certificate Ordinance, and the payment of fiscal, engineering and legal fees incurred in connection therewith.

THE CERTIFICATES OF THIS SERIES maturing on _____ are subject to mandatory redemption prior to maturity in part at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Certificates shall be redeemed by the Paying Agent/Registrar on February 15 in each of the years and in the principal amounts, respectively, as are set forth in the following schedule:

Term Certificates due February 15, 20__ :

Mandatory Redemption Date: 2/15/____	Principal Amount: \$____
Mandatory Redemption Date: 2/15/____*	Principal Amount: \$____

* *Maturity*

The principal amount of the Certificates required to be redeemed pursuant to the operation of such mandatory sinking fund shall be reduced by the principal amount of any Certificate which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been purchased by the Issuer and delivered to the Paying Agent/Registrar for cancellation or (ii) redeemed pursuant to the optional redemption provision described below and not theretofore credited against a mandatory sinking fund requirement.

ON FEBRUARY 15, ____, or on any date thereafter, the Certificates of this Series maturing on February 15, ____ and thereafter may be redeemed prior to their scheduled maturities, at the option of the City, in whole, or in part, at par and accrued interest to the date fixed for redemption. The years of maturity of the Certificates called for redemption at the option of the City prior to stated maturity shall be selected by the City. The Certificates or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Certificates is determined only by a book entry at a securities depository for the Certificates, if fewer than all of the Certificates of the same maturity and bearing the same interest rate are to be redeemed, the particular Certificates of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

AT LEAST THIRTY days prior to the date fixed for any such redemption, a written notice of such redemption shall be given to the registered owner of each Certificate or a portion thereof being called for redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Certificate or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Certificate, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Certificate or any portion hereof. If a portion of any Certificate shall be redeemed a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in Authorized Denominations, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys

with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in Authorized Denominations. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in Authorized Denominations as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar at its Designated Trust Office for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar at its Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in an Authorized Denomination to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The foregoing notwithstanding, in the case of the exchange of an assigned and transferred Certificate or Certificates or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the City. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Certificate or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, or exchange as a condition precedent to the exercise of such privilege. In any circumstance, neither the City nor the Paying Agent/Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Certificates so selected for redemption when such redemption is scheduled to occur within 45 calendar days.

WHENEVER the beneficial ownership of this Certificate is determined by a book entry at a securities depository for the Certificates, the foregoing requirements of holding, delivering or transferring this Certificate shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Certificate Ordinance

that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate have been performed, existed, and been done in accordance with law; that this Certificate is a direct obligation of said City, issued on the full faith and credit thereof; and that in accordance with the terms of the Certificate Ordinance, annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limit prescribed by law; and that a limited pledge (not to exceed \$1,000) of the Surplus Revenues from the operation of the City's combined municipal electric light and power, waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof and any other obligations heretofore or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates, have been pledged as additional security for the Certificates.

BY BECOMING the registered owner of this Certificate, the registered owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the City, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, this Certificate has been signed with the manual or facsimile signature of the Mayor of the City, attested by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly affixed to, or impressed, or placed in facsimile, on this Certificate.

XXXXX

City Secretary, City of College Station, Texas

XXXXX

Mayor, City of College Station, Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate of Obligation has been issued under the provisions of the proceedings adopted by the City as described in the text of this Certificate of Obligation; and that this Certificate of Obligation has been issued in exchange for or replacement of a Certificate of Obligation of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

The Bank of New York Mellon
Trust Company, N.A.
Paying Agent/Registrar

By: _____
Authorized Representative

*FORM OF COMPTROLLER'S CERTIFICATE ATTACHED TO
THE CERTIFICATES UPON INITIAL DELIVERY THEREOF

COMPTROLLER'S CERTIFICATE

OFFICE OF COMPTROLLER

§

REGISTER NO. _____

STATE OF TEXAS

§

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Certificate has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the City of College Station, Texas, payable in the manner provided by and in the ordinance authorizing same, and said Certificate has this day been registered by me.

WITNESS MY HAND and seal of office at Austin, Texas this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

NOTE: *to accompany initial certificates only.

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

PROCEDURES REGARDING COMPLIANCE WITH FEDERAL TAX AND CONTINUING DISCLOSURE COVENANTS

This Exhibit is intended to assist the City of College Station (the "City") in complying with the federal income tax covenants and securities disclosure covenants as they apply to the issuance of tax-exempt debt securities such as the Certificates of Obligation (the "Obligations"). These procedures should be read together with any federal tax certifications, bond covenants, letters or memoranda from bond counsel and any attachments thereto (collectively, the "Closing Documents"). Failure to comply with federal guidelines could have serious consequences for investors, the City and its officials.

These procedures shall apply to the Obligations, until they are superseded by a change in circumstances at which time the City's bond counsel will propose new procedures to be adopted.

I. FEDERAL TAX LAW

1. Arbitrage Compliance.

Arbitrage refers to the difference between the interest paid on tax-exempt Obligations and the interest earned by investing the proceeds of tax-exempt Obligations in higher-yielding investments. Such higher-yielding investments could take the form of loans, securities, real property, personal property, or other investments that could yield a profit to the City. Federal income tax laws generally restrict the ability to earn arbitrage utilizing the proceeds of tax-exempt Obligations. Generally, any profit from investing Obligation proceeds at a yield above the yield paid on the Obligations belongs to the federal government and must be rebated to the federal government. If the City fails to comply federal tax guidelines, Obligations could be deemed to be "arbitrage bonds" by the Internal Revenue Service (the "IRS"), which would expose the City to monetary liability from the City's investors.

The arbitrage yield on the Obligations is set forth on the IRS Form 8038-G.

The Executive Director of Business Services and the City Treasurer (including such other employees of the City who report to such officers) (collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

- a. *Procedures applicable to the Obligation.* The Responsible Person shall undertake the following procedures.
 - i. If the City plans to spend funds currently on hand for a future project with the intent to later repay such funds from a debt issue, the Responsible

Person shall contact Bond Counsel to obtain advice regarding a reimbursement resolution. The Responsible Person shall maintain any official action of the City (such as a reimbursement resolution) stating the City's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project.

- ii. The Responsible Person shall ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS.
- iii. If proceeds of the Obligations are to be invested in interest-earning investments, assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired. If proceeds of the Obligations are to be invested in interest-earning investments, the Responsible Person should contact the City's arbitrage consultant regarding such matters.
- iv. The Responsible Person shall monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund (the "I&S Fund"), to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period.

NOTE: the purpose of the I&S Fund is to achieve a proper matching of revenues with principal and interest payments within each fiscal year. The I&S Fund should be used a mechanism for payment of current debt service and not as a long-term investment fund for debt service many years in the future.

- v. The Responsible Person shall ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.
- b. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person shall undertake the following.

- i. The Responsible Person shall instruct the persons who are primarily responsible for the construction, renovation or acquisition of the facilities financed with Obligations (the “Project”) that the Project must (i) proceed with due diligence toward completion and that (ii) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within six (6) months of the date of closing of the Obligations (the “Issue Date”). The Responsible Person shall monitor that the above requirements are satisfied.
- ii. The Responsible Person shall monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date.
- iii. The Responsible Person shall monitor investment of proceeds of the Obligations and restrict the yield of the investments to the yield on the Obligations after three years of the Issue Date.
- iv. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are later refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes, and shall contact Bond Counsel as necessary.

B. Private Business Use.

Generally, the proceeds of tax-exempt Obligations may not inure to the benefit of entities other than state or local governments (“private business use”). Private business use occurs whenever Obligation proceeds are used to benefit any entity other than a state or local government, *including nonprofit corporations and the federal government.*

A series of Obligations may lose their tax-exempt status if: (i) more than 10% of the proceeds of the Obligations are to be used for any private business use and the payment of the principal or interest on more than 10% of the proceeds of the Obligations is secured by or payable from property used for a private business use, or (ii) the amount of proceeds of the Obligations used to make loans to borrowers other than state and local governments exceeds the lesser of 5% of the proceeds or \$15 million.

With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations, the Responsible Person shall undertake the following to ensure the Obligations do not violate private business use tests.

- a. The Responsible Person shall develop procedures or a “tracking system” to identify, log and record all property financed with tax-exempt debt and identify the issue of Obligations used to finance such property.
- b. The Responsible Person shall monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended.
- c. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, research contract, naming rights agreement, purchase contract, management agreement or other service agreement) with respect to any portion of the Project.
- d. Before entering into any private business use arrangement that involves the use of the Project, the Responsible Person must obtain a description of the proposed private business use arrangement and determine whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project. In connection with the evaluation of any proposed private business use arrangement, the Responsible Person should consult with Bond Counsel to discuss whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project, and, if not, whether any “remedial action” permitted under federal guidelines may be taken as a means of enabling such private business use without adversely affecting the tax-exempt status of the Obligations.
- e. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the Project (*e.g.*, water, gas, electricity, capacity) on any basis other than standard rates and charges.
- f. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, has a naming right for the Project or any other contractual right granting an intangible benefit.
- g. Prior to any sale of property owned by the City (real or personal), the Responsible Person must confirm whether such property was financed with tax-exempt debt, and if so, determine whether the proposed disposition of the property could impact the tax-exempt status of the series of Obligations that financed the acquisition of such property.
- h. The Responsible Person shall take any action necessary to remediate any failure to maintain compliance with the covenants contained in the ordinance authorizing the issuance of the applicable series of Obligations.

C. Record Retention.

The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

For purposes of these procedures, the Memorandum of Bond Counsel dated December 1, 2011 styled "Certain Federal Income Tax Considerations for Record Retention – Record Management Program and Periodic Compliance Review" is incorporated herein and should be reviewed periodically, at least once per year, by the Responsible Person.

D. Responsible Person & Continuity.

Each Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

Prior to cessation of employment with the City, the Responsible Person should identify their successor to maintain compliance with these procedures.

II. FEDERAL SECURITIES LAW

Obligations, whether taxable or tax-exempt, sold in a public offering in an amount of \$1 million or more are subject to Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"). Additionally, the City may have covenanted to comply with the Rule even with respect to Obligations that would otherwise be exempt from the Rule (e.g., Obligations sold in a private placement or Obligations sold in an amount less than \$1 million). Pursuant to the Rule, the City is required to make annual filings of certain information, as well as make filings upon the occurrence of certain specified events. All filings must be made with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System ("EMMA") at emma.msrb.org.

A. Annual Filings.

The City must file the information listed below with EMMA within six (6) months of each fiscal year end for so long as the respective series of Obligations remains outstanding. The City's fiscal year ends on September 30 of each year. Therefore, the City must provide updated

information by March 31 of the subsequent year. If audited financial statements are not available by March 31, the City must provide unaudited financial information by such date and provide audited financial statements when such statements become available. The City must file each of the following items with EMMA:

- (1) The City's audited financial statements; and
- (2) An update of the financial tables included in the Official Statement used in connection with the Obligations as described under the caption "Continuing Disclosure of Information". The information should be from the most recent fiscal year end.

The Responsible Person must compile, prepare and make such filings within the required time, or, alternatively, contract with a third-party, such as the City's financial advisor, to make such filings on the City's behalf.

B. Notices of Specified Events.

The City must provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event):

- (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 IRS 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 Obligations, or other material events affecting the tax status of the Obligations;
- (7) Modifications to rights of Obligation holders, if material;
- (8) Obligations calls (includes redemptions and other early payments), if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Obligations, 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;
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material; and
- (15) In a timely manner, notice of a failure of the City to make the required annual filings listed in Subsection II(A) above.

The Responsible Person should review this list at regular intervals to determine whether any event has occurred that may require a filing with EMMA.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 16 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 below (and included in the Appendix or under the headings of the Official Statement referred to):

1. The "Annual Financial Report" for the most recently concluded fiscal year.
2. The information included in the Official Statement under the following tables, but for the most recently concluded fiscal year: Tables 1 through 6 and 8 through 20.

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 described above, as such principles may be changed from time to time to comply with state law or regulation.

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

ORDINANCE NO. 2013-_____

AUTHORIZING THE ISSUANCE OF UP TO \$10,450,000 IN PRINCIPAL AMOUNT OF "CITY OF COLLEGE STATION, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2013"; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE CERTIFICATES; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID CERTIFICATES; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, on April 25, 2013, the City Council of the City of College Station (the "City") passed a resolution authorizing and directing notice of its intention to issue the Certificates of Obligation herein authorized, to be published in a newspaper as required by Section 271.049 of the Texas Local Government Code;

WHEREAS, said notice was published in the *Bryan-College Station Eagle*, a "newspaper" of the type described in Section 2051.044, Texas Government Code, as required by said Section 271.049 of the Texas Local Government Code, on May 2, 2013 and May 9, 2013;

WHEREAS, said notice provided that the ordinance authorizing the Certificates of Obligation may authorize an authorized officer of the City to effect the sale and delivery of the Certificates of Obligation on a date or dates subsequent to the adoption of the ordinance;

WHEREAS, no petition, signed by at least 5% of the qualified electors of said City as permitted by said Section 271.049 of the Texas Local Government Code protesting the issuance of such Certificates of Obligation, has been filed;

WHEREAS, the City is an "Issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation;

WHEREAS, the Certificates of Obligation hereinafter authorized are to be issued and delivered pursuant to Subchapter C of Chapter 271 of the Texas Local Government Code and Chapter 1371, Texas Government Code and the City's Home Rule Charter; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

Section 1. AUTHORIZATION OF CERTIFICATES OF OBLIGATION. That said City's Certificates of Obligation, to be designated the "City of College Station, Texas Certificates of Obligation, Series 2013", are hereby authorized to be issued and delivered in the principal amount not to exceed \$10,450,000 for (i) the purpose of paying contractual obligations to be incurred by the City, to-wit, the construction of improvements and extensions to the City's combined waterworks, sewer and electric systems; and the payment of fiscal, engineering and legal fees incurred in connection therewith and (ii) to pay the costs of issuance of the Certificates.

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, the Mayor, the Interim City Manager and the Executive Director of Business Services of the City (each the "Pricing Officer") are each hereby authorized to act severally on behalf of the City in selling and delivering the Certificates, carrying out the other procedures specified in this Ordinance, including, determining the date of the Certificates, any additional or different designation or title by which the Certificates shall be known, whether the Certificate shall be sold and delivered in one or more series and the date and sale and delivery of each such series, the price at which the Certificates will be sold, the years in which the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Certificates and obtaining municipal insurance for all or any portion of the Certificates and providing for the terms and provisions thereof applicable to the Certificates, all of which shall be specified in the Purchase Agreement; provided that:

(i) the aggregate principal amount of the Certificates shall not exceed \$10,450,000;

(ii) the true interest cost of the Certificates shall not exceed 4.500% per annum;

(iii) the net effective interest rate on the Certificates shall not exceed the maximum rate set forth in Chapter 1204, Texas Government Code, as amended;

(iv) the final maturity of the Certificates shall not exceed February 15, 2033;

(v) the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to December 13, 2013; and

(vi) on or prior to delivery, the Certificates shall be rated by a nationally recognized rating agency for municipal securities in one of the four highest categories for long-term obligations.

(b) In establishing the aggregate principal amount of the Certificates, the Pricing Officer shall establish an amount that, when combined with premium used for purposes other than the payment of costs of issuance, does not exceed the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Certificates are authorized and to pay costs of issuing the Certificates. The Certificates shall be sold with and subject to such terms as set forth in the Purchase Agreement as described in Section 19 herein.

Section 3. CHARACTERISTICS OF THE CERTIFICATES. (a) The City shall keep or cause to be kept at the corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., or such other bank, trust company, financial institution, or other agency named in accordance with the provisions of (g) below (the "Paying Agent/Registrar"), books or records for the registration and transfer of the Certificates (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar at its Designated Trust Office, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Certificate may be transferred in the Registration Books only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of such Certificate, or any portion thereof in any Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Certificate or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Certificate or any portion thereof, a new substitute certificate or certificates shall be issued in exchange therefor in the manner herein provided.

(b) The entity in whose name any Certificate shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Ordinance, whether or not such Certificate shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such certificate shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such certificate to the extent of the sum or sums so paid.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, and to act as its agent to exchange or replace Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all exchanges thereof, and all replacements thereof, as provided in this Ordinance.

(d) Each Certificate may be exchanged for fully registered certificates in the manner set forth herein. Each Certificate issued and delivered pursuant to this Ordinance may, upon surrender thereof at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered Certificates, without interest coupons, in the form prescribed in the FORM OF CERTIFICATE, in an Authorized Denomination (subject to the requirement hereinafter stated that each substitute Certificate shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the principal amount of any Certificate or Certificates so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If any Certificate or portion thereof is assigned and transferred, each Certificate issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall exchange or replace Certificates as provided herein, and each fully registered Certificate or Certificates delivered in exchange for or replacement of any Certificate or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Certificates for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Certificate delivered in exchange for or replacement of another Certificate prior to the first scheduled interest payment date on the Certificates (as stated on the face thereof) shall be dated the same date as such Certificate, but each substitute Certificate so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute Certificate is delivered, unless such substitute Certificate is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Certificate the interest on the Certificate for which it is being exchanged has not been paid, then such substitute Certificate shall be dated as of the date to which such interest has been paid in full. On each substitute Certificate issued in exchange for or replacement of any Certificate or Certificates issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth in the FORM OF CERTIFICATE (the "Authentication Certificate"). An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute Certificate, date such substitute Certificate in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute Certificate shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Certificates surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Certificates or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificate in the manner prescribed herein. Pursuant to Chapter 1206, Texas Government Code, the duty of exchange or replacement of any Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of Authentication Certificate, the exchanged or replaced Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which originally

were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate so selected for redemption, in whole or in part, within 45 calendar days of the date fixed for redemption; *provided, however*, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled principal of a Certificate.

(e) All Certificates issued in exchange or replacement of any other Certificate or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Certificates shall be payable, all as provided, and in the manner required or indicated, in the FORM OF CERTIFICATE.

(f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers of Certificates, but the registered owner of any Certificate requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The registered owner of any Certificates requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such certificate or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of exchange, except, however, that in the case of the exchange of an assigned and transferred Certificate or Certificates or any portion or portions thereof in an Authorized Denomination, as provided in this Ordinance, such fees and charges will be paid by the City. In addition, the City hereby covenants with the registered owners of the Certificates that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on Certificates, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Certificates solely to the extent above provided, and with respect to the exchange of Certificates solely to the extent above provided.

(g) The City covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that it will promptly appoint a competent and legally qualified national or state banking institution which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a

copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be in substantially the form as set forth in *Exhibit A* to this Ordinance, shall be numbered consecutively from R-1 upward, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the FORM OF CERTIFICATE to be modified pursuant to, and completed with information set forth in the Purchase Agreement. The printer of the Certificates is hereby authorized to print on the Certificates (i) the form of bond counsel's opinion relating to the Certificates, and (ii) an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Certificates.

Section 5. DEFINITIONS. That the term "*Authorized Denomination*" shall mean a denomination of \$5,000 of principal amount of a Certificate or any integral multiple thereof; the term "*Business Day*" means a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City are, authorized by law or executive order to close; the term "*Certificates*" and "*Certificates of Obligation*" shall mean the City of College Station, Texas Certificates of Obligation, Series 2013, authorized to be issued and delivered by this Ordinance; the term "*MSRB*" means the Municipal Securities Rulemaking Board; the term "*Rule*" means SEC Rule 15c2 12, as amended from time to time; the term "*SEC*" means the United States Securities and Exchange Commission; and the term "*Surplus Revenues*" shall mean those revenues from the operation of the City's combined municipal electric light and power, waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof and other obligations heretofore or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates.

Section 6. LEVY OF TAX; INTEREST AND SINKING FUND; REVENUE PLEDGE.

(a) That a special fund or account, to be designated the "City of College Station, Texas Series 2013 Certificate of Obligation Interest and Sinking Fund" (the "Interest and Sinking Fund") is hereby created and shall be established and maintained by the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates are outstanding and unpaid, the governing body of the City shall compute and ascertain the rate and

amount of ad valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if any) of the Certificates as such principal matures or comes due through operation of the mandatory sinking fund redemption, if any, but never less than 2% of the original amount of the Certificates as a sinking fund each year. The rate and amount of ad valorem tax is hereby ordered to be levied against all taxable property in the City for each year while any of the Certificates is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. Ad valorem taxes necessary to pay the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) That the Certificates are additionally secured by and shall be payable from the Surplus Revenues. The Surplus Revenues are pledged by the City pursuant to authority of Chapter 1502, Texas Government Code, specifically Section 1502.058 thereof. The City shall promptly deposit the Surplus Revenues upon their receipt to the credit of the Interest and Sinking Fund created pursuant to Section 6, to pay the principal and interest on the Certificates. The amount of Surplus Revenues pledged to the payment of the Certificates shall not exceed \$1,000. If Surplus Revenues or any other lawfully available revenues, income or resources of the City are deposited or budgeted to be deposited in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to Section 6 may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available revenues, income or resources then on deposit or budgeted to be deposited to the credit of the Interest and Sinking Fund.

Section 7. TRANSFER. That the City shall do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest due on the Certificates.

Section 8. SECURITY FOR FUNDS. That the Interest and Sinking Fund created by this Ordinance shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, and such Interest and Sinking Fund shall be used only for the purposes and in the manner permitted or required by this Ordinance.

Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES. (a) *Replacement Certificates.* That in the event any outstanding Certificate is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Certificate of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) *Application for Replacement Certificates.* That application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate,

the registered owner applying for a replacement Certificate shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Certificate, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) *No Default Occurred.* That notwithstanding the foregoing provisions of this Section, in the event any such Certificate shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement certificate, provided security or indemnity is furnished as above provided in this Section.

(d) *Charge for Issuing Replacement Certificates.* That prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) *Authority for Issuing Replacement Certificates.* That in accordance with Section 1201.067, Texas Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the City or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 5(d) of this Ordinance for Certificates issued in conversion and exchange of other Certificates.

Section 10. FEDERAL INCOME TAX MATTERS. That the City covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Certificates as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Certificates (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with –

(1) proceeds of the Certificates invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Certificates are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(g) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing (a) and (b), the City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the City that the covenants

contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the Interim City Manager, any Assistant City Manager and the Executive Director of Business Services, severally, to execute any documents, certificates or reports required by the Code, and to make such elections on behalf of the City which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

In order to facilitate compliance with clause (h) above, a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 11. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. That the City covenants to account for the expenditure of proceeds from the sale of the Certificates and any investment earnings thereon to be used for the purposes described in Section 1 of this Ordinance (such purpose referred to in this Section and Section 12 hereof as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than 60 days after the earlier of (a) the fifth anniversary of the date of delivery of the Certificates or (b) the date the Certificates are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 12. DISPOSITION OF PROJECT. That the City covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an

opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 13. PROCEDURES TO MONITOR COMPLIANCE WITH TAX COVENANTS. The City hereby adopts the procedures attached hereto as *Exhibit B* as a means of monitoring compliance with the federal tax covenants made by the City herein.

Section 14. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES. That the Executive Director of Business Services of the City is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such certificate. The Certificates thus registered shall remain in the custody of the Executive Director of Business Services (or the designee thereof) until delivered to the Underwriter (as defined in Section 18 of this Ordinance).

Section 15. DTC REGISTRATION. That the Certificates initially shall be issued and delivered in such manner that no physical distribution of the Certificates will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Certificates. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Certificates initially authorized by this Ordinance shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Certificates on behalf of the Underwriter and its participants. So long as each Certificate is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Certificates in Authorized Denominations, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Certificates initially deposited with DTC shall be immobilized and not be further exchanged for substitute Certificates except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Certificates. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Certificates, and the method of paying the fees and charges of DTC. The City does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Certificates is duly filed with the Paying

Agent/Registrar with proper request for transfer and substitution, as provided for in this Ordinance, substitute Certificates will be duly delivered as provided in this Ordinance, and there will be no assurance or representation that any book-entry system will be maintained for such Certificates. In connection with the initial establishment of the foregoing book-entry system with DTC, the City heretofore has executed a "Blanket Letter of Representations" prepared by DTC in order to implement the book-entry system described above.

Section 16. CONTINUING DISCLOSURE OBLIGATION.

(a) *Annual Reports.* (i) The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year ending in or after 2013, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 18 of this Ordinance, being the information described in *Exhibit C* hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in *Exhibit C*, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such 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 such period, then the City shall provide unaudited financial statements by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) 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) prior to the next date by which the City otherwise 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 that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) *Event Notices.* The City shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten 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 or 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 Certificateholders, 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 an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 such jurisdiction has been assumed by leaving the existing governing body and officials or officers 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);
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall notify 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 such subsection.

(c) *Limitations, Disclaimers, and Amendments.* (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates within the meaning of

the Rule, except that the City in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners 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 hereunder 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 hereby 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 hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCE SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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 SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) 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.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. 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 so 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 such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any

amended financial information or operating data next provided in accordance with subsection (b) 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 such 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.

(d) *Procedures to Monitor Compliance with Continuing Disclosure Covenants.* The City hereby adopts the procedures attached hereto as **Exhibit B** as a means of monitoring compliance with the continuing disclosure covenants made by the City herein.

Section 17. DEFEASANCE. (a) *Deemed Paid.* Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (e) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) *Investments.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) above. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Securities, 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.

(c) *Selection of Defeased Certificates.* In the event that the City elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

(d) *Defeasance Securities.* The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(e) *Continuing Duty of Paying Agent/Registrar.* Until all Certificates defeased under this Section of this Ordinance shall become due and payable, the Paying Agent/Registrar for such Certificates shall perform the services of Paying Agent/Registrar for such Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services.

Section 18. SALE OF CERTIFICATES; OFFICIAL STATEMENT. (a) The Certificates shall be sold and delivered subject to the provisions of Section 1 and Section 2 hereof through a negotiated sale and pursuant to the terms and provisions of a purchase contract (the "Purchase Agreement"), the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2 hereof, and in which the purchaser or purchasers of the Certificates (the "Underwriter") shall be designated. The Pricing Officer is hereby authorized to execute and deliver the Purchase Agreement for an on behalf of the City. The Certificates shall initially be registered in the name of the Underwriter or its designee.

(b) The City hereby approves the form and content of the draft preliminary official statement relating to the Certificates in the form attached hereto as *Exhibit D* and any addenda, supplement or amendment thereto, and approves the distribution of such preliminary official statement in the reoffering of the Certificates by the Underwriter in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable. The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve, distribute, and deliver a final preliminary official statement and a final official statement relating to the Certificates to be used by the Underwriter in the marketing of the Certificates.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Certificates, to obtain from a municipal bond insurance company so designated in the Purchase Agreement (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support

of the Certificates. To that end, should the Pricing Officer exercise such authority and commit the City to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor and Mayor Pro Tem, the Interim City Manager, the Executive Director of Business Services and City Secretary, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates, any Purchase Agreement and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 19. FURTHER PROCEDURES. That the Mayor, the City Secretary, the Interim City Manager, the Executive Director of Business Services of the City, any Assistant City Manager, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, and the sale and delivery of the Certificates and fixing all details in connection therewith. The City Council hereby authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Certificates, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

Section 20. CONSTRUCTION FUND; USE OF PROCEEDS.

(a) The City hereby creates and establishes and shall maintain on the books of the City a separate fund to be entitled the "Series 2013 Certificates of Obligation Construction Fund" (the "Construction Fund") for use by the City for payment of all lawful costs associated with the acquisition and construction of the projects as provided in Section 1.

(b) The proceeds from the sale of the Certificates shall be deposited, on the date of closing, in the manner described in a letter of instructions prepared by the City or on behalf of the City by the City's financial advisor. The foregoing notwithstanding, proceeds representing accrued interest on the Certificates shall be deposited to the credit of the Interest and Sinking Fund. Any amounts remaining after completion of the improvements described in Section 1 hereof shall be transferred FIRST to the Rebate Fund, to the extent required by Section 10 hereof, and THEREAFTER to the Interest and Sinking Fund.

Section 21. INTEREST EARNINGS. That the interest earnings derived from the investment of proceeds from the sale of the Certificates may be used along with other proceeds for the construction of the permanent improvements set forth in Section 1 hereof for which the Certificates are issued; provided that after completion of such permanent improvements, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on proceeds which are required to be rebated to the United States of America pursuant to this Ordinance hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 22. DEFAULT AND REMEDIES.

(a) *Events of Default.* Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any registered owner to the City.

(b) *Remedies for Default.*

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Certificates then outstanding.

(c) *Remedies Not Exclusive.*

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding

any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

Section 23. MISCELLANEOUS PROVISIONS. (a) *Preamble.* The preamble to this Ordinance is incorporated by reference and made a part hereof for all purposes.

(b) *Titles Not Restrictive.* That the titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(c) *Rules of Construction.* The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision. Except where the context otherwise requires, terms defined in this Ordinance to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Ordinance is adopted by the City and any future amendments thereto or successor provisions thereof. Any reference to "FORM OF CERTIFICATE" shall refer to the form of the Certificates set forth in *Exhibit A* to this Ordinance. Any reference to the payment of principal in this Ordinance shall be deemed to include the payment of any mandatory sinking fund redemption payments as may be described herein.

(d) *Inconsistent Provisions.* All ordinances, orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(e) *Severability.* If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(f) *Governing Law.* This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(g) *Open Meeting.* The City officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code.

(h) *Application of Chapter 1208, Government Code.* Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of ad valorem taxes and the Surplus Revenues granted by the City under Section 6(b), and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the ad valorem taxes and Surplus Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

(i) *Immediate Effect.* In accordance with the provisions of Section 1201.028, Texas Government Code, this Ordinance shall be effective immediately upon its adoption by the City Council.

[Remainder of page intentionally left blank.]

PASSED, APPROVED AND EFFECTIVE THIS _____, 2013.

City Secretary, City of College Station, Texas

Mayor, City of College Station, Texas

(CITY SEAL)

APPROVED:

McCall, Parkhurst & Horton L.L.P., Dallas, Texas
Bond Counsel

A handwritten signature in cursive script, appearing to read "Robert A. Horton", is written over a horizontal line.

Ordinance
City of College Station, Texas
Certificates of Obligation, Series 2013

SIGNATURE PAGE

EXHIBIT A

FORM OF CERTIFICATE

NO. _____ UNITED STATES OF AMERICA \$ _____
STATE OF TEXAS
COUNTY OF BRAZOS

CITY OF COLLEGE STATION, TEXAS
CERTIFICATES OF OBLIGATION
SERIES 2013

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP</u>
	%	_____, 2013	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF COLLEGE STATION, TEXAS, in Brazos County (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above or to the registered assignee hereof (either being hereinafter called the "registered owner") the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months), from the Delivery Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the interest rate per annum specified above, with said interest payable on February 15, 2014, and semiannually on each August 15 and February 15 thereafter until maturity or prior redemption; except that if this Certificate is required to be authenticated and the date of its authentication is later than February 15, 2014, such interest is payable semiannually on each August 15 and February 15 following such date.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. At maturity or redemption prior to maturity, the principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at the designated corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such

check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for payment at the Designated Trust Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Certificate that on or before each principal and interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IN THE EVENT OF NON-PAYMENT of interest on a scheduled payment date, and for 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 from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Certificate appearing on the Registration Books kept by the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust 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 on which 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.

THIS CERTIFICATE is one of a Series of Certificates dated as of July 15, 2013, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____, for the purpose of paying contractual obligations to be incurred by the City, to-wit, the construction of improvements as described in the Certificate Ordinance, and the payment of fiscal, engineering and legal fees incurred in connection therewith.

THE CERTIFICATES OF THIS SERIES maturing on _____ are subject to mandatory redemption prior to maturity in part at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Certificates shall be redeemed by the Paying Agent/Registrar on February 15 in each of the years and in the principal amounts, respectively, as are set forth in the following schedule:

Term Certificates due February 15, 20__ :

Mandatory Redemption Date: 2/15/____	Principal Amount: \$____
Mandatory Redemption Date: 2/15/____*	Principal Amount: \$____

* *Maturity*

The principal amount of the Certificates required to be redeemed pursuant to the operation of such mandatory sinking fund shall be reduced by the principal amount of any Certificate which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been purchased by the Issuer and delivered to the Paying Agent/Registrar for cancellation or (ii) redeemed pursuant to the optional redemption provision described below and not theretofore credited against a mandatory sinking fund requirement.

ON FEBRUARY 15, ____, or on any date thereafter, the Certificates of this Series maturing on February 15, ____ and thereafter may be redeemed prior to their scheduled maturities, at the option of the City, in whole, or in part, at par and accrued interest to the date fixed for redemption. The years of maturity of the Certificates called for redemption at the option of the City prior to stated maturity shall be selected by the City. The Certificates or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Certificates is determined only by a book entry at a securities depository for the Certificates, if fewer than all of the Certificates of the same maturity and bearing the same interest rate are to be redeemed, the particular Certificates of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

AT LEAST THIRTY days prior to the date fixed for any such redemption, a written notice of such redemption shall be given to the registered owner of each Certificate or a portion thereof being called for redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Certificate or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Certificate, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Certificate or any portion hereof. If a portion of any Certificate shall be redeemed a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in Authorized Denominations, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys

with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in Authorized Denominations. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in Authorized Denominations as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar at its Designated Trust Office for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar at its Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in an Authorized Denomination to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The foregoing notwithstanding, in the case of the exchange of an assigned and transferred Certificate or Certificates or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the City. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Certificate or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, or exchange as a condition precedent to the exercise of such privilege. In any circumstance, neither the City nor the Paying Agent/Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Certificates so selected for redemption when such redemption is scheduled to occur within 45 calendar days.

WHENEVER the beneficial ownership of this Certificate is determined by a book entry at a securities depository for the Certificates, the foregoing requirements of holding, delivering or transferring this Certificate shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Certificate Ordinance

that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate have been performed, existed, and been done in accordance with law; that this Certificate is a direct obligation of said City, issued on the full faith and credit thereof; and that in accordance with the terms of the Certificate Ordinance, annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limit prescribed by law; and that a limited pledge (not to exceed \$1,000) of the Surplus Revenues from the operation of the City's combined municipal electric light and power, waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof and any other obligations heretofore or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates, have been pledged as additional security for the Certificates.

BY BECOMING the registered owner of this Certificate, the registered owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the City, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, this Certificate has been signed with the manual or facsimile signature of the Mayor of the City, attested by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly affixed to, or impressed, or placed in facsimile, on this Certificate.

XXXXX	XXXXX
_____ City Secretary, City of College Station, Texas	_____ Mayor, City of College Station, Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate of Obligation has been issued under the provisions of the proceedings adopted by the City as described in the text of this Certificate of Obligation; and that this Certificate of Obligation has been issued in exchange for or replacement of a Certificate of Obligation of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

The Bank of New York Mellon
Trust Company, N.A.
Paying Agent/Registrar

By: _____
Authorized Representative

*FORM OF COMPTROLLER'S CERTIFICATE ATTACHED TO
THE CERTIFICATES UPON INITIAL DELIVERY THEREOF

COMPTROLLER'S CERTIFICATE

OFFICE OF COMPTROLLER

§

REGISTER NO. _____

STATE OF TEXAS

§

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Certificate has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the City of College Station, Texas, payable in the manner provided by and in the ordinance authorizing same, and said Certificate has this day been registered by me.

WITNESS MY HAND and seal of office at Austin, Texas this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

NOTE: *to accompany initial certificates only.

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

PROCEDURES REGARDING COMPLIANCE WITH FEDERAL TAX AND CONTINUING DISCLOSURE COVENANTS

This Exhibit is intended to assist the City of College Station (the "City") in complying with the federal income tax covenants and securities disclosure covenants as they apply to the issuance of tax-exempt debt securities such as the Certificates of Obligation (the "Obligations"). These procedures should be read together with any federal tax certifications, bond covenants, letters or memoranda from bond counsel and any attachments thereto (collectively, the "Closing Documents"). Failure to comply with federal guidelines could have serious consequences for investors, the City and its officials.

These procedures shall apply to the Obligations, until they are superseded by a change in circumstances at which time the City's bond counsel will propose new procedures to be adopted.

I. FEDERAL TAX LAW

1. Arbitrage Compliance.

Arbitrage refers to the difference between the interest paid on tax-exempt Obligations and the interest earned by investing the proceeds of tax-exempt Obligations in higher-yielding investments. Such higher-yielding investments could take the form of loans, securities, real property, personal property, or other investments that could yield a profit to the City. Federal income tax laws generally restrict the ability to earn arbitrage utilizing the proceeds of tax-exempt Obligations. Generally, any profit from investing Obligation proceeds at a yield above the yield paid on the Obligations belongs to the federal government and must be rebated to the federal government. If the City fails to comply federal tax guidelines, Obligations could be deemed to be "arbitrage bonds" by the Internal Revenue Service (the "IRS"), which would expose the City to monetary liability from the City's investors.

The arbitrage yield on the Obligations is set forth on the IRS Form 8038-G.

The Executive Director of Business Services and the City Treasurer (including such other employees of the City who report to such officers) (collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

- a. *Procedures applicable to the Obligation.* The Responsible Person shall undertake the following procedures.
 - i. If the City plans to spend funds currently on hand for a future project with the intent to later repay such funds from a debt issue, the Responsible

Person shall contact Bond Counsel to obtain advice regarding a reimbursement resolution. The Responsible Person shall maintain any official action of the City (such as a reimbursement resolution) stating the City's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project.

- ii. The Responsible Person shall ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS.
- iii. If proceeds of the Obligations are to be invested in interest-earning investments, assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired. If proceeds of the Obligations are to be invested in interest-earning investments, the Responsible Person should contact the City's arbitrage consultant regarding such matters.
- iv. The Responsible Person shall monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund (the "I&S Fund"), to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period.

NOTE: the purpose of the I&S Fund is to achieve a proper matching of revenues with principal and interest payments within each fiscal year. The I&S Fund should be used a mechanism for payment of current debt service and not as a long-term investment fund for debt service many years in the future.

- v. The Responsible Person shall ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.
- b. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person shall undertake the following.

- i. The Responsible Person shall instruct the persons who are primarily responsible for the construction, renovation or acquisition of the facilities financed with Obligations (the “Project”) that the Project must (i) proceed with due diligence toward completion and that (ii) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within six (6) months of the date of closing of the Obligations (the “Issue Date”). The Responsible Person shall monitor that the above requirements are satisfied.
- ii. The Responsible Person shall monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date.
- iii. The Responsible Person shall monitor investment of proceeds of the Obligations and restrict the yield of the investments to the yield on the Obligations after three years of the Issue Date.
- iv. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are later refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes, and shall contact Bond Counsel as necessary.

B. Private Business Use.

Generally, the proceeds of tax-exempt Obligations may not inure to the benefit of entities other than state or local governments (“private business use”). Private business use occurs whenever Obligation proceeds are used to benefit any entity other than a state or local government, *including nonprofit corporations and the federal government.*

A series of Obligations may lose their tax-exempt status if: (i) more than 10% of the proceeds of the Obligations are to be used for any private business use and the payment of the principal or interest on more than 10% of the proceeds of the Obligations is secured by or payable from property used for a private business use, or (ii) the amount of proceeds of the Obligations used to make loans to borrowers other than state and local governments exceeds the lesser of 5% of the proceeds or \$15 million.

With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations, the Responsible Person shall undertake the following to ensure the Obligations do not violate private business use tests.

- a. The Responsible Person shall develop procedures or a “tracking system” to identify, log and record all property financed with tax-exempt debt and identify the issue of Obligations used to finance such property.
- b. The Responsible Person shall monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended.
- c. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, research contract, naming rights agreement, purchase contract, management agreement or other service agreement) with respect to any portion of the Project.
- d. Before entering into any private business use arrangement that involves the use of the Project, the Responsible Person must obtain a description of the proposed private business use arrangement and determine whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project. In connection with the evaluation of any proposed private business use arrangement, the Responsible Person should consult with Bond Counsel to discuss whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project, and, if not, whether any “remedial action” permitted under federal guidelines may be taken as a means of enabling such private business use without adversely affecting the tax-exempt status of the Obligations.
- e. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the Project (*e.g.*, water, gas, electricity, capacity) on any basis other than standard rates and charges.
- f. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, has a naming right for the Project or any other contractual right granting an intangible benefit.
- g. Prior to any sale of property owned by the City (real or personal), the Responsible Person must confirm whether such property was financed with tax-exempt debt, and if so, determine whether the proposed disposition of the property could impact the tax-exempt status of the series of Obligations that financed the acquisition of such property.
- h. The Responsible Person shall take any action necessary to remediate any failure to maintain compliance with the covenants contained in the ordinance authorizing the issuance of the applicable series of Obligations.

C. Record Retention.

The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

For purposes of these procedures, the Memorandum of Bond Counsel dated December 1, 2011 styled "Certain Federal Income Tax Considerations for Record Retention – Record Management Program and Periodic Compliance Review" is incorporated herein and should be reviewed periodically, at least once per year, by the Responsible Person.

D. Responsible Person & Continuity.

Each Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

Prior to cessation of employment with the City, the Responsible Person should identify their successor to maintain compliance with these procedures.

II. FEDERAL SECURITIES LAW

Obligations, whether taxable or tax-exempt, sold in a public offering in an amount of \$1 million or more are subject to Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"). Additionally, the City may have covenanted to comply with the Rule even with respect to Obligations that would otherwise be exempt from the Rule (e.g., Obligations sold in a private placement or Obligations sold in an amount less than \$1 million). Pursuant to the Rule, the City is required to make annual filings of certain information, as well as make filings upon the occurrence of certain specified events. All filings must be made with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System ("EMMA") at emma.msrb.org.

A. Annual Filings.

The City must file the information listed below with EMMA within six (6) months of each fiscal year end for so long as the respective series of Obligations remains outstanding. The City's fiscal year ends on September 30 of each year. Therefore, the City must provide updated

information by March 31 of the subsequent year. If audited financial statements are not available by March 31, the City must provide unaudited financial information by such date and provide audited financial statements when such statements become available. The City must file each of the following items with EMMA:

- (1) The City's audited financial statements; and
- (2) An update of the financial tables included in the Official Statement used in connection with the Obligations as described under the caption "Continuing Disclosure of Information". The information should be from the most recent fiscal year end.

The Responsible Person must compile, prepare and make such filings within the required time, or, alternatively, contract with a third-party, such as the City's financial advisor, to make such filings on the City's behalf.

B. Notices of Specified Events.

The City must provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event):

- (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 IRS 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 Obligations, or other material events affecting the tax status of the Obligations;
- (7) Modifications to rights of Obligation holders, if material;
- (8) Obligations calls (includes redemptions and other early payments), if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Obligations, 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;
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material; and
- (15) In a timely manner, notice of a failure of the City to make the required annual filings listed in Subsection II(A) above.

The Responsible Person should review this list at regular intervals to determine whether any event has occurred that may require a filing with EMMA.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 16 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 below (and included in the Appendix or under the headings of the Official Statement referred to):

1. The "Annual Financial Report" for the most recently concluded fiscal year.
2. The information included in the Official Statement under the following tables, but for the most recently concluded fiscal year: Tables 1 through 6 and 8 through 20.

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 described above, as such principles may be changed from time to time to comply with state law or regulation.

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

June 13, 2013
Regular Agenda Item No. 5

Consider Ordinance Issuing General Obligation Improvement and Refunding Bonds

To: Kathy Merrill, Interim City Manager

From: Jeff Kersten, Executive Director of Business Services

Agenda Caption: Presentation, possible action and discussion on an ordinance authorizing the issuance of up to \$23,000,000 in principal amount of "City of College Station, Texas General Obligation Improvement and Refunding Bonds, Series 2013"; delegating the authority to certain City Officials to execute certain documents relating to the sale of the Bonds; approving and authorizing instruments and other procedures relating to said bonds; and enacting other provisions relating to the subject.

Relationship to Strategic Goals: Financially Sustainable City, and Providing Core Services and Infrastructure.

Recommendation(s): Council move to approve the ordinance authorizing the issuance and sale of up to \$23,000,000 in "General Obligation Improvement and Refunding Bonds, Series 2013"; delegating the authority to certain City Officials to execute certain documents relating to the sale of the Bonds; approving and authorizing instruments and other procedures relating to said bonds; and enacting other provisions relating to the subject.

Summary: The City has the opportunity to refund a portion of its General Obligation Improvement Bonds, Certificates of Obligation and Utility Revenue Bonds in order to achieve savings due to lower interest rates that are currently available. The City's Financial Advisor, Drew Masterson with First Southwest Company has presented the City with an opportunity to issue refunding bonds for several of our outstanding General Obligation Improvement Bonds, Certificates of Obligation and Utility Revenue Bond issues. Refunding is issuing new debt to replace and pay off existing debt. Refunding can be done for a number of reasons; however, most often are used to accrue a savings against the current debt.

The bonds that are proposed to be refunded are:

Certificates of Obligation, Series 2005	\$ 2,320,000
General Obligation Bonds, Series 2005	\$ 3,580,000
Utility System Revenue Refunding Bonds, Series 2005A	\$ 1,210,000
Utility System Revenue Bonds, Series 2005	<u>\$ 5,530,000</u>
	\$12,640,000

The City Council's Finance and Budgetary Policies allow for the City to "refund" debt when there is a net present value savings of at least 5%. The opportunity that is currently before the City Council will save the City approximately 9.691% over the remaining life of the issues. The net present value savings includes the debt issuance costs. **If this ordinance is approved, the City Council will be delegating to the Mayor, the Interim City Manager and the Executive Director of Business Services the authority to effect the refunding and the bond sale when the net present value savings on the refunding achieves at least the 5% threshold through December 13, 2013. Currently, the net present value savings is above the 5% threshold, however, if the net present value savings should fall below the 5%, this will provide an opportunity to reach the 5% threshold over the next 6 months in order to generate as much savings as possible for the City.**

Refundings are typically done as negotiated sales rather than our normal bidding process. In a negotiated sale, a consortium of investment firms is selected with one firm named as the managing partner for the sale. The sale is negotiated and pricing is verified against pricing for similar instruments within a few days of the actual sale date to make sure that the City is getting good pricing for its debt.

The City Council is authorized to approve the issuance of General Obligation Improvement Bonds which have been authorized by a vote of the citizens. The Citizens approved a total of \$76,950,000 on November 4, 2008. By approving the ordinance, the Council will issue \$9,250,000 from the 2008 authorization. This is the fifth bond sale from the 2008 bond authorization. The 2008 authorization provides for a 7 year capital plan.

The City of College Station typically issues debt to fund various capital projects identified and approved as a part of the annual budget. This particular debt issue is planned to provide resources for street and transportation projects, pedestrian improvements, hike and bike trails, and parks and park facilities improvements.

Budget & Financial Summary: Based on current estimates, the refunding will reduce the overall cost of the refunded bonds by at least 9.691% over the remaining life of the existing bonds. Total net present value savings will be at least \$1,225,038. The average annual savings will range between \$34,800 and \$156,368 per year. The savings will help the City by providing an additional margin that Council may choose to use for projects not currently funded by an identified source.

Staff reviewed the impact of the general obligation improvement bonds will have on City's ability to meet debt service requirements and the effect they may have on the ad valorem tax rate. The recommendation to move forward with this issue will not impact the ad valorem tax rate.

Attachments:

1. Ordinance
2. Preliminary Official Statement – A copy will be place in the City Secretary's Office
3. Debt Issuance 2013.

ORDINANCE NO. 2013-_____

AUTHORIZING THE ISSUANCE OF UP TO \$23,000,000 IN PRINCIPAL AMOUNT OF "CITY OF COLLEGE STATION, TEXAS GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2013"; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, it is deemed advisable and to be in the best interest of the City of College Station (the "City") that certain bonds authorized at elections previously held in the City be combined in a single issue and sold at this time, the dates of election, amount of bonds authorized thereat, purpose, amount of bonds previously sold, and the amount now to be sold being as follows as may be modified by the Pricing Officer (defined below):

<u>DATE OF ELECTION</u>	<u>AMOUNT AUTHORIZED</u>	<u>PURPOSE</u>	<u>AMOUNT PREVIOUSLY SOLD</u>	<u>AMOUNT ISSUED HEREIN</u>
November 4, 2003	\$17,980,000	Street & transportation improvements	\$17,980,000	\$0
November 4, 2003	\$7,610,000	Municipal complex improvements	\$3,955,000	\$0
November 4, 2008	\$48,785,000	Street & transportation improvements	\$16,360,000	\$__
November 4, 2008	\$8,385,000	City library improvements	\$0	\$0
November 4, 2008	\$12,790,000	Park & recreation improvements	\$3,840,000	\$__
Total	\$95,550,000		\$42,135,000	\$__

WHEREAS, this City Council finds and determines that it is necessary and proper to order the issuance, sale and delivery of such voted bonds;

WHEREAS, the City has previously issued, and there are presently outstanding, revenue bonds of the City secured by a pledge of revenues derived by the City from the ownership and operation of the City's Utility System (consisting of the City's combined municipal electric light and power, waterworks and sewer system), and general obligation bonds and certificates of obligation which are secured by the full faith and credit of the City and a pledge by the City to levy ad valorem taxes sufficient to pay principal of and interest on the bonds and certificates of obligation as they become due and a pledge of surplus revenues of the Utility System to further secure the certificates of obligation;

WHEREAS, the City now desires to refund all or part of the outstanding revenue bonds, general obligation bonds and certificates of obligation described in Schedule I attached hereto and incorporated herein (collectively, the "Eligible Obligations"), and those Eligible Obligations designated by the Pricing Officer, as defined below, to be refunded are herein referred to as the "Refunded Obligations";

WHEREAS, Chapter 1207, Texas Government Code, authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other

available funds or resources, directly with a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the City and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the City to enter into an escrow or similar agreement with such paying agent for the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such paying agent or trust company or commercial bank may agree;

WHEREAS, the City Council hereby finds and declares a public purpose and it is in the best interests of the City to refund the Refunded Obligations in order to achieve a debt service savings, with such savings, among other information and terms to be included in the Purchase Agreement described in Section 18 of this Ordinance to be executed by the Pricing Officer (hereinafter designated), all in accordance with the provisions of Section 1207.007, Texas Government Code;

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized;

WHEREAS, the City is an "Issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or in a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation;

WHEREAS, the bonds hereinafter authorized to be issued were voted and are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code Chapters 1207, 1331 and 1371, as amended, and the City's Home Rule Charter; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code Chapter 551;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

Section 1. AUTHORIZATION OF BONDS. That said City's General Obligation Improvement and Refunding Bonds, to be designated the "City of College Station, Texas General Obligation Improvement and Refunding Bonds, Series 2013", are hereby authorized to

be issued and delivered in the principal amount not to exceed \$23,000,000 for the public purpose of (i) refunding the Refunded Obligations; (ii) construction of street and transportation improvements throughout the City including traffic signals, sidewalks, hike and bike trails and pedestrian improvements; (iii) construction of park and park facilities improvements; (iv) the payment of fiscal, engineering and legal fees incurred in connection with such projects; and (v) to pay the costs incurred in connection with the issuance of the Bonds (collectively, the "Projects").

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Sections 1207.007 and 1371.053, Texas Government Code, as amended, the Mayor, the Interim City Manager and the Executive Director of Business Services of the City (each the "Pricing Officer") are each hereby authorized to act severally on behalf of the City in selling and delivering the Bonds, carrying out the other procedures specified in this Ordinance, including, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, whether the Bond shall be sold and delivered in one or more series and the date and sale and delivery of each such series, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and obtaining municipal insurance for all or any portion of the Bonds and providing for the terms and provisions thereof applicable to the Bonds, all of which shall be specified in the Purchase Agreement; provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed \$23,000,000, with no more than \$13,500,000 of such amount to be issued for the purposes described in Section 1(i) and Section 1(v), and no more than \$9,500,000 of such amount issued for the construction of improvements described in Sections 1(ii) through 1(v) hereof;

(ii) the true interest cost of the Bonds shall not exceed 4.500% per annum;

(iii) the refunding must produce present value debt service savings of at least 5.000%, net of any City contribution;

(iv) the net effective interest rate on the Bonds shall not exceed the maximum rate set forth in Chapter 1204, Texas Government Code, as amended;

(v) the final maturity of the Bonds shall not exceed February 15, 2033;

(vi) the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to December 13, 2013; and

(vii) on or prior to delivery, the Bonds shall be rated by a nationally recognized rating agency for municipal securities in one of the four highest categories for long-term obligations.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount that, when combined with premium used for purposes other than the payment of costs of issuance, does not exceed the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The Bonds shall be sold with and subject to such terms as set forth in the Purchase Agreement as described in Section 18 herein.

Section 3. CHARACTERISTICS OF THE BONDS. (a) The City shall keep or cause to be kept at the corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., or such other bank, trust company, financial institution, or other agency named in accordance with the provisions of (g) below (the "Paying Agent/Registrar"), books or records for the registration and transfer of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar at its Designated Trust Office, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of such Bond, or any portion thereof in any Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute Bond or Bonds shall be issued in exchange therefor in the manner herein provided.

(b) The entity in whose name any Bond shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Ordinance, whether or not such Bond shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, and to act as its agent to exchange or replace Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges thereof, and all replacements thereof, as provided in this Ordinance.

(d) Each Bond may be exchanged for fully registered Bonds in the manner set forth herein. Each Bond issued and delivered pursuant to this Ordinance may, upon surrender thereof at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered Bonds, without interest coupons, in the form prescribed in the FORM OF BOND, in an Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered Bond or Bonds delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Bonds for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Bond delivered in exchange for or replacement of another Bond prior to the first scheduled interest payment date on the Bonds (as stated on the face thereof) shall be dated the same date as such Bond, but each substitute Bond so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute Bond is delivered, unless such substitute Bond is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged has not been paid, then such substitute Bond shall be dated as of the date to which such interest has been paid in full. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth in the FORM OF BOND (the "Authentication Certificate"). An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute Bond, date such substitute Bond in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Bonds or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein. Pursuant to Chapter 1206, Texas Government Code, the duty of exchange or replacement of any Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which originally were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond so selected for

redemption, in whole or in part, within 45 calendar days of the date fixed for redemption; *provided, however*, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled principal of a Bond.

(e) All Bonds issued in exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BOND.

(f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers of Bonds, but the registered owner of any Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The registered owner of any Bonds requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of exchange, except, however, that in the case of the exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in an Authorized Denomination, as provided in this Ordinance, such fees and charges will be paid by the City. In addition, the City hereby covenants with the registered owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Bonds solely to the extent above provided, and with respect to the exchange of Bonds solely to the extent above provided.

(g) The City covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that it will promptly appoint a competent and legally qualified national or state banking institution which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new

Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Ordinance, shall be in substantially the form as set forth in *Exhibit A* to this Ordinance, shall be numbered consecutively from R-1 upward, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance, and with the FORM OF BOND to be modified pursuant to, and completed with information set forth in the Purchase Agreement. The printer of the Bonds is hereby authorized to print on the Bonds (i) the form of bond counsel's opinion relating to the Bonds, and (ii) an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Bonds.

Section 5. DEFINITIONS. That the term "*Authorized Denomination*" shall mean a denomination of \$5,000 of principal amount of a Bond or any integral multiple thereof; the term "*Bonds*" shall mean the City of College Station, Texas General Obligation Improvement and Refunding Bonds, Series 2013; the term "*Business Day*" means a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City are authorized by law or executive order to close; the term "*MSRB*" means the Municipal Securities Rulemaking Board; the term "*Rule*" means SEC Rule 15c2 12, as amended from time to time; and the term "*SEC*" means the United States Securities and Exchange Commission.

Section 6. LEVY OF TAX; INTEREST AND SINKING FUND.

(a) That a special fund or account, to be designated the "City of College Station, Texas Series 2013 Improvement and Refunding Bond Interest and Sinking Fund" (the "Interest and Sinking Fund") is hereby created and shall be established and maintained by the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Bonds. All ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds are outstanding and unpaid, the governing body of the City shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if any) of the Bonds as such principal matures or comes due through operation of the mandatory sinking fund redemption, if any, but never less than 2% of the original amount of the Bonds as a sinking fund each year. The rate and amount of ad valorem tax is hereby ordered to be levied against all taxable property in the City for each year while any of the Bonds is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. Ad

valorem taxes necessary to pay the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

Section 7. TRANSFER. That the City shall do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest due on the Bonds.

Section 8. SECURITY FOR FUNDS. That the Interest and Sinking Fund created by this Ordinance shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, and such Interest and Sinking Fund shall be used only for the purposes and in the manner permitted or required by this Ordinance.

Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) *Replacement Bonds.* That in the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) *Application for Replacement Bonds.* That application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement Bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) *No Default Occurred.* That notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) *Charge for Issuing Replacement Bonds.* That prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) *Authority for Issuing Replacement Bonds.* That in accordance with Section 1201.067, Texas Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the City or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(d) of this Ordinance for Bonds issued in conversion and exchange of other Bonds.

Section 10. FEDERAL INCOME TAX MATTERS. That the City covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(1) proceeds of the Bonds invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing (a) and (b), the City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the Interim City Manager, any Assistant City Manager and the Executive Director of Business Services, severally, to execute any documents, certificates or reports required by the Code, and to make such elections on behalf of the City which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

In order to facilitate compliance with clause (h) above, a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 11. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. That the City covenants to account for the expenditure of proceeds from the sale of

the Bonds and any investment earnings thereon to be used for the purposes described in Section 1 of this Ordinance (such purpose referred to in this Section and Section 12 as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than 60 days after the earlier of (a) the fifth anniversary of the date of delivery of the Bonds or (b) the date the Bonds are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 12. DISPOSITION OF PROJECT. That the City covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 13. PROCEDURES TO MONITOR COMPLIANCE WITH TAX COVENANTS. The City hereby adopts the procedures attached hereto as *Exhibit B* as a means of monitoring compliance with the federal tax covenants made by the City herein.

Section 14. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS. That the Executive Director of Business Services of the City is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such certificate. The Bonds thus registered shall remain in the custody of the Executive Director of Business Services (or the designee thereof) until delivered to the Underwriter (as defined in Section 18 of this Ordinance).

Section 15. DTC REGISTRATION. That the Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Bonds initially

authorized by this Ordinance shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Bonds on behalf of the Underwriter and its participants. So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Bonds in Authorized Denominations, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The City does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Ordinance, substitute Bonds will be duly delivered as provided in this Ordinance, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds. In connection with the initial establishment of the foregoing book-entry system with DTC, the City heretofore has executed a "Blanket Letter of Representations" prepared by DTC in order to implement the book-entry system described above.

Section 16. CONTINUING DISCLOSURE OBLIGATION.

(a) *Annual Reports.* (i) The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year ending in or after 2013, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 18 of this Ordinance, being the information described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such 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 such period, then the City shall provide unaudited financial statements by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) 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) prior to the next date by which the City otherwise 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 that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) *Event Notices.* The City shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten 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 or 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 Bondholders, 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 an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 such jurisdiction has been assumed by leaving the existing governing body and officials or officers 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);

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall notify 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 such subsection.

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

(ii) The provisions of this Section are for the sole benefit of the registered owners 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 hereunder 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 hereby 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 hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCE SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND 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 SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) 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.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. 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 so 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 such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) 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 such 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.

(d) *Procedures to Monitor Compliance with Continuing Disclosure Covenants.* The City hereby adopts the procedures attached hereto as **Exhibit B** as a means of monitoring compliance with the continuing disclosure covenants made by the City herein.

Section 17. DEFEASANCE. (a) *Deemed Paid.* Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as

aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) *Investments.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) above. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Securities, 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.

(c) *Selection of Defeased Bonds.* In the event that the City elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

(d) *Defeasance Securities.* The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(e) *Continuing Duty of Paying Agent/Registrar.* Until all Bonds defeased under this Section of this Ordinance shall become due and payable, the Paying Agent/Registrar for such Bonds shall perform the services of Paying Agent/Registrar for such Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services.

Section 18. SALE OF BONDS; OFFICIAL STATEMENT. (a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 2 hereof through a negotiated

sale and pursuant to the terms and provisions of a purchase contract (the "Purchase Agreement"), the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2 hereof, and in which the purchaser or purchasers of the Bonds (the "Underwriter") shall be designated. The Pricing Officer is hereby authorized to execute and deliver the Purchase Agreement for an on behalf of the City. The Bonds shall initially be registered in the name of the Underwriter or its designee.

(b) The City hereby approves the form and content of the draft preliminary official statement relating to the Bonds in the form attached hereto as **Exhibit D** and any addenda, supplement or amendment thereto, and approves the distribution of such preliminary official statement in the reoffering of the Bonds by the Underwriter in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable. The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve, distribute, and deliver a final preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriter in the marketing of the Bonds.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Purchase Agreement (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the City to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor and Mayor Pro Tem, the Interim City Manager, the Executive Director of Business Services and City Secretary, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds, any Purchase Agreement and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 19. FURTHER PROCEDURES. That the Mayor, the City Secretary, the Interim City Manager, the Executive Director of Business Services of the City, any Assistant City Manager, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, and the sale and delivery of the Bonds and fixing all details in connection therewith. The City Council hereby authorizes the payment of the fee of the Office of the

Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

Section 20. CONSTRUCTION FUND; USE OF PROCEEDS.

(a) The City hereby creates and establishes and shall maintain on the books of the City a separate fund to be entitled the "Series 2013 Bond Construction Fund" (the "Construction Fund") for use by the City for payment of all lawful costs associated with the acquisition and construction of the projects described in the preambles to this Ordinance.

(b) The proceeds from the sale of the Bonds shall be deposited, on the date of closing, in the manner described in a letter of instructions prepared by the City or on behalf of the City by the City's financial advisor. The foregoing notwithstanding, proceeds representing accrued interest on the Bonds shall be deposited to the credit of the Interest and Sinking Fund. Any amounts remaining after completion of the improvements described in Section 1 hereof shall be transferred FIRST to the Rebate Fund, to the extent required by Section 10 hereof, and THEREAFTER to the Interest and Sinking Fund.

Section 21. INTEREST EARNINGS. That the interest earnings derived from the investment of proceeds from the sale of the Bonds may be used along with other proceeds for the construction of the permanent improvements set forth in Section 1 hereof for which the Bonds are issued; provided that after completion of such permanent improvements, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on proceeds which are required to be rebated to the United States of America pursuant to this Ordinance hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 22. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Pricing Officer is further authorized to enter into and execute on behalf of the City with the escrow agent named therein, an escrow or similar agreement, in the form and substance as presented at the meeting at which this Ordinance was adopted, which agreement will provide for the payment in full of the Refunded Obligations. In addition, the Pricing Officer is authorized to purchase such securities, to execute such subscriptions for the purchase of the Escrowed Securities, (as defined in the agreement), if any, and to authorize such contributions to the escrow fund as provided in the agreement.

Section 23. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) The City hereby directs that certain of the Refunded Obligations be called for redemption on the dates and as set forth in the Escrow Agreement. Each of such Refunded Obligations shall be redeemed at the redemption price of par plus accrued interest. The Pricing Officer is hereby authorized and directed to issue or cause to be issued the Notices of Redemption of the Refunded Obligations.

(b) In addition, the paying agent/registrars for the Refunded Obligations are hereby directed to provide the appropriate notices of redemption and defeasance as specified by the ordinances authorizing the issuance of the Refunded Obligations and are hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their redemption dates. The Refunded Obligations shall be presented for redemption at the paying agent/registrars therefore, and shall not bear interest after the date fixed for redemption.

(c) The source of funds for payment of the principal of and interest on the Refunded Obligations on their redemption date shall be from the funds placed in escrow with the Escrow Agent, pursuant to the Escrow Agreement approved in Section 22 of this Ordinance.

Section 24. DEFAULT AND REMEDIES.

(a) *Events of Default.* Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any registered owner to the City.

(b) *Remedies for Default.*

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Bonds then outstanding.

(c) *Remedies Not Exclusive.*

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any

other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

Section 25. MISCELLANEOUS PROVISIONS. (a) *Preamble.* The preamble to this Ordinance is incorporated by reference and made a part hereof for all purposes.

(b) *Titles Not Restrictive.* That the titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(c) *Rules of Construction.* The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Ordinance to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Ordinance is adopted by the City and any future amendments thereto or successor provisions thereof. Any reference to "FORM OF BOND" shall refer to the form of the Bonds set forth in *Exhibit A* to this Ordinance. Any reference to the payment of principal in this Ordinance shall be deemed to include the payment of any mandatory sinking fund redemption payments as may be described herein.

(d) *Inconsistent Provisions.* All ordinances, orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(e) *Severability.* If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(f) *Governing Law.* This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(g) *Open Meeting.* The City officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code.

(h) *Application of Chapter 1208, Government Code.* Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of ad valorem taxes granted by the City under Section 6, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the ad valorem taxes granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

(i) *Immediate Effect.* In accordance with the provisions of Section 1201.028, Texas Government Code, this Ordinance shall be effective immediately upon its adoption by the City Council.

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PASSED, APPROVED AND EFFECTIVE THIS _____, 2013.

City Secretary, City of College Station, Texas

Mayor, City of College Station, Texas

(CITY SEAL)

APPROVED:

McCall, Parkhurst & Horton L.L.P., Dallas, Texas
Bond Counsel

Ordinance
City of College Station, Texas
General Obligation Improvement and Refunding Bonds,
Series 2013

SIGNATURE PAGE

SCHEDULE I
ELIGIBLE OBLIGATIONS

City of College Station, Texas Certificates of Obligation, Series 2005

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
02/15/2015	230,000.00	4.000%	194468ZW7	02/15/2014	100%
02/15/2016	160,000.00	4.000%	194468ZX5	02/15/2014	100%
02/15/2017	170,000.00	4.000%	194468ZY3	02/15/2014	100%
02/15/2018	180,000.00	4.125%	194468ZZ0	02/15/2014	100%
02/15/2019	190,000.00	4.125%	194468A20	02/15/2014	100%
02/15/2020	200,000.00	4.250%	194468A38	02/15/2014	100%
02/15/2021	215,000.00	4.250%	194468A46	02/15/2014	100%
02/15/2022	225,000.00	4.375%	194468A53	02/15/2014	100%
02/15/2023	235,000.00	4.375%	194468A61	02/15/2014	100%
02/15/2024	250,000.00	4.500%	194468A79	02/15/2014	100%
02/15/2025	265,000.00	4.500%	194468A87	02/15/2014	100%

City of College Station, Texas General Obligation Improvement Bonds, Series 2005

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
02/15/2015	245,000.00	4.000%	194468ZA5	02/15/2014	100%
02/15/2016	255,000.00	4.000%	194468ZB3	02/15/2014	100%
02/15/2017	270,000.00	4.000%	194468ZC1	02/15/2014	100%
02/15/2018	285,000.00	4.125%	194468ZD9	02/15/2014	100%
02/15/2019	305,000.00	4.125%	194468ZE7	02/15/2014	100%
02/15/2020	320,000.00	4.250%	194468ZF4	02/15/2014	100%
02/15/2021	340,000.00	4.250%	194468ZG2	02/15/2014	100%
02/15/2022	360,000.00	4.375%	194468ZH0	02/15/2014	100%
02/15/2023	380,000.00	4.375%	194468ZJ6	02/15/2014	100%
02/15/2024	400,000.00	4.500%	194468ZK3	02/15/2014	100%
02/15/2025	420,000.00	4.500%	194468ZL1	02/15/2014	100%

SCHEDULE I - CONTINUED
ELIGIBLE OBLIGATIONS

City of College Station, Texas Utility System Revenue Bonds, Series 2005

<u>Maturity</u> <u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u>
02/01/2015	375,000.00	4.000%	194493RD6	02/01/2014	100%
02/01/2016	395,000.00	4.000%	194493RE4	02/01/2014	100%
02/01/2017	420,000.00	4.000%	194493RF1	02/01/2014	100%
02/01/2018	445,000.00	4.000%	194493RG9	02/01/2014	100%
02/01/2019	470,000.00	4.125%	194493RH7	02/01/2014	100%
02/01/2020	495,000.00	4.125%	194493RJ3	02/01/2014	100%
02/01/2021	525,000.00	4.250%	194493RK0	02/01/2014	100%
02/01/2022	555,000.00	4.375%	194493RL8	02/01/2014	100%
02/01/2023	585,000.00	4.375%	194493RM6	02/01/2014	100%
02/01/2024	615,000.00	4.500%	194493RN4	02/01/2014	100%
02/01/2025	650,000.00	4.500%	194493RP9	02/01/2014	100%

City of College Station, Texas Utility System Revenue Refunding Bonds, Series 2005A

<u>Maturity</u> <u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption</u> <u>Date</u>	<u>Redemption</u> <u>Price</u>
02/01/2015	1,755,000.00	5.250%	194493RZ7	02/01/2014	100.00
02/01/2016	1,830,000.00	5.000%	194493SA1	02/01/2014	100.00
02/01/2017	1,615,000.00	5.000%	194493SB9	02/01/2014	100.00
02/01/2018	840,000.00	4.000%	194493SC7	02/01/2014	100.00

EXHIBIT A

FORM OF BOND

NO. _____ UNITED STATES OF AMERICA \$ _____
STATE OF TEXAS
COUNTY OF BRAZOS

CITY OF COLLEGE STATION, TEXAS
GENERAL OBLIGATION IMPROVEMENT AND
REFUNDING BOND, SERIES 2013

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP</u>
	%	_____, 2013	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF COLLEGE STATION, TEXAS, in Brazos County (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above or to the registered assignee hereof (either being hereinafter called the "registered owner") the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months), from the Delivery Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the interest rate per annum specified above, with said interest payable on February 15, 2014, and semiannually on each August 15 and February 15 thereafter until maturity or prior redemption; except that if this Bond is required to be authenticated and the date of its authentication is later than February 15, 2014, such interest is payable semiannually on each August 15 and February 15 following such date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. At maturity or redemption prior to maturity, the principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at the designated corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the

Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the Designated Trust Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Bond that on or before each principal and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IN THE EVENT OF NON-PAYMENT of interest on a scheduled payment date, and for 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 from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Bond appearing on the Registration Books kept by the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust 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 on which 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.

THIS BOND is one of a Series of Bonds dated as of July 15, 2013, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____, for the purpose of (i) refunding the Refunded Obligations, as defined in the Ordinance; (ii) construction of street and transportation improvements throughout the City including traffic signals, sidewalks, hike and bike trails and pedestrian improvements; (iii) construction of park and park facilities improvements; (iv) the payment of fiscal, engineering and legal fees incurred in connection with such projects; and (v) to pay the costs incurred in connection with the issuance of the Bonds.

THE BONDS OF THIS SERIES maturing on _____ are subject to mandatory redemption prior to maturity in part at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Bonds shall be redeemed by the Paying Agent/Registrar on February 15 in each of the years and in the principal amounts, respectively, as are set forth in the following schedule:

Term Bonds due February 15, 20__ :

Mandatory Redemption Date: 2/15/____

Principal Amount: \$____

Mandatory Redemption Date: 2/15/____*

Principal Amount: \$____

* *Maturity*

The principal amount of the Bonds required to be redeemed pursuant to the operation of such mandatory sinking fund shall be reduced by the principal amount of any Bond which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been purchased by the Issuer and delivered to the Paying Agent/Registrar for cancellation or (ii) redeemed pursuant to the optional redemption provision described below and not theretofore credited against a mandatory sinking fund requirement.

ON FEBRUARY 15, _____, or on any date thereafter, the Bonds of this Series maturing on February 15, _____ and thereafter may be redeemed prior to their scheduled maturities, at the option of the City, in whole, or in part, at par and accrued interest to the date fixed for redemption. The years of maturity of the Bonds called for redemption at the option of the City prior to stated maturity shall be selected by the City. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

AT LEAST THIRTY days prior to the date fixed for any such redemption, a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in Authorized Denominations, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice

must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in Authorized Denominations. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in Authorized Denominations as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar at its Designated Trust Office for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar at its Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in an Authorized Denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The foregoing notwithstanding, in the case of the exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the City. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, or exchange as a condition precedent to the exercise of such privilege. In any circumstance, neither the City nor the Paying Agent/Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 45 calendar days.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Bond Ordinance that it

promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a direct obligation of said City, issued on the full faith and credit thereof; and that in accordance with the terms of the Bond Ordinance, annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limit prescribed by law.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the City, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor of the City, attested by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly affixed to, or impressed, or placed in facsimile, on this Bond.

XXXXX
City Secretary, City of College Station, Texas

XXXXX
Mayor, City of College Station, Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the City as described in the text of this Bond; and that this Bond has been issued in exchange for or replacement of a Bond of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

The Bank of New York Mellon
Trust Company, N.A.
Paying Agent/Registrar

By: _____
Authorized Representative

*FORM OF COMPTROLLER'S CERTIFICATE ATTACHED TO
THE BONDS UPON INITIAL DELIVERY THEREOF

COMPTROLLER'S CERTIFICATE

OFFICE OF COMPTROLLER §

REGISTER NO. _____

STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the City of College Station, Texas, payable in the manner provided by and in the ordinance authorizing same, and said Bond has this day been registered by me.

WITNESS MY HAND and seal of office at Austin, Texas this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

NOTE: *to accompany initial Bonds only.

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

. PROCEDURES REGARDING COMPLIANCE WITH FEDERAL TAX AND CONTINUING DISCLOSURE COVENANTS

This Exhibit is intended to assist the City of College Station (the "City") in complying with the federal income tax covenants and securities disclosure covenants as they apply to the issuance of tax-exempt debt securities such as the General Obligation Improvement and Refunding Bonds (the "Obligations"). These procedures should be read together with any federal tax certifications, bond covenants, letters or memoranda from bond counsel and any attachments thereto (collectively, the "Closing Documents"). Failure to comply with federal guidelines could have serious consequences for investors, the City and its officials.

These procedures shall apply to the Obligations, until they are superseded by a change in circumstances at which time the City's bond counsel will propose new procedures to be adopted.

I. FEDERAL TAX LAW

1. Arbitrage Compliance.

Arbitrage refers to the difference between the interest paid on tax-exempt Obligations and the interest earned by investing the proceeds of tax-exempt Obligations in higher-yielding investments. Such higher-yielding investments could take the form of loans, securities, real property, personal property, or other investments that could yield a profit to the City. Federal income tax laws generally restrict the ability to earn arbitrage utilizing the proceeds of tax-exempt Obligations. Generally, any profit from investing Obligation proceeds at a yield above the yield paid on the Obligations belongs to the federal government and must be rebated to the federal government. If the City fails to comply federal tax guidelines, Obligations could be deemed to be "arbitrage bonds" by the Internal Revenue Service (the "IRS"), which would expose the City to monetary liability from the City's investors.

The arbitrage yield on the Obligations is set forth on the IRS Form 8038-G.

The Executive Director of Business Services and the City Treasurer (including such other employees of the City who report to such officers) (collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

- a. Procedures applicable to the Obligation. The Responsible Person shall undertake the following procedures.

- i. If the City plans to spend funds currently on hand for a future project with the intent to later repay such funds from a debt issue, the Responsible Person shall contact Bond Counsel to obtain advice regarding a reimbursement resolution. The Responsible Person shall maintain any official action of the City (such as a reimbursement resolution) stating the City's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project.
 - ii. The Responsible Person shall ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS.
 - iii. If proceeds of the Obligations are to be invested in interest-earning investments, assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired. If proceeds of the Obligations are to be invested in interest-earning investments, the Responsible Person should contact the City's arbitrage consultant regarding such matters.
 - iv. The Responsible Person shall monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund (the "I&S Fund"), to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period.

NOTE: the purpose of the I&S Fund is to achieve a proper matching of revenues with principal and interest payments within each fiscal year. The I&S Fund should be used a mechanism for payment of current debt service and not as a long-term investment fund for debt service many years in the future.
 - v. The Responsible Person shall ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.
- b. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person shall undertake the following.

- i. The Responsible Person shall instruct the persons who are primarily responsible for the construction, renovation or acquisition of the facilities financed with Obligations (the “Project”) that the Project must (i) proceed with due diligence toward completion and that (ii) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within six (6) months of the date of closing of the Obligations (the “Issue Date”). The Responsible Person shall monitor that the above requirements are satisfied.
 - ii. The Responsible Person shall monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date.
 - iii. The Responsible Person shall monitor investment of proceeds of the Obligations and restrict the yield of the investments to the yield on the Obligations after three years of the Issue Date.
 - iv. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are later refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes, and shall contact Bond Counsel as necessary.
- c. *Procedures applicable to Escrow Accounts for the Obligations.* In addition to the foregoing, with respect to the proceeds of the Obligations deposited to the escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person shall undertake the following.
- i. The Responsible Person shall review invoices, reports and other notifications from the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances.
 - ii. The Responsible Person shall contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed.
 - iii. The Responsible Person shall monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

B. Private Business Use.

Generally, the proceeds of tax-exempt Obligations may not inure to the benefit of entities other than state or local governments (“private business use”). Private business use occurs whenever Obligation proceeds are used to benefit any entity other than a state or local government, *including nonprofit corporations and the federal government.*

A series of Obligations may lose their tax-exempt status if: (i) more than 10% of the proceeds of the Obligations are to be used for any private business use and the payment of the principal or interest on more than 10% of the proceeds of the Obligations is secured by or payable from property used for a private business use, or (ii) the amount of proceeds of the Obligations used to make loans to borrowers other than state and local governments exceeds the lesser of 5% of the proceeds or \$15 million.

With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations, the Responsible Person shall undertake the following to ensure the Obligations do not violate private business use tests.

- a. The Responsible Person shall develop procedures or a “tracking system” to identify, log and record all property financed with tax-exempt debt and identify the issue of Obligations used to finance such property.
- b. The Responsible Person shall monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended.
- c. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, research contract, naming rights agreement, purchase contract, management agreement or other service agreement) with respect to any portion of the Project.
- d. Before entering into any private business use arrangement that involves the use of the Project, the Responsible Person must obtain a description of the proposed private business use arrangement and determine whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project. In connection with the evaluation of any proposed private business use arrangement, the Responsible Person should consult with Bond Counsel to discuss whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project, and, if not, whether any “remedial action” permitted under federal guidelines may be taken as a means of enabling such private business use without adversely affecting the tax-exempt status of the Obligations.
- e. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the

City, the agents of the City or members of the general public has a right to use the output of the Project (*e.g.*, water, gas, electricity, capacity) on any basis other than standard rates and charges.

- f. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, has a naming right for the Project or any other contractual right granting an intangible benefit.
- g. Prior to any sale of property owned by the City (real or personal), the Responsible Person must confirm whether such property was financed with tax-exempt debt, and if so, determine whether the proposed disposition of the property could impact the tax-exempt status of the series of Obligations that financed the acquisition of such property.
- h. The Responsible Person shall take any action necessary to remediate any failure to maintain compliance with the covenants contained in the ordinance authorizing the issuance of the applicable series of Obligations.

C. Record Retention.

The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

For purposes of these procedures, the Memorandum of Bond Counsel dated December 1, 2011 styled "Certain Federal Income Tax Considerations for Record Retention – Record Management Program and Periodic Compliance Review" is incorporated herein and should be reviewed periodically, at least once per year, by the Responsible Person.

D. Responsible Person & Continuity.

Each Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

Prior to cessation of employment with the City, the Responsible Person should identify their successor to maintain compliance with these procedures.

II. FEDERAL SECURITIES LAW

Obligations, whether taxable or tax-exempt, sold in a public offering in an amount of \$1 million or more are subject to Rule 15c2-12 (the “Rule”) of the United States Securities and Exchange Commission (the “SEC”). Additionally, the City may have covenanted to comply with the Rule even with respect to Obligations that would otherwise be exempt from the Rule (*e.g.*, Obligations sold in a private placement or Obligations sold in an amount less than \$1 million). Pursuant to the Rule, the City is required to make annual filings of certain information, as well as make filings upon the occurrence of certain specified events. All filings must be made with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access System (“EMMA”) at emma.msrb.org.

A. Annual Filings.

The City must file the information listed below with EMMA within six (6) months of each fiscal year end for so long as the respective series of Obligations remains outstanding. The City’s fiscal year ends on September 30 of each year. Therefore, the City must provide updated information by March 31 of the subsequent year. If audited financial statements are not available by March 31, the City must provide unaudited financial information by such date and provide audited financial statements when such statements become available. The City must file each of the following items with EMMA:

- (1) The City’s audited financial statements; and
- (2) An update of the financial tables included in the Official Statement used in connection with the Obligations as described under the caption "Continuing Disclosure of Information". The information should be from the most recent fiscal year end.

The Responsible Person must compile, prepare and make such filings within the required time, or, alternatively, contract with a third-party, such as the City’s financial advisor, to make such filings on the City’s behalf.

B. Notices of Specified Events.

The City must provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event):

- (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 IRS 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 Obligations, or other material events affecting the tax status of the Obligations;
- (7) Modifications to rights of Obligation holders, if material;
- (8) Obligations calls (includes redemptions and other early payments), if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Obligations, 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;
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material; and
- (15) In a timely manner, notice of a failure of the City to make the required annual filings listed in Subsection II(A) above.

The Responsible Person should review this list at regular intervals to determine whether any event has occurred that may require a filing with EMMA.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 16 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 below (and included in the Appendix or under the headings of the Official Statement referred to):

1. The "Annual Financial Report" for the most recently concluded fiscal year.
2. The information included in the Official Statement under the following tables, but for the most recently concluded fiscal year: Tables 1 through 6 and 8 through 20.

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 described above, as such principles may be changed from time to time to comply with state law or regulation.

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

ORDINANCE NO. 2013-_____

AUTHORIZING THE ISSUANCE OF UP TO \$23,000,000 IN PRINCIPAL AMOUNT OF "CITY OF COLLEGE STATION, TEXAS GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS, SERIES 2013"; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, it is deemed advisable and to be in the best interest of the City of College Station (the "City") that certain bonds authorized at elections previously held in the City be combined in a single issue and sold at this time, the dates of election, amount of bonds authorized thereat, purpose, amount of bonds previously sold, and the amount now to be sold being as follows as may be modified by the Pricing Officer (defined below):

<u>DATE OF ELECTION</u>	<u>AMOUNT AUTHORIZED</u>	<u>PURPOSE</u>	<u>AMOUNT PREVIOUSLY SOLD</u>	<u>AMOUNT ISSUED HEREIN</u>
November 4, 2003	\$17,980,000	Street & transportation improvements	\$17,980,000	\$0
November 4, 2003	\$7,610,000	Municipal complex improvements	\$3,955,000	\$0
November 4, 2008	\$48,785,000	Street & transportation improvements	\$16,360,000	\$__
November 4, 2008	\$8,385,000	City library improvements	\$0	\$0
November 4, 2008	\$12,790,000	Park & recreation improvements	\$3,840,000	\$__
Total	\$95,550,000		\$42,135,000	\$__

WHEREAS, this City Council finds and determines that it is necessary and proper to order the issuance, sale and delivery of such voted bonds;

WHEREAS, the City has previously issued, and there are presently outstanding, revenue bonds of the City secured by a pledge of revenues derived by the City from the ownership and operation of the City's Utility System (consisting of the City's combined municipal electric light and power, waterworks and sewer system), and general obligation bonds and certificates of obligation which are secured by the full faith and credit of the City and a pledge by the City to levy ad valorem taxes sufficient to pay principal of and interest on the bonds and certificates of obligation as they become due and a pledge of surplus revenues of the Utility System to further secure the certificates of obligation;

WHEREAS, the City now desires to refund all or part of the outstanding revenue bonds, general obligation bonds and certificates of obligation described in Schedule I attached hereto and incorporated herein (collectively, the "Eligible Obligations"), and those Eligible Obligations designated by the Pricing Officer, as defined below, to be refunded are herein referred to as the "Refunded Obligations";

WHEREAS, Chapter 1207, Texas Government Code, authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other

available funds or resources, directly with a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the City and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the City to enter into an escrow or similar agreement with such paying agent for the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such paying agent or trust company or commercial bank may agree;

WHEREAS, the City Council hereby finds and declares a public purpose and it is in the best interests of the City to refund the Refunded Obligations in order to achieve a debt service savings, with such savings, among other information and terms to be included in the Purchase Agreement described in Section 18 of this Ordinance to be executed by the Pricing Officer (hereinafter designated), all in accordance with the provisions of Section 1207.007, Texas Government Code;

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized;

WHEREAS, the City is an "Issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or in a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation;

WHEREAS, the bonds hereinafter authorized to be issued were voted and are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code Chapters 1207, 1331 and 1371, as amended, and the City's Home Rule Charter; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code Chapter 551;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

Section 1. AUTHORIZATION OF BONDS. That said City's General Obligation Improvement and Refunding Bonds, to be designated the "City of College Station, Texas General Obligation Improvement and Refunding Bonds, Series 2013", are hereby authorized to

be issued and delivered in the principal amount not to exceed \$23,000,000 for the public purpose of (i) refunding the Refunded Obligations; (ii) construction of street and transportation improvements throughout the City including traffic signals, sidewalks, hike and bike trails and pedestrian improvements; (iii) construction of park and park facilities improvements; (iv) the payment of fiscal, engineering and legal fees incurred in connection with such projects; and (v) to pay the costs incurred in connection with the issuance of the Bonds (collectively, the "Projects").

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Sections 1207.007 and 1371.053, Texas Government Code, as amended, the Mayor, the Interim City Manager and the Executive Director of Business Services of the City (each the "Pricing Officer") are each hereby authorized to act severally on behalf of the City in selling and delivering the Bonds, carrying out the other procedures specified in this Ordinance, including, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, whether the Bond shall be sold and delivered in one or more series and the date and sale and delivery of each such series, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and obtaining municipal insurance for all or any portion of the Bonds and providing for the terms and provisions thereof applicable to the Bonds, all of which shall be specified in the Purchase Agreement; provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed \$23,000,000, with no more than \$13,500,000 of such amount to be issued for the purposes described in Section 1(i) and Section 1(v), and no more than \$9,500,000 of such amount issued for the construction of improvements described in Sections 1(ii) through 1(v) hereof;

(ii) the true interest cost of the Bonds shall not exceed 4.500% per annum;

(iii) the refunding must produce present value debt service savings of at least 5.000%, net of any City contribution;

(iv) the net effective interest rate on the Bonds shall not exceed the maximum rate set forth in Chapter 1204, Texas Government Code, as amended;

(v) the final maturity of the Bonds shall not exceed February 15, 2033;

(vi) the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to December 13, 2013; and

(vii) on or prior to delivery, the Bonds shall be rated by a nationally recognized rating agency for municipal securities in one of the four highest categories for long-term obligations.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount that, when combined with premium used for purposes other than the payment of costs of issuance, does not exceed the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The Bonds shall be sold with and subject to such terms as set forth in the Purchase Agreement as described in Section 18 herein.

Section 3. CHARACTERISTICS OF THE BONDS. (a) The City shall keep or cause to be kept at the corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., or such other bank, trust company, financial institution, or other agency named in accordance with the provisions of (g) below (the "Paying Agent/Registrar"), books or records for the registration and transfer of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar at its Designated Trust Office, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of such Bond, or any portion thereof in any Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute Bond or Bonds shall be issued in exchange therefor in the manner herein provided.

(b) The entity in whose name any Bond shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Ordinance, whether or not such Bond shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, and to act as its agent to exchange or replace Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges thereof, and all replacements thereof, as provided in this Ordinance.

(d) Each Bond may be exchanged for fully registered Bonds in the manner set forth herein. Each Bond issued and delivered pursuant to this Ordinance may, upon surrender thereof at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered Bonds, without interest coupons, in the form prescribed in the FORM OF BOND, in an Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered Bond or Bonds delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Bonds for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Bond delivered in exchange for or replacement of another Bond prior to the first scheduled interest payment date on the Bonds (as stated on the face thereof) shall be dated the same date as such Bond, but each substitute Bond so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute Bond is delivered, unless such substitute Bond is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged has not been paid, then such substitute Bond shall be dated as of the date to which such interest has been paid in full. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth in the FORM OF BOND (the "Authentication Certificate"). An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute Bond, date such substitute Bond in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Bonds or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein. Pursuant to Chapter 1206, Texas Government Code, the duty of exchange or replacement of any Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which originally were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond so selected for

redemption, in whole or in part, within 45 calendar days of the date fixed for redemption; *provided, however*, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled principal of a Bond.

(e) All Bonds issued in exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BOND.

(f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers of Bonds, but the registered owner of any Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The registered owner of any Bonds requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of exchange, except, however, that in the case of the exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof in an Authorized Denomination, as provided in this Ordinance, such fees and charges will be paid by the City. In addition, the City hereby covenants with the registered owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Bonds solely to the extent above provided, and with respect to the exchange of Bonds solely to the extent above provided.

(g) The City covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that it will promptly appoint a competent and legally qualified national or state banking institution which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new

Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Ordinance, shall be in substantially the form as set forth in *Exhibit A* to this Ordinance, shall be numbered consecutively from R-1 upward, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance, and with the FORM OF BOND to be modified pursuant to, and completed with information set forth in the Purchase Agreement. The printer of the Bonds is hereby authorized to print on the Bonds (i) the form of bond counsel's opinion relating to the Bonds, and (ii) an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Bonds.

Section 5. DEFINITIONS. That the term "*Authorized Denomination*" shall mean a denomination of \$5,000 of principal amount of a Bond or any integral multiple thereof; the term "*Bonds*" shall mean the City of College Station, Texas General Obligation Improvement and Refunding Bonds, Series 2013; the term "*Business Day*" means a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City are authorized by law or executive order to close; the term "*MSRB*" means the Municipal Securities Rulemaking Board; the term "*Rule*" means SEC Rule 15c2 12, as amended from time to time; and the term "*SEC*" means the United States Securities and Exchange Commission.

Section 6. LEVY OF TAX; INTEREST AND SINKING FUND.

(a) That a special fund or account, to be designated the "City of College Station, Texas Series 2013 Improvement and Refunding Bond Interest and Sinking Fund" (the "Interest and Sinking Fund") is hereby created and shall be established and maintained by the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Bonds. All ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds are outstanding and unpaid, the governing body of the City shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if any) of the Bonds as such principal matures or comes due through operation of the mandatory sinking fund redemption, if any, but never less than 2% of the original amount of the Bonds as a sinking fund each year. The rate and amount of ad valorem tax is hereby ordered to be levied against all taxable property in the City for each year while any of the Bonds is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. Ad

valorem taxes necessary to pay the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

Section 7. TRANSFER. That the City shall do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest due on the Bonds.

Section 8. SECURITY FOR FUNDS. That the Interest and Sinking Fund created by this Ordinance shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, and such Interest and Sinking Fund shall be used only for the purposes and in the manner permitted or required by this Ordinance.

Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) *Replacement Bonds.* That in the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) *Application for Replacement Bonds.* That application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement Bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) *No Default Occurred.* That notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) *Charge for Issuing Replacement Bonds.* That prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) *Authority for Issuing Replacement Bonds.* That in accordance with Section 1201.067, Texas Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the City or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(d) of this Ordinance for Bonds issued in conversion and exchange of other Bonds.

Section 10. FEDERAL INCOME TAX MATTERS. That the City covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(1) proceeds of the Bonds invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing (a) and (b), the City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the Interim City Manager, any Assistant City Manager and the Executive Director of Business Services, severally, to execute any documents, certificates or reports required by the Code, and to make such elections on behalf of the City which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

In order to facilitate compliance with clause (h) above, a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 11. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. That the City covenants to account for the expenditure of proceeds from the sale of

the Bonds and any investment earnings thereon to be used for the purposes described in Section 1 of this Ordinance (such purpose referred to in this Section and Section 12 as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than 60 days after the earlier of (a) the fifth anniversary of the date of delivery of the Bonds or (b) the date the Bonds are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 12. DISPOSITION OF PROJECT. That the City covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 13. PROCEDURES TO MONITOR COMPLIANCE WITH TAX COVENANTS. The City hereby adopts the procedures attached hereto as *Exhibit B* as a means of monitoring compliance with the federal tax covenants made by the City herein.

Section 14. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS. That the Executive Director of Business Services of the City is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such certificate. The Bonds thus registered shall remain in the custody of the Executive Director of Business Services (or the designee thereof) until delivered to the Underwriter (as defined in Section 18 of this Ordinance).

Section 15. DTC REGISTRATION. That the Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Bonds initially

authorized by this Ordinance shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Bonds on behalf of the Underwriter and its participants. So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Bonds in Authorized Denominations, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The City does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Ordinance, substitute Bonds will be duly delivered as provided in this Ordinance, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds. In connection with the initial establishment of the foregoing book-entry system with DTC, the City heretofore has executed a "Blanket Letter of Representations" prepared by DTC in order to implement the book-entry system described above.

Section 16. CONTINUING DISCLOSURE OBLIGATION.

(a) *Annual Reports.* (i) The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year ending in or after 2013, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 18 of this Ordinance, being the information described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such 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 such period, then the City shall provide unaudited financial statements by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) 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) prior to the next date by which the City otherwise 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 that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) *Event Notices.* The City shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten 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 or 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 Bondholders, 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 an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 such jurisdiction has been assumed by leaving the existing governing body and officials or officers 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);

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall notify 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 such subsection.

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

(ii) The provisions of this Section are for the sole benefit of the registered owners 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 hereunder 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 hereby 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 hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCE SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND 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 SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) 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.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. 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 so 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 such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) 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 such 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.

(d) *Procedures to Monitor Compliance with Continuing Disclosure Covenants.* The City hereby adopts the procedures attached hereto as **Exhibit B** as a means of monitoring compliance with the continuing disclosure covenants made by the City herein.

Section 17. DEFEASANCE. (a) *Deemed Paid.* Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as

aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) *Investments.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) above. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Securities, 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.

(c) *Selection of Defeased Bonds.* In the event that the City elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

(d) *Defeasance Securities.* The term "Defeasance Securities" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(e) *Continuing Duty of Paying Agent/Registrar.* Until all Bonds defeased under this Section of this Ordinance shall become due and payable, the Paying Agent/Registrar for such Bonds shall perform the services of Paying Agent/Registrar for such Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services.

Section 18. SALE OF BONDS; OFFICIAL STATEMENT. (a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 2 hereof through a negotiated

sale and pursuant to the terms and provisions of a purchase contract (the "Purchase Agreement"), the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2 hereof, and in which the purchaser or purchasers of the Bonds (the "Underwriter") shall be designated. The Pricing Officer is hereby authorized to execute and deliver the Purchase Agreement for an on behalf of the City. The Bonds shall initially be registered in the name of the Underwriter or its designee.

(b) The City hereby approves the form and content of the draft preliminary official statement relating to the Bonds in the form attached hereto as **Exhibit D** and any addenda, supplement or amendment thereto, and approves the distribution of such preliminary official statement in the reoffering of the Bonds by the Underwriter in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable. The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve, distribute, and deliver a final preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriter in the marketing of the Bonds.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Purchase Agreement (the "Insurer") a municipal bond insurance policy (the "Insurance Policy") in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the City to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor and Mayor Pro Tem, the Interim City Manager, the Executive Director of Business Services and City Secretary, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds, any Purchase Agreement and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 19. FURTHER PROCEDURES. That the Mayor, the City Secretary, the Interim City Manager, the Executive Director of Business Services of the City, any Assistant City Manager, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, and the sale and delivery of the Bonds and fixing all details in connection therewith. The City Council hereby authorizes the payment of the fee of the Office of the

Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

Section 20. CONSTRUCTION FUND; USE OF PROCEEDS.

(a) The City hereby creates and establishes and shall maintain on the books of the City a separate fund to be entitled the "Series 2013 Bond Construction Fund" (the "Construction Fund") for use by the City for payment of all lawful costs associated with the acquisition and construction of the projects described in the preambles to this Ordinance.

(b) The proceeds from the sale of the Bonds shall be deposited, on the date of closing, in the manner described in a letter of instructions prepared by the City or on behalf of the City by the City's financial advisor. The foregoing notwithstanding, proceeds representing accrued interest on the Bonds shall be deposited to the credit of the Interest and Sinking Fund. Any amounts remaining after completion of the improvements described in Section 1 hereof shall be transferred FIRST to the Rebate Fund, to the extent required by Section 10 hereof, and THEREAFTER to the Interest and Sinking Fund.

Section 21. INTEREST EARNINGS. That the interest earnings derived from the investment of proceeds from the sale of the Bonds may be used along with other proceeds for the construction of the permanent improvements set forth in Section 1 hereof for which the Bonds are issued; provided that after completion of such permanent improvements, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on proceeds which are required to be rebated to the United States of America pursuant to this Ordinance hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 22. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Pricing Officer is further authorized to enter into and execute on behalf of the City with the escrow agent named therein, an escrow or similar agreement, in the form and substance as presented at the meeting at which this Ordinance was adopted, which agreement will provide for the payment in full of the Refunded Obligations. In addition, the Pricing Officer is authorized to purchase such securities, to execute such subscriptions for the purchase of the Escrowed Securities, (as defined in the agreement), if any, and to authorize such contributions to the escrow fund as provided in the agreement.

Section 23. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) The City hereby directs that certain of the Refunded Obligations be called for redemption on the dates and as set forth in the Escrow Agreement. Each of such Refunded Obligations shall be redeemed at the redemption price of par plus accrued interest. The Pricing Officer is hereby authorized and directed to issue or cause to be issued the Notices of Redemption of the Refunded Obligations.

(b) In addition, the paying agent/registrars for the Refunded Obligations are hereby directed to provide the appropriate notices of redemption and defeasance as specified by the ordinances authorizing the issuance of the Refunded Obligations and are hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their redemption dates. The Refunded Obligations shall be presented for redemption at the paying agent/registrars therefore, and shall not bear interest after the date fixed for redemption.

(c) The source of funds for payment of the principal of and interest on the Refunded Obligations on their redemption date shall be from the funds placed in escrow with the Escrow Agent, pursuant to the Escrow Agreement approved in Section 22 of this Ordinance.

Section 24. DEFAULT AND REMEDIES.

(a) *Events of Default.* Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any registered owner to the City.

(b) *Remedies for Default.*

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Bonds then outstanding.

(c) *Remedies Not Exclusive.*

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any

other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

Section 25. MISCELLANEOUS PROVISIONS. (a) *Preamble.* The preamble to this Ordinance is incorporated by reference and made a part hereof for all purposes.

(b) *Titles Not Restrictive.* That the titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(c) *Rules of Construction.* The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision. Except where the context otherwise requires, terms defined in this Ordinance to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Ordinance is adopted by the City and any future amendments thereto or successor provisions thereof. Any reference to "FORM OF BOND" shall refer to the form of the Bonds set forth in *Exhibit A* to this Ordinance. Any reference to the payment of principal in this Ordinance shall be deemed to include the payment of any mandatory sinking fund redemption payments as may be described herein.

(d) *Inconsistent Provisions.* All ordinances, orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(e) *Severability.* If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(f) *Governing Law.* This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(g) *Open Meeting.* The City officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code.

(h) *Application of Chapter 1208, Government Code.* Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of ad valorem taxes granted by the City under Section 6, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the ad valorem taxes granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

(i) *Immediate Effect.* In accordance with the provisions of Section 1201.028, Texas Government Code, this Ordinance shall be effective immediately upon its adoption by the City Council.

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PASSED, APPROVED AND EFFECTIVE THIS _____, 2013.

City Secretary, City of College Station, Texas

Mayor, City of College Station, Texas

(CITY SEAL)

APPROVED:

McCall, Parkhurst & Horton L.L.P., Dallas, Texas
Bond Counsel



A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to read 'R. J. ...'.

Ordinance
City of College Station, Texas
General Obligation Improvement and Refunding Bonds,
Series 2013

SCHEDULE I
ELIGIBLE OBLIGATIONS

City of College Station, Texas Certificates of Obligation, Series 2005

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
02/15/2015	230,000.00	4.000%	194468ZW7	02/15/2014	100%
02/15/2016	160,000.00	4.000%	194468ZX5	02/15/2014	100%
02/15/2017	170,000.00	4.000%	194468ZY3	02/15/2014	100%
02/15/2018	180,000.00	4.125%	194468ZZ0	02/15/2014	100%
02/15/2019	190,000.00	4.125%	194468A20	02/15/2014	100%
02/15/2020	200,000.00	4.250%	194468A38	02/15/2014	100%
02/15/2021	215,000.00	4.250%	194468A46	02/15/2014	100%
02/15/2022	225,000.00	4.375%	194468A53	02/15/2014	100%
02/15/2023	235,000.00	4.375%	194468A61	02/15/2014	100%
02/15/2024	250,000.00	4.500%	194468A79	02/15/2014	100%
02/15/2025	265,000.00	4.500%	194468A87	02/15/2014	100%

City of College Station, Texas General Obligation Improvement Bonds, Series 2005

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
02/15/2015	245,000.00	4.000%	194468ZA5	02/15/2014	100%
02/15/2016	255,000.00	4.000%	194468ZB3	02/15/2014	100%
02/15/2017	270,000.00	4.000%	194468ZC1	02/15/2014	100%
02/15/2018	285,000.00	4.125%	194468ZD9	02/15/2014	100%
02/15/2019	305,000.00	4.125%	194468ZE7	02/15/2014	100%
02/15/2020	320,000.00	4.250%	194468ZF4	02/15/2014	100%
02/15/2021	340,000.00	4.250%	194468ZG2	02/15/2014	100%
02/15/2022	360,000.00	4.375%	194468ZH0	02/15/2014	100%
02/15/2023	380,000.00	4.375%	194468ZJ6	02/15/2014	100%
02/15/2024	400,000.00	4.500%	194468ZK3	02/15/2014	100%
02/15/2025	420,000.00	4.500%	194468ZL1	02/15/2014	100%

SCHEDULE I - CONTINUED
ELIGIBLE OBLIGATIONS

City of College Station, Texas Utility System Revenue Bonds, Series 2005

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
02/01/2015	375,000.00	4.000%	194493RD6	02/01/2014	100%
02/01/2016	395,000.00	4.000%	194493RE4	02/01/2014	100%
02/01/2017	420,000.00	4.000%	194493RF1	02/01/2014	100%
02/01/2018	445,000.00	4.000%	194493RG9	02/01/2014	100%
02/01/2019	470,000.00	4.125%	194493RH7	02/01/2014	100%
02/01/2020	495,000.00	4.125%	194493RJ3	02/01/2014	100%
02/01/2021	525,000.00	4.250%	194493RK0	02/01/2014	100%
02/01/2022	555,000.00	4.375%	194493RL8	02/01/2014	100%
02/01/2023	585,000.00	4.375%	194493RM6	02/01/2014	100%
02/01/2024	615,000.00	4.500%	194493RN4	02/01/2014	100%
02/01/2025	650,000.00	4.500%	194493RP9	02/01/2014	100%

City of College Station, Texas Utility System Revenue Refunding Bonds, Series 2005A

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>CUSIP</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
02/01/2015	1,755,000.00	5.250%	194493RZ7	02/01/2014	100.00
02/01/2016	1,830,000.00	5.000%	194493SA1	02/01/2014	100.00
02/01/2017	1,615,000.00	5.000%	194493SB9	02/01/2014	100.00
02/01/2018	840,000.00	4.000%	194493SC7	02/01/2014	100.00

EXHIBIT A

FORM OF BOND

NO. _____ UNITED STATES OF AMERICA \$ _____
STATE OF TEXAS
COUNTY OF BRAZOS

CITY OF COLLEGE STATION, TEXAS
GENERAL OBLIGATION IMPROVEMENT AND
REFUNDING BOND, SERIES 2013

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP</u>
	%	_____, 2013	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF COLLEGE STATION, TEXAS, in Brazos County (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above or to the registered assignee hereof (either being hereinafter called the "registered owner") the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months), from the Delivery Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the interest rate per annum specified above, with said interest payable on February 15, 2014, and semiannually on each August 15 and February 15 thereafter until maturity or prior redemption; except that if this Bond is required to be authenticated and the date of its authentication is later than February 15, 2014, such interest is payable semiannually on each August 15 and February 15 following such date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. At maturity or redemption prior to maturity, the principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at the designated corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the

Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the Designated Trust Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Bond that on or before each principal and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IN THE EVENT OF NON-PAYMENT of interest on a scheduled payment date, and for 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 from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Bond appearing on the Registration Books kept by the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust 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 on which 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.

THIS BOND is one of a Series of Bonds dated as of July 15, 2013, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____, for the purpose of (i) refunding the Refunded Obligations, as defined in the Ordinance; (ii) construction of street and transportation improvements throughout the City including traffic signals, sidewalks, hike and bike trails and pedestrian improvements; (iii) construction of park and park facilities improvements; (iv) the payment of fiscal, engineering and legal fees incurred in connection with such projects; and (v) to pay the costs incurred in connection with the issuance of the Bonds.

THE BONDS OF THIS SERIES maturing on _____ are subject to mandatory redemption prior to maturity in part at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Bonds shall be redeemed by the Paying Agent/Registrar on February 15 in each of the years and in the principal amounts, respectively, as are set forth in the following schedule:

Term Bonds due February 15, 20__ :

Mandatory Redemption Date: 2/15/____

Principal Amount: \$____

Mandatory Redemption Date: 2/15/____*

Principal Amount: \$____

* *Maturity*

The principal amount of the Bonds required to be redeemed pursuant to the operation of such mandatory sinking fund shall be reduced by the principal amount of any Bond which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been purchased by the Issuer and delivered to the Paying Agent/Registrar for cancellation or (ii) redeemed pursuant to the optional redemption provision described below and not theretofore credited against a mandatory sinking fund requirement.

ON FEBRUARY 15, _____, or on any date thereafter, the Bonds of this Series maturing on February 15, _____ and thereafter may be redeemed prior to their scheduled maturities, at the option of the City, in whole, or in part, at par and accrued interest to the date fixed for redemption. The years of maturity of the Bonds called for redemption at the option of the City prior to stated maturity shall be selected by the City. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

AT LEAST THIRTY days prior to the date fixed for any such redemption, a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in Authorized Denominations, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice

must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in Authorized Denominations. As provided in the Bond Ordinance, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in Authorized Denominations as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar at its Designated Trust Office for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar at its Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in an Authorized Denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The foregoing notwithstanding, in the case of the exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the City. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, or exchange as a condition precedent to the exercise of such privilege. In any circumstance, neither the City nor the Paying Agent/Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 45 calendar days.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Bond Ordinance that it

promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a direct obligation of said City, issued on the full faith and credit thereof; and that in accordance with the terms of the Bond Ordinance, annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limit prescribed by law.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the City, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor of the City, attested by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly affixed to, or impressed, or placed in facsimile, on this Bond.

XXXXX
City Secretary, City of College Station, Texas

XXXXX
Mayor, City of College Station, Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the City as described in the text of this Bond; and that this Bond has been issued in exchange for or replacement of a Bond of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

The Bank of New York Mellon
Trust Company, N.A.
Paying Agent/Registrar

By: _____
Authorized Representative

*FORM OF COMPTROLLER'S CERTIFICATE ATTACHED TO
THE BONDS UPON INITIAL DELIVERY THEREOF

COMPTROLLER'S CERTIFICATE

OFFICE OF COMPTROLLER §

REGISTER NO. _____

STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the City of College Station, Texas, payable in the manner provided by and in the ordinance authorizing same, and said Bond has this day been registered by me.

WITNESS MY HAND and seal of office at Austin, Texas this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

NOTE: *to accompany initial Bonds only.

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

. PROCEDURES REGARDING COMPLIANCE WITH FEDERAL TAX AND CONTINUING DISCLOSURE COVENANTS

This Exhibit is intended to assist the City of College Station (the "City") in complying with the federal income tax covenants and securities disclosure covenants as they apply to the issuance of tax-exempt debt securities such as the General Obligation Improvement and Refunding Bonds (the "Obligations"). These procedures should be read together with any federal tax certifications, bond covenants, letters or memoranda from bond counsel and any attachments thereto (collectively, the "Closing Documents"). Failure to comply with federal guidelines could have serious consequences for investors, the City and its officials.

These procedures shall apply to the Obligations, until they are superseded by a change in circumstances at which time the City's bond counsel will propose new procedures to be adopted.

I. FEDERAL TAX LAW

1. Arbitrage Compliance.

Arbitrage refers to the difference between the interest paid on tax-exempt Obligations and the interest earned by investing the proceeds of tax-exempt Obligations in higher-yielding investments. Such higher-yielding investments could take the form of loans, securities, real property, personal property, or other investments that could yield a profit to the City. Federal income tax laws generally restrict the ability to earn arbitrage utilizing the proceeds of tax-exempt Obligations. Generally, any profit from investing Obligation proceeds at a yield above the yield paid on the Obligations belongs to the federal government and must be rebated to the federal government. If the City fails to comply federal tax guidelines, Obligations could be deemed to be "arbitrage bonds" by the Internal Revenue Service (the "IRS"), which would expose the City to monetary liability from the City's investors.

The arbitrage yield on the Obligations is set forth on the IRS Form 8038-G.

The Executive Director of Business Services and the City Treasurer (including such other employees of the City who report to such officers) (collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

- a. Procedures applicable to the Obligation. The Responsible Person shall undertake the following procedures.

- i. If the City plans to spend funds currently on hand for a future project with the intent to later repay such funds from a debt issue, the Responsible Person shall contact Bond Counsel to obtain advice regarding a reimbursement resolution. The Responsible Person shall maintain any official action of the City (such as a reimbursement resolution) stating the City's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project.
- ii. The Responsible Person shall ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS.
- iii. If proceeds of the Obligations are to be invested in interest-earning investments, assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired. If proceeds of the Obligations are to be invested in interest-earning investments, the Responsible Person should contact the City's arbitrage consultant regarding such matters.
- iv. The Responsible Person shall monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund (the "I&S Fund"), to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period.

NOTE: the purpose of the I&S Fund is to achieve a proper matching of revenues with principal and interest payments within each fiscal year. The I&S Fund should be used a mechanism for payment of current debt service and not as a long-term investment fund for debt service many years in the future.

- v. The Responsible Person shall ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.
- b. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person shall undertake the following.

- i. The Responsible Person shall instruct the persons who are primarily responsible for the construction, renovation or acquisition of the facilities financed with Obligations (the “Project”) that the Project must (i) proceed with due diligence toward completion and that (ii) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within six (6) months of the date of closing of the Obligations (the “Issue Date”). The Responsible Person shall monitor that the above requirements are satisfied.
 - ii. The Responsible Person shall monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date.
 - iii. The Responsible Person shall monitor investment of proceeds of the Obligations and restrict the yield of the investments to the yield on the Obligations after three years of the Issue Date.
 - iv. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are later refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes, and shall contact Bond Counsel as necessary.
- c. *Procedures applicable to Escrow Accounts for the Obligations.* In addition to the foregoing, with respect to the proceeds of the Obligations deposited to the escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person shall undertake the following.
- i. The Responsible Person shall review invoices, reports and other notifications from the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances.
 - ii. The Responsible Person shall contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed.
 - iii. The Responsible Person shall monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

B. Private Business Use.

Generally, the proceeds of tax-exempt Obligations may not inure to the benefit of entities other than state or local governments (“private business use”). Private business use occurs whenever Obligation proceeds are used to benefit any entity other than a state or local government, *including nonprofit corporations and the federal government.*

A series of Obligations may lose their tax-exempt status if: (i) more than 10% of the proceeds of the Obligations are to be used for any private business use and the payment of the principal or interest on more than 10% of the proceeds of the Obligations is secured by or payable from property used for a private business use, or (ii) the amount of proceeds of the Obligations used to make loans to borrowers other than state and local governments exceeds the lesser of 5% of the proceeds or \$15 million.

With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations, the Responsible Person shall undertake the following to ensure the Obligations do not violate private business use tests.

- a. The Responsible Person shall develop procedures or a “tracking system” to identify, log and record all property financed with tax-exempt debt and identify the issue of Obligations used to finance such property.
- b. The Responsible Person shall monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended.
- c. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, research contract, naming rights agreement, purchase contract, management agreement or other service agreement) with respect to any portion of the Project.
- d. Before entering into any private business use arrangement that involves the use of the Project, the Responsible Person must obtain a description of the proposed private business use arrangement and determine whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project. In connection with the evaluation of any proposed private business use arrangement, the Responsible Person should consult with Bond Counsel to discuss whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project, and, if not, whether any “remedial action” permitted under federal guidelines may be taken as a means of enabling such private business use without adversely affecting the tax-exempt status of the Obligations.
- e. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the

City, the agents of the City or members of the general public has a right to use the output of the Project (*e.g.*, water, gas, electricity, capacity) on any basis other than standard rates and charges.

- f. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, has a naming right for the Project or any other contractual right granting an intangible benefit.
- g. Prior to any sale of property owned by the City (real or personal), the Responsible Person must confirm whether such property was financed with tax-exempt debt, and if so, determine whether the proposed disposition of the property could impact the tax-exempt status of the series of Obligations that financed the acquisition of such property.
- h. The Responsible Person shall take any action necessary to remediate any failure to maintain compliance with the covenants contained in the ordinance authorizing the issuance of the applicable series of Obligations.

C. Record Retention.

The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

For purposes of these procedures, the Memorandum of Bond Counsel dated December 1, 2011 styled "Certain Federal Income Tax Considerations for Record Retention – Record Management Program and Periodic Compliance Review" is incorporated herein and should be reviewed periodically, at least once per year, by the Responsible Person.

D. Responsible Person & Continuity.

Each Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

Prior to cessation of employment with the City, the Responsible Person should identify their successor to maintain compliance with these procedures.

II. FEDERAL SECURITIES LAW

Obligations, whether taxable or tax-exempt, sold in a public offering in an amount of \$1 million or more are subject to Rule 15c2-12 (the “Rule”) of the United States Securities and Exchange Commission (the “SEC”). Additionally, the City may have covenanted to comply with the Rule even with respect to Obligations that would otherwise be exempt from the Rule (*e.g.*, Obligations sold in a private placement or Obligations sold in an amount less than \$1 million). Pursuant to the Rule, the City is required to make annual filings of certain information, as well as make filings upon the occurrence of certain specified events. All filings must be made with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access System (“EMMA”) at emma.msrb.org.

A. Annual Filings.

The City must file the information listed below with EMMA within six (6) months of each fiscal year end for so long as the respective series of Obligations remains outstanding. The City’s fiscal year ends on September 30 of each year. Therefore, the City must provide updated information by March 31 of the subsequent year. If audited financial statements are not available by March 31, the City must provide unaudited financial information by such date and provide audited financial statements when such statements become available. The City must file each of the following items with EMMA:

- (1) The City’s audited financial statements; and
- (2) An update of the financial tables included in the Official Statement used in connection with the Obligations as described under the caption "Continuing Disclosure of Information". The information should be from the most recent fiscal year end.

The Responsible Person must compile, prepare and make such filings within the required time, or, alternatively, contract with a third-party, such as the City’s financial advisor, to make such filings on the City’s behalf.

B. Notices of Specified Events.

The City must provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event):

- (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 IRS 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 Obligations, or other material events affecting the tax status of the Obligations;
- (7) Modifications to rights of Obligation holders, if material;
- (8) Obligations calls (includes redemptions and other early payments), if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Obligations, 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;
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material; and
- (15) In a timely manner, notice of a failure of the City to make the required annual filings listed in Subsection II(A) above.

The Responsible Person should review this list at regular intervals to determine whether any event has occurred that may require a filing with EMMA.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 16 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 below (and included in the Appendix or under the headings of the Official Statement referred to):

1. The "Annual Financial Report" for the most recently concluded fiscal year.
2. The information included in the Official Statement under the following tables, but for the most recently concluded fiscal year: Tables 1 through 6 and 8 through 20.

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 described above, as such principles may be changed from time to time to comply with state law or regulation.

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT